RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: WHITE HOUSE OFFICE OF NATIONAL (WNS_1) (WHO)

CREATION DATE/TIME:30-APR-1993 16:00:00.00

SUBJECT: National Service Section by Section Outline

TO: FAX (83103999245,John Rubin) (TLXA1MAIL_\F:83103999245\C:John Rubin\\ ) (DEFAULT)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_COURIER
April 30, 1993

OUTLINE OF LEGISLATION

NATIONAL SERVICE INITIATIVE

President Clinton's national service program will expand educational opportunity, reward individual responsibility, and build the American community by bringing citizens together to tackle common problems. The President's support for service extends from the youngest elementary students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs.

The centerpiece of the President's initiative to support service is a new program to offer education awards to Americans who make a substantial commitment to service. In addition to this program, which builds on the youth corps and demonstration programs of the National and Community Service Act of 1990, the National Service Trust Act includes:

o Extension and improvement of programs in the National and Community Service Act of 1990 that enhance elementary and secondary education through community service in schools, support after-school and summer programs for school-age youth, and fund service programs on college campuses.

o Support for the Points of Light Foundation, to support volunteerism.

o Extension and improvement of VISTA and the Older American Volunteer Programs authorized by the Domestic Volunteer Service Act.

o Creation of a new Investment Fund for Quality and Innovation to support model service programs and activities designed to ensure the development of high quality national service programs.

Focus of Service

o National service must address unmet educational, environmental, human, or public safety needs. National priorities may be established within these areas.

o National service must improve the life of the participants, through citizenship education and training.
o Participants may not displace or duplicate the functions of existing workers.
Corporation for National Service

Structure
o The national service program will be administered by a new government Corporation for National Service, created by combining two existing independent federal agencies, the Commission on National and Community Service and ACTION.
o The corporation will be responsible for administering all programs authorized under the National and Community Service Act and Domestic Volunteer Service Act, including VISTA and the Older American Volunteer Programs. The Corporation will also fund training and technical assistance, service clearinghouses and other activities.
o The investment division of the corporation will administer the new trust program and programs currently administered by the Commission on National and Community Service.
o The operating division will administer programs currently run by the ACTION agency, including VISTA and the Older American Volunteer Programs.
o Flexible and quality-driven personnel policies will include pay-for-performance and a 5-year limit on most tenures.
o The Corporation may solicit and accept private funds.
Governance
o The corporation will have an eleven-member volunteer Board of Directors appointed by the President and confirmed by the Senate. It will be bipartisan and include persons experienced in national service and experts in providing educational, environmental, human need, or public safety service.
o The first Board members will be appointed primarily from the Board of Directors of the Commission on National and Community Service. Seven Cabinet secretaries will serve as non-voting ex-offio members.

o The Board will develop the corporation's strategic plan, approve grant decisions, review other policy and personnel decisions, receive and act on reports from the Inspector General, supervise evaluations, and advise the Corporation on all issues.
o A Chairperson of the Board and a Managing Director for each division will full-time employees appointed by the President and confirmed by the Senate.
Oversight
o An Inspector General will oversee programs to guard against fraud and abuse.
o Programs must arrange for independent audits and evaluations, and may also be required to participate in national or state evaluations.
State Commissions

Structure
o In order to receive a grant, each state must establish a

commission on national service. The corporation will provide funding for the state commission.

o Commissions will have members appointed by the governors on a bipartisan basis from among the following: youth, educators, representatives of youth sorps, older American volunteer programs, and other nonprofit service providers, labor, business, and experts in meeting particular unmet needs. No more than 25 percent of voting members may be state officials, although additional state agency representatives may sit on the commissions as non-voting ex-officio members. Commissions will elect their own chair.

o A representative of the corporation will sit on each commission as a voting member and act as liaison between the commission and the corporation.

Duties

o State commissions will be responsible for selecting programs to be funded under the state formula allocation, and in any competitive grant states may request.

o State commissions must also design strategic plans for service in the states, recruit participants, and disseminate information about service opportunities.

o State commissions may also support clearinghouses, training and technical assistance, and other initiatives to support service. They may not operate national service programs, but may use a portion of funds to support programs run by state agencies.

Transition

o For a period of one year, existing state agencies may assume the responsibility of state commissions.

o The Corporation may approve an alternative agency in place of a commission at a state's request, if the agency ensures diverse participation in policy making.

Allocation of Funds

o States submitting plans approved by the Corporation will receive on-third of funds according to a population-based formula and one-third on a competitive basis.

o One-third of funds will be allocated directly by the corporation. Programs eligible for priority consideration include federal programs, national nonprofit organizations operating multiple programs or competitive grant programs, national service initiative in more than one state and meeting priority needs, proposals to replicate successful programs in more than one state, professorial corps, and innovative national service programs.

Programs

Goals

o Programs must set measurable goals regarding the impact of the service on the community and on participants.

Eligibility

o Programs eligible for national service designation include diverse community corps, youth corps, specialized service programs focusing on a specific community need, individual placement programs, campus-base service programs, programs that train and place service-learning coordinators in schools or team leaders in corps programs, intergenerational programs, national service entrepreneurship programs, and professional corps.

- o Programs may be run by non-profit organizations, institution of higher education, local governments, school districts, states, or federal agencies.
- o Programs may not provide direct benefits to for-profit businesses, labor unions, or partisan political organizations, or involve participants in religious activities.

Selection

- o Selection criteria include quality (based on criteria developed in consultation with experts in the field), innovation, sustainability, and replicability of programs.

- o Past experience and management skills of program leadership, involvement of participants in leadership roles, and the extent to which the program builds on existing programs will also be taken into account.
- o Programs serving and recruiting participants from communities of need, including those designated as enterprise zones, community redevelopment areas, areas with high poverty rates, environmentally distress areas, and communities adversely affected by decreased defense spending will also receive special consideration.

Funding

- o All participants will receive educational awards.
- o To develop programs, one-year planning grants will be available. To support national service participants, three-year renewable grants will be available for program demonstration, expansion, or replication.
- o Administrative costs will be limited to five percent of all grants other than planning grants.
- o Programs must pay 15 percent of the stipend and health care benefits in cash and 25 percent of other program costs receiving federal support. The 25 percent match my be in cash or in kind from any source other than programs funded under the National and Community Service or Domestic Volunteer Service Acts.
- o Federal funds must supplement, not supplant, state and local dollars.

Participants

Eligibility

- o Individuals may serve before, during, or after post-secondary education.
- o In general, participants may be age 17 or older. Youth corps participants may be age 16 or older.
- o Participants must be high school graduates or agree to achieve the GED prior to receiving educational awards.

Selection

- o Participants will be recruited and selected on a nondiscriminatory basis without regard to political affiliation by local programs designated by states or the federal government.
- o A national or state recruitment system will help interested

individuals locate placements in local programs. Information

about available positions will be widely disseminate through high schools, colleges and other placement offices. A special leadership corps may be recruited, trained, and placed to assist in the development of new national service programs.

Term of Service

- To earn an educational award, a participant must take part in one year of full-time or two years of part-time service in a program designated by a state or the federal government. An individual may serve up to two terms and earn up to two educational awards.

Educational Awards

- Educational awards of $5,000 will be provided for a term of service. Educational awards may be used to repay loans for higher education or to pay for higher education or training.
- Educational awards will be federally funded and deposited into a national service trust on behalf of all participant accepted into the program. Organizations and individual may donate funds to support national service participants in the donor's community.
- Payments will be made directly to qualified post-secondary educational institutions including two- and four-year colleges, training programs, and graduate or professional programs.
- In the case of participants with outstanding loan obligations for qualified educational activities, awards will be paid directly to lenders.
- Awards will not be taxable and must be used within five years of receipt.

Stipends

- Programs will set stipends within program guidelines. However, federal support will be limited to a match of 85 percent of an annual stipend equivalent to benefits received by VISTA volunteers. Programs may provide additional stipends up to twice this amount, with no federal match for the portion of the stipend in excess of the VISTA benefit.
- In the limited case of designated professional corps in areas of great need, such as teaching and public safety in underserved areas, participants may be paid a salary in excess of the guidelines and receive an educational award. However, no federal support will be available for a stipend.

Health and Child Care

- All participants without access to health insurance will receive health coverage. Federal dollars will pay up to 85 percent of the cost of these benefits.
- Participants may receive child care assistance, if needed.

SERVE AMERICA

The proposal extends and expands the existing Serve-America program for school-age youth and Higher Education Innovative Projects for Community Service. Modifications to these programs are described below.

Service-

Learning Program

Program Goals
o To build a foundation for service among the nation's youth, inspiring them to serve and instilling in them the values and attitude to serve effectively after graduation.
o To create opportunities for all American children to serve our country.
Types of Programs
o Programs may be partnerships of local education agencies an community-based organizations.
o Local educational agencies may receive planning grants to hire service-learning coordinators.
Types of Funding
o School-based programs will be eligible for funding through state educational agencies, partly based on formula and partly through competition.
o State educational agencies must develop state plans that indicate programs to be funded and detail 3-year strategies for service-learning in theirs states. The Corporation must approve state plans.
o Programs may receive one-year planning grants for school-based programs. Subgranting to experienced institutions for school-based programs will also be allowed.
o All local programs will be required to provide at least 10 percent of total program costs in the first year of funding, increasing to 50 percent in the fourth. Local programs may utilize other federal education funds to meet the match requirement.

Training and Technical Assistance
o Clearinghouses will be expanded to further enable them to disseminate information and curriculum materials; train teachers, service sponsors and participants; and provide needs assessments or technical assistance.
o States will also receive additional resources to train and educate state educational personnel.
Community-

based Program for School-

Age Youth

o Community-based organizations working with school-age youth may receive grants from the State Commission for programs to involve such youth in community service.
o National non-profit organizations may apply to the Corporation to make subgrants or run multi-state community-service programs for this population.
Higher Education Innovative Projects

o Higher Education institutions, consortia of such institutions, or partnerships of higher education institutions and non-profit institutions may receive grants from the Corporation for student community-service programs or programs to train teachers in service-learning methods.

o Funds may supplement College Work-Study funds being used for community service placements.

EXTENSION OF THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973

The proposal extends and expands VISTA and Older American Volunteer Programs authorized by the Domestic Volunteer Service Act. Following a transition period, these programs will be administered by the Corporation for National Service.

VISTA

o Extends authority for the VISTA program and increases number of VISTA volunteers.

o Authorizes new VISTA Summer Associate program.

o Authorizes a University Year for VISTA program to encourage student volunteer efforts addressing the needs of low-income communities.

o Removes restrictions limiting the flexibility to manage VISTA, while reaffirming commitment to recruiting a diverse group of VISTA volunteers including young and older adults.

o Increases post-service stipends by $30 for each month of service. Such stipends are not available if VISTA volunteer accepts an educational award under the national service trust.

o Continues support for VISTA Literacy Corps.

Special Volunteer Programs

o Provides broadened authority under the Special Volunteer Programs to supporting demonstrations and innovations, provide technical assistance, and promote other entrepreneurial activities. Eliminates specific authority for student community service and drug programs, which are covered under the broadened demonstration authority and under the National and Community Service Act.

Older American Volunteer Programs

o Renames the Older American Volunteer Programs as National Senior Volunteer Corps and the Retire Senior Volunteer Program as the Retired and Senior Volunteer Program (RSVP)

o Lowers eligibility age for participation in the RSVP program to 55.

o Clarifies the Foster Grandparents may work with children with special and exceptional needs in Head Start programs, schools, and day care centers.

o Provides for a new demonstration authority to enrich and strengthen older American volunteer programs across the country.

o Eliminates restrictions that limit the flexibility to administer the program.

o Increases the stipend for low-income Foster Grandparents and Senior Companion once over the next five years to account for

inflation.
Administration

o Encourages relationships between ACTION and other federal agencies where ACTION volunteers might help further the purposes of other Federal programs.
o Authorizes a Center for Research and Training on Volunteerism to strengthen volunteer programs across the country.
o Provides a technical amendment to restore the crediting of VISTA service for federal pensions.
o Provides a copyright for the programs authorized under the Act.

HORIZONTAL_PITCH 8
PRINTER FONT 14_POINT_COURIER
STUDENT LOAN REFORM ACT OF 1993

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER

Today, the Federal student loan programs provide billions of dollars to private lenders and other agencies -- billions of taxpayer dollars that do not go toward serving students. Furthermore, complex procedures and inflexible repayment plans create serious problems for some students. Burdened with debt and locked into insensitive repayment plans, many students cannot repay their loans, leaving taxpayers to foot the bill. The current system doesn't serve students or taxpayers well.

This legislation reforms the student loan system with a less costly and less complicated alternative. The Administration's Student Aid Reform Act will provide all borrowers with flexible repayment options, including EXCEL Accounts, which allow borrowers to repay loans as a percentage of their incomes. It also reforms the student loan system by replacing the current guaranteed student loan system with a system of direct Federal lending. These changes will:

o Make repayment easier by allowing borrowers to select the best way to repay their loans. Borrowers will be able to choose among several different repayment options, including fixed, graduated, extended, and income-contingent EXCEL Accounts. Providing a range of flexible repayment plans will allow students to enter lower-paying community service jobs without worrying about their debt burden and will reduce default rates.
o Reduce costs for taxpayers by substituting Federal borrowing for more expensive private capital and eliminating excess profits in the current system. By using low-interest rate Treasury borrowing and by eliminating excess profits, direct lending will reduce Federal costs by $4.3 billion through fiscal year 1998.
o Reduce costs for students by lowering interest rates. Part of the substantial savings achieved from lowering the cost of capital and eliminating profits will be used to reduce the interest rate for student borrowers, when the plan is

fully implemented.

EXCEL ACCOUNTS: EASING REPAYMENT AND ENCOURAGING SERVICE

The EXCEL Account will, for the first time, allow all borrowers to pay off their loans as a percentage of their incomes. This income contingent repayment plan, together with other flexible repayment options, will give borrowers the opportunity to choose lower-paying service jobs regardless of the level of debt incurred while in school. This new plan will also help to reduce student loan defaults.

Borrowers will have the opportunity to choose from a range of flexible repayment options to best fit their financial situation. In addition, borrowers will be able to switch repayment plans as their financial situations change.

EXCEL Accounts will provide for repayments that depend upon income. Borrowers will be able to repay over a longer period of time than in the other repayment options. The length of repayment will depend on the borrower's level of debt and income.

o The legislation requires the Secretary of Education to publish regulations on the specific provisions of this income-contingent plan, including the percentage of income to be repaid each year and the length of repayment.

o To increase accountability, the Secretary will also have the authority to require defaulters to repay through income contingency.

o The legislation will extend EXCEL Accounts to borrowers with existing loans. It authorizes the Department of Education to offer income contingent repayments to current borrowers if lenders do not offer them acceptable income sensitive repayment opportunities.

Fixed, graduated, and extended repayment plans will also be available to all borrowers.

o Standard repayment describes a fixed-payment, fixed-term (usually 10 years) plan that is currently used by most student loan borrowers.

o Extended repayment describes a plan with a lower fixed payment and a longer fixed term than available under a standard repayment plan.

o Graduated repayment plans expect borrowers to repay smaller amounts in the beginning when their incomes tend to be lower and larger amounts later when their incomes tend to be higher.

IRS Role

To make repayment easier and more effective, the bill contains provisions to include the Internal Revenue Service (IRS) in the collection of student loans.

o Starting in fiscal year 1994, the legislation gives the Secretary the authority to offer income contingent repayments to borrowers using information from the IRS on borrowers' incomes. The legislation will amend the current disclosure provisions to allow IRS to provide this information to the Department of Education.

o As a second step, the bill requires the Secretaries of Education and Treasury to jointly develop a plan to provide repayment options through the IRS and wage withholding.

ONE-

STOP DIRECT STUDENT LOANS

The legislation calls for the Federal government to make loans directly to students, substituting Federal borrowing for private capital. These changes will streamline the system, reduce interest rates for students, and save taxpayers billions of dollars.

The proposal will replace the Federal Family Education Loan (FFEL) programs with the Federal Direct Student Loan (FDSL) programs. Most students will receive all of their financial aid through their existing financial aid offices -- "one stop shopping".

Direct lending substitutes Federal capital for more expensive private capital and eliminates excess profits to lenders, saving $4.3 billion through fiscal year 1998. Under the plan, direct lending will phase in over four years, beginning in academic year 1994-1995. Federal capital will be used for all new student loans. The goal is to begin with 4 percent of new loan volume in direct lending in the first year, 25 percent the second year, 60 percent the third year, and full implementation in academic year 1997-1998.

Private lenders will no longer make, or "originate", student loans. Many postsecondary institutions will make loans themselves; others will use the services of alternative originators. No institution will be required, however, to originate loans itself. In addition, no school will "service" or collect loans.

Some features of the legislation regarding origination and servicing are:

o Criteria measuring the financial and administrative capability of institutions to originate loans will be used to determine which institutions may originate loans and which should use alternative originators.

o Institutions that meet the financial and administrative criteria, but do not wish to originate loans, will also be able to use alternative originators.

o The Department of Education will pay a small fee to schools that originate loans themselves and will contract out on a competitive, fee-for-service basis to alternative originators. Alternative originators may be State agencies, private lenders, Sallie Mae, and other organizations.

o Responsibility for servicing loans while students are in school and while they are in repayment will not rest with the postsecondary institutions. The Department of Education will contract with a number of organizations to service student loans. These organizations, which could include State agencies, Sallie Mae, and private firms, will be chosen through a competitive process.

ENSURING A SMOOTH TRANSITION

The Department of Education will be responsible for monitoring and overseeing the student loan system as part of its overall oversight of the Federal student aid system. The Department is developing a detailed plan to ensure adequate loan capital in the event that private capital dries up. The legislation will provide the Department with additional authorities to move quickly if capital shortages occur.

o Postsecondary institutions, alternative originators, servicers, and the Department of Education will share data on student loans throughout the nation. The Department will also complete work on the National Student Loan Data System. Such a system has been under development since 1989 and must be expanded to perform all the functions needed for direct loans.

o During the phase-in period, the terms and conditions for the FDSL, including loan limits, eligibility rules for loan subsidies, and number of loan programs, would be similar to the existing FFEL programs, including the provisions for loan deferment and forbearance.

o The legislation also provides for two changes to the nation's guarantee agency services, which provide in every state an intermediary for the Federal government and reinsure all loans in the current FFEL programs. The legislation ensures adequate financing for the current guarantee agencies during the transition and provides for alternative mechanisms to assure loan guarantees in the event that any of the guarantee agencies do not continue to operate.

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Stuart E. Trevelyan (TREVELYAN_S) (WHO)

CREATION DATE/TIME:09-JUN-1993 17:58:00.00

SUBJECT: Housewatch

TO: Manager Infomgt (INFOMGT) (SYS)
READ: UNKNOWN

TO: Timothy J. Keating (KEATING_T) (WHO)
READ: UNKNOWN

TO: Unice B. Lieberman (LIEBERMAN_U) (WHO)
READ: UNKNOWN

TO: Tracey E. Thornton (THORNTON_T) (WHO)
READ: UNKNOWN

TO: Melissa G. Banks (BANKS_M) (WHO)
READ: UNKNOWN

TO: Barbara C. Chow (CHOW_B) (WHO)
READ: UNKNOWN

TO: Nestor M. Davidson (DAVIDSON_N) (WHO)
READ: UNKNOWN

TO: Karen L. Hancox (HANCOX_K) (WHO)
READ: UNKNOWN

TO: LeeAnn Inadomi (INADOMI_L) (WHO)
READ: UNKNOWN

TO: Lorraine C. Miller (MILLER_L) (WHO)
READ: UNKNOWN

TO: Kathleen L. O'Neill (ONEILL_K) (WHO)
READ: UNKNOWN

TO: Steve Ricchetti (RICCHETTI_S) (WHO)
READ: UNKNOWN

TO: Margaret C. Sherry (SHERRY_M) (WHO)
READ: UNKNOWN

TO: Stuart E. Trevelyan (TREVELYAN_S) (WHO)
READ: UNKNOWN

TO: Ann M. Cattalini (CATTALINI_A) (WHO)
READ: UNKNOWN

TO: Anne Walker (WALKER_A) (WHO)
READ: UNKNOWN

TO: S. Collier Andress (ANDRESS_S) (WHO)
READ: UNKNOWN

TO: Heather Beckel (BECKEL_H) (WHO)
READ: UNKNOWN

TO: Eric Berman (BERMAN_E) (WHO)
READ: UNKNOWN

TO: Elizabeth A. Bernstein (BERNSTEIN_E) (WHO)
READ: UNKNOWN

TO: Robert O. Boorstin (BOORSTIN_R) (WHO)
READ: UNKNOWN

TO: Liz Bowyer (BOWYER_L) (WHO)
READ: UNKNOWN

TO: Keith Boykin (BOYKIN_K) (WHO)
READ: UNKNOWN

TO: David Dreyer (DREYER_D) (WHO)
READ: UNKNOWN

TO: Deborah L. Fine (FINE_D) (WHO)
READ: UNKNOWN

TO: Deborah L. Fine (FINE_D) (WHO)
READ: UNKNOWN

TO: David Kusnet (KUSNET_D) (WHO)
READ: UNKNOWN

TO: David Leavy (LEAVY_D) (WHO)
READ: UNKNOWN

TO: Mike Lux (LUX_M) (WHO)
READ: UNKNOWN

TO: Julie Oppenheimer (OPPENHEIME_J) (WHO)
READ: UNKNOWN

TO: Meeghan E. Prunty (PRUNTY_M) (WHO)
READ: UNKNOWN

TO: Ricki Seidman (SEIDMAN_R) (WHO)
READ: UNKNOWN

TO: Jason Solomon (SOLOMON_J) (WHO)
READ: UNKNOWN

TO: George Stephanopoulos (STEPHANOPO_G) (WHO)
READ: UNKNOWN

TO: Kimberly Tilley (TILLEY_K) (WHO)
READ: UNKNOWN

TO: Michael Waldman (WALDMAN_M) (WHO)
READ: UNKNOWN

TO: Anne Walker (WALKER_A) (WHO)
READ: UNKNOWN

TO: Carter Wilkie (WILKIE_C) (WHO)
READ: UNKNOWN

TO: Amy Zisook (ZISOOK_A) (WHO)
READ: UNKNOWN

TO: Lisa Mortman (MORTMAN_L) (WHO)
READ: UNKNOWN

TO: David Seldin (SELDIN_D) (WHO)
READ: UNKNOWN

TO: Patricia A. Enright (ENRIGHT_P) (WHO)
READ: UNKNOWN

TO: Jeffrey L. Eller (ELLER_J) (WHO)
READ: UNKNOWN

TO: David B. Anderson (ANDERSON_D) (WHO)
READ: UNKNOWN

TO: Lillian Fernandez (FERNANDEZ_L) (WHO)
READ: UNKNOWN

TO: Jocelyn Jolley (JOLLEY_J) (WHO)
READ: UNKNOWN

TO: David Dreyer (DREYER_D) (WHO)
READ: UNKNOWN

TEXT:
PRINTER FONT 12_POINT_ROMAN
HOUSEWATCH
THURSDAY, JUNE 10, 1993

PRINTER FONT 12_POINT_ROMAN_ITALIC
FLOOR:
PRINTER FONT 12_POINT_ROMAN
10:00 AM Topic: Consideration of Legislative Branch Appropriations

PRINTER FONT 12_POINT_ROMAN_ITALIC
EVENTS:
PRINTER FONT 12_POINT_ROMAN
10:00 am Rep. Istook (R-OK) holds news conference to announce legislation aimed at curbing diesel fuel tax evasion.

PRINTER FONT 12_POINT_ROMAN_ITALIC
MARKUPS:

PRINTER FONT 12_POINT_ROMAN
9:30 AM
House Committee on Appropriations
Topic: Fiscal Year 1994 Appropriations for Foreign Operations

9:30 AM *** Mark

-up Follows Full Committee Mark

-up ***
House Committee on Appropriations
Energy and Water Development Subcommittee
Topic: Fiscal Year 1994 Appropriations for Energy Programs

10:00 AM
House Committee on Natural Resources
National Parks, Forests, and Public Lands Subcommittee
Topic: Pending Legislation
Bills:
S.80 BY GRAMM, PHIL (R

-TX) -- Big Thicket National Preserve
Addition Act
of 1993
H.R.433 BY WILSON, CHARLES (D

-TX) -- Big Thicket National
Preserve
Addition Act of 1993
H.R.1347 BY DICKEY (R

-AR) -- Hot Springs National Park
Boundary,
Modification
H.R.1944 BY UNDERWOOD (D

-GUAM) -- War in the Pacific National
Historical
Park, Additional Development

10:00 AM
House Committee on Natural Resources
Energy and Mineral Resources Subcommittee
Topic: Amendments to the Geothermal Steam Act of 1970

Bills:

H.R.1137 BY WILLIAMS, PAT (D

-MT) -- Old Faithful Protection Act
of 1993

10:00 AM
House Committee on Foreign Affairs
International Security, International Organizations, and Human
Rights
Subcommittee
Topic: Pending Legislation
Bills:
H.C.R.106 BY ACKERMAN (D

-NY) -- Resolution Urging the President
to Raise
the Issue of Chinese Population Transfer into Tibet
H.RES.188 BY LANTOS (D

-CA) -- Resolution Urging that the
Olympics Held in
the Year 2000 Not Take Place in the People's Republic of
China
Scheduled Witnesses: None

10:00 AM
House Committee on the Judiciary
Topic: Funding for the Resolution of Failed Savings Associations
Bills:
H.R.1340 BY GONZALEZ (D

-TX) -- Thrift Depositor Protection Act
of 1993

11:00 AM
House Committee on Appropriations
Transportation and Related Agencies Subcommittee
Topic: Fiscal Year 1994 Appropriations for Programs under the
Committee's
Jurisdiction

PRINTER FONT 12_POINT_ROMAN_ITALIC
COMMITTEES:

PRINTER FONT 12_POINT_ROMAN
9:30 AM
House Committee on Veterans' Affairs
Housing and Memorial Affairs Subcommittee
Oversight Topic: The Department of Veterans Affairs National
Cemetery System

9:30 AM
House Committee on Science, Space and Technology
Subcommittee on Space
Topic: Fiscal Year 1994 Authorization for the National Oceanic
and Atmospheric
Administration

9:30 AM
House Committee on Agriculture
Foreign Agriculture and Hunger Subcommittee
Topic: Review of Hunger: Regions in Need of Intervention
Assistance

9:30 AM *** May Close ***
House Committee on Armed Services
Military Forces and Personnel Subcommittee
Topic: Cost

-of

-Living

-Allowance Issue and the Proposed $50
Million
Military

-to

-Military Program

10:00 AM
House Committee on Education and Labor
Elementary, Secondary, and Vocational Education Subcommittee
Hearing
Topic: Elementary and Secondary Education Amendments of 1993
Bills:
H.R.6 BY KILDEE (D

-MI) -- Elementary and Secondary Education
Amendments of
1993
Scheduled Witnesses:
Carley Ochoa - Director, Compliance, Grants, and Parent
Outreach,
Riverside Unified School District, California
Susan Toscano - Principal, Fremont Elementary School,
Riverside,
California
Evangeline Wise - Assistant Supervisor, Chapter Compensatory
Education, Prince George's County Schools, Bowie, Maryland
Patricia Kelly - Principal, Langley Park

-McCormick Elementary

School,
Hyattsville, Maryland
Richard Force - Executive Director, Main Line Learning Project
10:00 AM
House Committee on Ways and Means
Human Resources Subcommittee
Oversight Topic: Child Support Enforcement

10:00 AM
House Committee on Education and Labor
Select Education and Civil Rights Subcommittee
Topic: Technology

-Related Assistance for Individuals with
Disabilities Act (P.L.
100

-407)

10:00 AM
House Committee on Ways and Means
Health Subcommittee
Topic: Health Care Service in Rural America

10:00 AM
House Committee on Banking, Finance and Urban Affairs
Economic Growth and Credit Formation Subcommittee
Topic: Defense Conversion

10:00 AM
House Committee on Armed Services
Military Acquisition Subcommittee
Research and Technology Subcommittee
Joint Topic: Fiscal Year 1994 National Defense Authorization
Focusing on Strategic and Theater Missile Defense

10:00 AM
House Committee on Government Operations
Human Resources and Intergovernmental Relations Subcommittee
Topic: Managing the Federal Direct Student Loan Program

10:00 AM *** Hearing Follows Mark

-up ***
House Committee on Foreign Affairs
International Security, International Organizations, and Human
Rights
Subcommittee
Topic: United States International Human Rights Policy

10:30 AM
House Committee on Agriculture
Department Operations and Nutrition Subcommittee

Topic: Review of the Registration Process of the Environmental Protection Agency
under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)
(Pub.L. 80

-104)

1:00 PM
House Committee on Appropriations
Treasury, Postal Service, and General Government Subcommittee
Oversight Hearing
Topic: The Bureau of Alcohol, Tobacco and Firearms Activities in Waco, Texas
1:00 PM
House Committee on the Judiciary
Crime and Criminal Justice Subcommittee
Oversight Topic: Abortion Clinic Access

1:30 PM
House Committee on Science, Space and Technology
Subcommittee on Energy
Topic: Department of Energy Research Laboratory Effectiveness
Bills:
H.R.1432 BY BROWN, GEORGE (D

-CA) -- Department of Energy Laboratory
Technology Act of 1993

2:00 PM
House Committee on Government Operations

Legislation and National Security Subcommittee
Topic: Foreign Government Procurement Discrimination and the Effectiveness of
Title VII

2:00 PM
House Committee on Small Business
Procurement, Taxation, and Tourism Subcommittee
Topic: Contract Bundling by Federal Agencies

3:00 PM
House Committee on Banking, Finance and Urban Affairs
International Development, Finance, and Trade Subcommittee
Markup
Topic: Authorization for the International Development Agency

RECORD TYPE: PRESIDENTIAL (RECONSTRUCTED EMAIL)

CREATOR: Joshua Silverman (SILVERMAN_J) (WHO)

CREATION DATE/TIME:24-JUN-1993 12:08:00.00

SUBJECT: MEDIA AFFAIRS SAVES THE DAY

TO: Ethan J. Zindler (ZINDLER_E) (WHO)
READ: UNKNOWN

TEXT:

=================== ATTACHMENT 1 ===================
ATT CREATOR: Jessamyn Sarmiento (SARMIENTO_J)

ATT CREATION DATE/TIME:24-JUN-1993 12:06:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: Natioanl service

ATT TO: Joshua Silverman (SILVERMAN_J)
READ: UNKNOWN

ATT TEXT:
here it is big guy. don't lose it.
================= END ATTACHMENT 1 =================

=================== ATTACHMENT 2 ===================
ATT CREATOR: Jonathan P. Gill (GILL_J)

ATT CREATION DATE/TIME:30-APR-1993 10:35:00.00

ATT BODY PART TYPE: B

ATT SUBJECT: Student Loan Reform Act of 1993

ATT TO: (202) 456-6444 (WNS_1)
READ: UNKNOWN

ATT TO: Christian M. Baldia (BALDIA_C)
READ: UNKNOWN

ATT TO: Janet Handal (HANDAL_J)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JGILL(A)NSF.GOV@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Michael Gill (GILL_M)
READ: UNKNOWN

ATT TO: Marla Romash (ROMASH_M)
READ: UNKNOWN

ATT TO: Jeffrey L. Eller (ELLER_J)
READ: UNKNOWN

ATT TO: Lisa Mortman (MORTMAN_L)
READ: UNKNOWN

ATT TO: Ernest D. Gibble (GIBBLE_E)
READ: UNKNOWN

ATT TO: Patricia A. Enright (ENRIGHT_P)
READ: UNKNOWN

ATT TO: Jonathan P. Gill (GILL_J)
READ: UNKNOWN

ATT TO: Richard Strauss (STRAUSS_R)
READ: UNKNOWN

ATT TO: Maria M. Tio (TIO_M)
READ: UNKNOWN

ATT TO: Joshua N. Silverman (SILVERMAN_J)
READ: UNKNOWN

ATT TO: Jess Sarmiento (SARMIENTO_J)
READ: UNKNOWN

ATT TO: Lavora R. Barnes (BARNES_L)
READ: UNKNOWN

ATT TO: C. Patricia Cogdell (COGDELL_C)
READ: UNKNOWN

ATT TO: Kimberly S. Hopper (HOPPER_K)
READ: UNKNOWN

ATT TO: Lorraine A. Voles (VOLES_L)
READ: UNKNOWN

ATT TO: Margaret C. Sherry (SHERRY_M)
READ: UNKNOWN

ATT TO: Elizabeth A. Bernstein (BERNSTEIN_E)
READ: UNKNOWN

ATT TO: Carolyn Curiel (CURIEL_C)
READ: UNKNOWN

ATT TO: David B. Anderson (ANDERSON_D)
READ: UNKNOWN

ATT TO: Remote Addressee (JACK
BELCHER@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (BULLETIN@1=US@2=TELEMAIL@3=HOUSE@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\WH-OUTBOX-DISTR(A)LEX-LUTHOR.AI.MIT.EDU@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JCMA(A)REAGAN.AI.MIT.EDU@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\HES(A)AI.MIT.EDU@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\USIA01(A)ACCESS.DIGEX.COM@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=WESTERN UNION@3=@5=EASYLINK@*ELN\62955104@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=COMPUSERVE@3=CSMAIL@*ID\73030,21@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (ALEXIS
BYRNE@1=US@2=ATTMAIL@3=GOV+USDA.SIES@5=SIESNET@MRX@EOPMRX)
READ: UNKNOWN

ATT TO: Remote Addressee (1=US@2=TELEMAIL@3=INTERNET@*RFC-822\JPOLEY(A)ESUSDA.GOV@MRX@EOPMRX)
READ: UNKNOWN

ATT TEXT:

PRINTER FONT 12_POINT_COURIER
The White House

Office of National Service

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FOR IMMEDIATE RELEASE
APRIL 30, 1993

CONTACT: ETHAN ZINDLER
202/456-6444

HORIZONTAL_PITCH 8
PRINTER FONT 14_POINT_COURIER
STUDENT LOAN REFORM ACT OF 1993

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER

Today, the Federal student loan programs provide billions of dollars to private lenders and other agencies -- billions of taxpayer dollars that do not go toward serving students. Furthermore, complex procedures and inflexible repayment plans create serious problems for some students. Burdened with debt and locked into insensitive repayment plans, many students cannot repay their loans, leaving taxpayers to foot the bill. The current system doesn't serve students or taxpayers well.

This legislation reforms the student loan system with a less costly and less complicated alternative. The Administration's Student Aid Reform Act will provide all borrowers with flexible repayment options, including EXCEL Accounts, which allow borrowers to repay loans as a percentage of their incomes. It also reforms the student loan system by replacing the current guaranteed student loan system with a system of direct Federal lending. These changes will:

* Make repayment easier by allowing borrowers to select the best way to repay their loans. Borrowers will be able to choose among several different repayment options, including fixed, graduated, extended, and income-contingent EXCEL Accounts. Providing a range of flexible repayment plans will allow students to enter lower-paying community service jobs without worrying about their debt burden and will reduce default rates.
* Reduce costs for taxpayers by substituting Federal borrowing for more expensive private capital and eliminating excess profits in the current system. By using low-interest rate Treasury borrowing and by eliminating excess profits, direct lending will reduce Federal costs by $4.3 billion through fiscal year 1998.
* Reduce costs for students by lowering interest rates. Part of the substantial savings achieved from lowering the cost

of capital and eliminating profits will be used to reduce the interest rate for student borrowers, when the plan is fully implemented.

EXCEL ACCOUNTS: EASING REPAYMENT AND ENCOURAGING SERVICE

The EXCEL Account will, for the first time, allow all borrowers to pay off their loans as a percentage of their incomes. This income contingent repayment plan, together with other flexible repayment options, will give borrowers the opportunity to choose lower-paying service jobs regardless of the level of debt

incurred while in school. This new plan will also help to reduce student loan defaults.

Borrowers will have the opportunity to choose from a range of flexible repayment options to best fit their financial situation. In addition, borrowers will be able to switch repayment plans as their financial situations change.

EXCEL Accounts will provide for repayments that depend upon income. Borrowers will be able to repay over a longer period of time than in the other repayment options. The length of repayment will depend on the borrower's level of debt and income.

* The legislation requires the Secretary of Education to publish regulations on the specific provisions of this income-contingent plan, including the percentage of income to be repaid each year and the length of repayment.
* To increase accountability, the Secretary will also have the authority to require defaulters to repay through income contingency.

* The legislation will extend EXCEL Accounts to borrowers with existing loans. It authorizes the Department of Education to offer income contingent repayments to current borrowers if lenders do not offer them acceptable income sensitive repayment opportunities.

Fixed, graduated, and extended repayment plans will also be available to all borrowers.

* Standard repayment describes a fixed-payment, fixed-term (usually 10 years) plan that is currently used by most student loan borrowers.
* Extended repayment describes a plan with a lower fixed payment and a longer fixed term than available under a standard repayment plan.
* Graduated repayment plans expect borrowers to repay smaller amounts in the beginning when their incomes tend to be lower and larger amounts later when their incomes tend to be higher.

IRS Role

To make repayment easier and more effective, the bill contains provisions to include the Internal Revenue Service (IRS) in the collection of student loans.

* Starting in fiscal year 1994, the legislation gives the

Secretary the authority to offer income contingent repayments to borrowers using information from the IRS on borrowers' incomes. The legislation will amend the current disclosure provisions to allow IRS to provide this information to the Department of Education.

* As a second step, the bill requires the Secretaries of Education and Treasury to jointly develop a plan to provide repayment options through the IRS and wage withholding.

ONE-

STOP DIRECT STUDENT LOANS

The legislation calls for the Federal government to make loans directly to students, substituting Federal borrowing for private capital. These changes will streamline the system, reduce interest rates for students, and save taxpayers billions of dollars.

The proposal will replace the Federal Family Education Loan (FFEL) programs with the Federal Direct Student Loan (FDSL) programs. Most students will receive all of their financial aid through their existing financial aid offices -- "one stop shopping".

Direct lending substitutes Federal capital for more expensive private capital and eliminates excess profits to lenders, saving $4.3 billion through fiscal year 1998. Under the plan, direct lending will phase in over four years, beginning in academic year 1994-1995. Federal capital will be used for all new student loans. The goal is to begin with 4 percent of new loan volume in direct lending in the first year, 25 percent the second year, 60 percent the third year, and full implementation in academic year 1997-1998.

Private lenders will no longer make, or "originate", student loans. Many postsecondary institutions will make loans themselves; others will use the services of alternative originators. No institution will be required, however, to originate loans itself. In addition, no school will "service" or collect loans.

Some features of the legislation regarding origination and servicing are:

* Criteria measuring the financial and administrative capability of institutions to originate loans will be used to determine which institutions may originate loans and which should use alternative originators.
* Institutions that meet the financial and administrative criteria, but do not wish to originate loans, will also be able to use alternative originators.

* The Department of Education will pay a small fee to schools that originate loans themselves and will contract out on a competitive, fee-for-service basis to alternative originators. Alternative originators may be State agencies, private lenders, Sallie Mae, and other organizations.
* Responsibility for servicing loans while students are in

school and while they are in repayment will not rest with the postsecondary institutions. The Department of Education will contract with a number of organizations to service student loans. These organizations, which could include State agencies, Sallie Mae, and private firms, will be chosen through a competitive process.

ENSURING A SMOOTH TRANSITION

The Department of Education will be responsible for monitoring and overseeing the student loan system as part of its overall oversight of the Federal student aid system. The Department is developing a detailed plan to ensure adequate loan capital in the event that private capital dries up. The legislation will provide the Department with additional authorities to move quickly if capital shortages occur.

* Postsecondary institutions, alternative originators, servicers, and the Department of Education will share data on student loans throughout the nation. The Department will also complete work on the National Student Loan Data System. Such a system has been under development since 1989 and must be expanded to perform all the functions needed for direct loans.
* During the phase-in period, the terms and conditions for the FDSL, including loan limits, eligibility rules for loan subsidies, and number of loan programs, would be similar to the existing FFEL programs, including the provisions for loan deferment and forbearance.
* The legislation also provides for two changes to the nation's guarantee agency services, which provide in every state an intermediary for the Federal government and reinsure all loans in the current FFEL programs. The legislation ensures adequate financing for the current guarantee agencies during the transition and provides for alternative mechanisms to assure loan guarantees in the event that any of the guarantee agencies do not continue to operate.

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================= END ATTACHMENT 2 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Ann T. Eder (EDER_A) (WHO)

CREATION DATE/TIME:29-OCT-1994 12:59:40.19

SUBJECT: test

TO: FAX (94566682,A Eder) (TLXA1MAIL_\F:94566682\C:A EderREAD:NOT READ

TEXT:
COMMENT
AUTHOR : Jason Goldberg
OPERATOR :
COMMENT :

PRINTER FONT 12_POINT_COURIER
"Never before have American women had so many options
PRINTER FONT 12_POINT_COURIER_OBLIQUE
-

-

or been asked to make such difficult choices.
It's time not only to make women full partners in government,
but to make government work for women."

PRINTER FONT 12_POINT_COURIER
-- William Jefferson Clinton and Albert Gore, Putting People
First

The President and his Administration have made an unprecedented commitment to empowering women through greater economic security, more workplace flexibility, and more emphasis on children and families and on women's health and safety. The Administration has invested in the economic and personal security of women through the President's economic plan, the Family and Medical Leave Law, the Earned Income Tax Credit, the Brady Law, and the Violent Crime Control and Law Enforcement Act. They have advanced women's rights through a series of executive and legislative actions that allow women the freedom to make their own reproductive decisions and to do so safely, with accurate information and without obstruction. They have put women's health concerns at the top of the medical research agenda by dramatically increasing the government's commitment to research cures for breast cancer, ovarian cancer, and osteoporosis.
Finally, the Administration has changed the face of governing by giving women a greater voice in all branches of the federal government, including Cabinet-level posts never before held by women.

What does all this really mean for women?

1. It means that two million women are working in jobs created since President Clinton took office.
2. It means that millions more single working mothers will get a tax break to help their earnings go farther.
3. It means that a medical research team with promising breakthroughs in breast cancer detection and treatment will get the funding they need.

4. It means that for the first time, mothers, regardless of family income, will be able to get their children the vaccines they need.
5. It means that a woman who wants to take time off from work to care for an ailing parent or child can do so...and know her job will be there when she gets back.
6. It means that mothers of almost 800,000 children will now get help through HeadStart, and more than 5 million children will now get nutritional assistance through the WIC program.
7. It means that young women studying science and engineering will have new career opportunities denied them in the past.
8. It means that women unsure of how to deal with an unintended pregnancy will be able to get professional advice and counsel and will know that the option of abortion is safe and legal. It also means that couples looking to adopt will soon be able to do so with less difficulty and red tape.
9. It means that women will be able to register to vote at the motor vehicle registry, through the mail, at social service offices and elsewhere -- to make it as easy as possible to exercise their right to shape our political future.
10. It means that the history books young girls read will now include leadership figures like Janet Reno, Alice Rivlin, Donna Shalala, Madeleine Albright, Ruth Bader Ginsberg, and Hillary Rodham Clinton.

THE RIGHTS OF WOMEN

A prominent feature of the presidencies of Presidents Reagan and Bush was their attack on reproductive choice, both at home and around the world. At the same time, these Republican administrations opposed attempts to improve access to the democratic process for millions of Americans, including the close to one-third of American women who are not registered to vote.
Reproductive Health -

The President continues to protect the right of American women to make their own reproductive choices. He repealed the "Gag Rule" that restricted abortion counseling at federally funded family planning clinics; revoked the import ban on RU-486; reversed the ban on abortion services at military hospitals; repealed the Mexico City policy that banned funding to international organizations that promoted comprehensive family planning; strengthened support for international family planning and reproductive health initiatives; and signed the Freedom of Access to Clinic Entrances Act to ensure that women and their doctors can enter clinics without fearing intimidation and violence. The Department of Health and Human Services implemented a change to the Hyde Amendment obligating states to pay for abortions for poor women whose pregnancies result from rape or incest, or endanger the life of the mother.

Empowerment of Women -

The United States delegation to the International Conference on Population and Development in Cairo, led by Vice President Gore, successfully advocated a global approach to improving the status of women and stabilizing the world's population. The United States forged a partnership with more than 150 nations around a program of action that promotes gender equality, reproductive health, and universally recognized human rights that apply to reproduction and recognizes the importance of addressing the threat posed to women's health by unsafe abortions. The conference emphasized the necessity not only of increased access to contraceptives, but also of sustainable economic development, a reduction in child and maternal mortality, and the empowerment of women through increased educational and economic opportunities.

Motor Voter -

President Clinton signed the National Voter Registration Act, which makes it easier and more flexible for citizens to register to vote. This will enfranchise women -- who comprise 52% of the population -- by making it easier for women who are on welfare, homebound, or simply unable to build in extra time between work and family, to register to vote through the mail, at motor vehicle registries, unemployment offices, vocational rehabilitation agencies, and welfare offices. These programs will give an additional 65 million Americans, including tens of millions of women who have been left out of the democratic process, a way to make their voices heard.

Women in the Military - "You're too old, you can't see, and you're a woman." That's what Hillary Rodham Clinton was told in 1975 by a Marine Corps recruiter when she inquired into joining the Corps. Today, opportunities for women in the military have been expanded dramatically. Under the Clinton Administration, combat aircraft and surface warships have been opened to women and the criteria used to bar women from ground combat positions has been redefined, giving women access to 259,000 previously male-only positions. In the past few months, the U.S.S. Eisenhower became the Navy's first permanently coed combat ship and the Army approved a plan to include women soldiers in the prestigious Old Guard, responsible for guarding the Tomb of the Unknowns and for greeting visiting heads of state.

WOMEN APPOINTEES

President Clinton pledged to appoint an Administration that "looked like America." As the Baltimore Sun noted in an editorial, he has delivered on that promise "more fully than even he could have predicted. No Administration has ever produced such diversity."

Overall Administration Appointments -

46 percent of President Clinton's appointees have been women -- by far the highest percentage of any Administration in history. Women hold 30 percent of top-level appointments.

In addition to the sheer numbers of women appointed by President Clinton, there have been a number of women appointed to Cabinet-level posts never before occupied by women, including Attorney

General Janet Reno, Council of Economic Advisors Chair Laura D'Andrea Tyson, OMB Director Alice Rivlin, and Secretary of Energy Hazel O'Leary.

Women populate the ranks of the sub-cabinet as well. At the Department of Justice, for example, the Deputy Attorney General and 7 of the 11 Assistant Attorneys General are women.

Judicial Selection Record -

Of the Clinton Administration's 143 nominations to the federal bench, 44 are women. 58% of all the judicial nominees are women and minorities. At this point in previous administrations, the number of women who had been nominated was dramatically lower: President Bush had nominated 8 women, President Reagan had nominated 4, and President Carter had nominated 6. Before President Clinton took office, one of every five active federal judges was a woman or a racial minority; as of July 1 of this year, the number had increased to one of four.

The Alliance for Justice reported that federal judicial appointments in 1993 demonstrated "unparalleled diversity." And the quality and professionalism of these nominees prove that excellence and diversity are not mutually exclusive goals. The proportion of the Clinton Administration's judicial nominees who received the American Bar Association's highest rating exceeded that of the past three administrations

JOB SECURITY AND ECONOMIC OPPORTUNITY

When President Clinton took office, the country faced major economic challenges, including rising federal deficits, a jobless recovery, and a legacy of more than a decade of underinvestment. Female heads of households, an ever-increasing portion of the labor force, were particularly hard hit by worsening economic conditions and decreasing workplace-based benefits. Entrepreneurial women were hindered by the weak economy and by other barriers to their success.

Economic Growth and Job Creation - The President's economic plan is putting our economic house back in order. Over 4.6 million jobs have been created in the first 20 months of this

Administration. The President's plan is reducing the deficit at a rate of nearly $700 billion over 5 years. Women have contributed nearly half (49%) of the net job creation since January 1993 -- over 2 million new jobs. 88% of these new jobs have been in the private sector. In the economic recovery as a whole, the employment growth of women has outpaced that of men.
EITC -

The Earned Income Tax Credit, dramatically increased as part of the President's economic plan, will make work pay for over 15 million families and households making up to $27,000. A majority of the beneficiaries of this tax credit are female workers and their families. For working mothers with minimum wage jobs, the increased EITC is the equivalent of up to a 40% pay raise.
Working Women - The Women's Bureau of the Department of Labor surveyed over a quarter of a million working women to learn more about their experiences in the workplace. The Department of Labor is now developing initiatives to encourage the private sector to respond to the needs identified by the survey participants -- an increase in pay and benefits, assistance in balancing work and family, more job training opportunities, and an end to discrimination. President Clinton has directed the heads of the executive branch agencies to expand opportunities for flexible family-friendly work arrangements within each agency, including job sharing, career part-time employment, alternative work schedules, telecommuting, and satellite work locations.
Greater Technical Assistance to Women-

Owned Businesses -

Along
with its plan to revitalize the economy as a whole, the Clinton Administration has encouraged the formation and development of women-owned businesses. The SBA is creating a women's mentoring program at sites around the country, where women business owners join together to share information and network. They have created resource guides that include information about technical assistance and loan resources in every state.

Access to Capital for Women-

Owned Businesses - The Small Business
Administration (SBA) has taken several steps to increase the capital available to women-owned firms. The SBA has established goals for dramatically expanding lending to women-owned businesses, increasing the number of loans to women from 3,880 in 1993 to 7,211 in 1994. These efforts complement SBA's innovative

"prequalification pilot program," under which SBA certifies that a woman business owner is eligible for a federally guaranteed loan before she selects a lender--increasing lending to women-owned businesses and reducing the paperwork involved in such borrowing. The SBA's new "LowDoc" loan program allows prospective borrowers to get loans without paperwork hassles or long waits for approval, relying on their character and credit history. Early results indicate that women are getting over 30 percent of these loans.

Expanding Procurement Opportunities for Women-

Owned
Businesses -

The Administration has worked closely with congressional leaders to ensure that a goal for procurement contracts with women-owned business was included in the recent procurement-reform bill. This goal represents a several-fold increase in contracting opportunities for women-owned businesses. The SBA has established a pilot project to bring together business groups and select government agencies to increase contracting with women-owned firms.

FIGHTING CRIME, INCREASING SAFETY AND SECURITY

Perhaps no issue grips American women more than the fear of crime and gun violence. In a typical year, 2.5 million American women 12 years old and older are raped, robbed or assaulted , or are the victim of a threatened or attempted violent crime. Two-thirds of these attacks are committed by someone the victim knows.

Safer Streets - Thanks to President Clinton's leadership, the Brady Law and The Violent Crime Control and Law Enforcement Act of 1994, the products of more than six years of bi-partisan efforts to take back our streets and increase the safety and security of American women and their families, are finally the law of the land. In addition to imposing a waiting period for handgun purchases, adding 100,000 more police to our streets, stiffening penalties for criminals, and banning military-style

assault weapons, the crime bill invests heavily in increasing the personal security of women.
Violence Against Women Grants -

Nearly $1 billion dollars will be invested to support police and prosecutor efforts, as well as victims services, in cases involving sexual violence or domestic abuse, and for programs that strengthen enforcement.
Domestic Violence -

The crime bill also triples funding for battered women's shelters, to a total of $325 million. Spouse abusers who cross state lines to continue their abuse will face federal penalties, and each state will be required to enforce "stay-away" orders issued by another state.
Registration of Sexually Violent Offenders -

It requires prison officials to notify state agencies when sexually violent predators are released from prison, and it requires states to register these individuals for the ten years following their release.

Repeat Sex Offenders -

The crime bill doubles the maximum term of imprisonment for repeat sex offenders convicted of Federal sex crimes.
Victims of Crime -

It allows victims of Federal violent and sex crimes to speak at the sentencing of their assailants. It strengthens requirements for sex offenders and child molesters to pay restitution to their victims, and improves other victim-assistance programs.
Civil Rights Protection - For the first time, victims of felonies motivated by gender bias have the option of filing civil rights actions to obtain redress for such crimes.

Rape Shield - The crime bill extends rape shield law protection beyond sexual assault cases to civil cases and to all criminal cases, barring embarrassing and irrelevant inquiries into victims' sexual histories at trial.

HEALTH CARE

Women are society's caregivers, responsible not only for their own health but also for the health of their children, spouses and parents. Despite being the biggest consumers of health care services, women have a harder time getting health coverage than men. And those lucky enough to have insurance at all pay more; women ages 15 to 44 pay 68 percent more out-of-pocket for health care than their male counterparts.

At the same time, women are increasingly at risk for some of our most deadly diseases. For example, the incidence of AIDS is increasing at a faster rate among women than men. The lifetime risk of developing breast cancer has risen from 1 in 20 women twenty years ago to 1 in every 8 today. The Clinton Administration has launched a variety of programs to improve women's health and to solve the nation's health care crisis.

Increased Funding for Breast Cancer Research and Prevention -

Since President Clinton took office, federal funding for breast cancer research and prevention has increased substantially -- totaling $650 million for programs under the auspices of the Department of Health and Human Services in fiscal year 1994 alone. This figure does not include an additional $240 million distributed by the Department of Defense to fund more than 430 research and training programs; the fiscal year 1995 budget includes another $150 million to be awarded by this department. In addition, the National Action Plan on Breast Cancer provides a blueprint for a partnership between government and the private sector to work to prevent, diagnose, treat and ultimately eradicate breast cancer.

The Health Security Act -

President Clinton introduced his Health Security Act to guarantee affordable, secure health insurance to every American. The legislation covered a range of benefits that are essential for women -- preventive measures including mammograms and Pap smears, reproductive services, prescription drugs and prenatal care -- and invested in a new federal long-term care program. The President will continue to fight for this national priority, and the First Lady will continue to be a strong advocate and spokesperson for the need for health care reform.

Women's Health Initiative -

The Administration launched the largest clinical research study ever conducted on either men or women to examine the major causes of death, disability and frailty in post-menopausal women: heart disease, breast and colon cancer, and osteoporosis. An emphasis on including minority women at each clinical site is a major component of the study.

Increased Commitment to Combatting AIDS - The President created the National Task Force on AIDS Drug Development, charged with expediting the search for new treatments for AIDS and HIV;

increased funding for the Ryan White CARE Act for outpatient AIDS care; increased the National Institutes of Health's spending for AIDS research; and increased funding for the Centers for Disease Control and Prevention. The National Institutes of Health has conducted research studies demonstrating the effectiveness of AZT treatment in reducing dramatically the transmission of HIV infection from pregnant mothers to newborns, has increased significantly the number of women participating in AIDS clinical trials and the number of epidemiological studies of HIV in women, and has begun exploring woman-controlled barrier methods for preventing transmission of HIV.

TAKING CARE OF OUR CHILDREN AND FAMILIES

Despite widespread support in Congress, the Family and Medical Leave Act was not enacted during the Reagan or Bush Administrations. Presidents Reagan and Bush talked about "family values," but it is the Clinton Administration that has taken action to help preserve families and encourage the values that keep them strong.

Family and Medical Leave -

Under the Clinton Administration, American workers are no longer forced to choose between their job and their family at times of crisis. The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave to care for an infant or a loved one without losing their job.

Family Preservation Act - The President's economic plan included a billion-dollar program that supports at-risk families in the areas of literacy, childhood education, child abuse prevention and other support services to help strengthen families and intervene before they break down.

Child Support Enforcement -

The President introduced the Work and Responsibility Act, which includes the toughest child support enforcement laws ever proposed and would double federal child support collections by the year 2000. Individuals shirking their child support payment responsibilities could have their wages garnisheed, their drivers license revoked, and be tracked down across state lines.

Encouraging Work Over Welfare Dependency - The Work and Responsibility Act includes a national campaign against teen pregnancy and measures that would empower young mothers through child care, education, training, job placement services, and the employment opportunities they need to get off welfare. In addition, the proposal increases funding for programs that provide child care for the families of the working poor. By the year 2000, one million people who would otherwise be on welfare will be part of our nation's workforce.

Immunization Plan - President Clinton acted upon the importance of disease prevention for our nation's children by sponsoring and signing the comprehensive Child Immunization Plan, insuring that children, regardless of family income, will be vaccinated against disease.

WIC-

The Women, Infants and Children Program (WIC) was put on a full-funding path so that by the end of 1996, all eligible children between the ages of one and four will be served. That means that an additional two million children will have access to the WIC program, a nutrition program that serves pregnant and post-partum women and their children.

HeadStart -

The President's dramatic increase of HeadStart funding will allow almost 800,000 children to participate in this preschool education program next year, up from 621,000 in 1992.

End Adoption Discrimination and Delays -

Legislation passed as part of the Elementary and Secondary Education Act Reauthorization prevents discrimination against interracial adoptions and reduces the time children have to wait in foster care.

HORIZONTAL_PITCH 15
PRINTER FONT 12_POINT_ROMAN
EDUCATION

HORIZONTAL_PITCH 10
PRINTER FONT 12_POINT_COURIER
The percentage of American women 25 and over who have at least a high school education increased substantially between 1970 and 1990, particularly among black women. However, although equal access to education has always been a foundation of women's struggle for equality, access alone is not enough. As studies by the American Association of University Women, the Department of Education and others have shown, as we educate girls and women, we must examine what subjects they learn and how they learn them, and how they are treated in the classroom by their teachers and peers. The Clinton Administration's education initiatives increase women's involvement in education and will improve their academic success and professional opportunities.
Women's Educational Equity Act -

Demonstrating the commitment of the Clinton Administration to equality in education, funding for the WEEA increased 100% from fiscal year 1994 to fiscal year 1995. The WEEA provides educational materials and helps train teachers to be more sensitive to gender equity in the classroom and to ensure equal access to quality education programs for all women and girls. It also includes special efforts aimed at women and girls who suffer from multiple forms of discrimination, including race, ethnic origin and disability discrimination.
Goals 2000 - The Goals 2000: Educate America Act sets national education goals and gives resources to states and communities to implement comprehensive education reforms. Because women continue to fall behind in math and science -- and as a result
lack access to high-paying, high-skill jobs -- one of the national education goals seeks to increase the number of women and minorities who complete degrees in math, science and engineering.
Student Loan Reform -

The Federal Direct Student Loan Program increases access to higher education by giving millions of students the opportunity to take advantage of lower-cost loans and better repayment terms. The Income Contingent Loan Repayment program will allow women who have received a student loan to leave their jobs -- for example, to raise a family -- without the penalty of loan default.

AmeriCorps -

One of the most important accomplishments of the Clinton Administration, this program will inspire our young citizens and provide them with opportunities to serve their communities. National Service also helps students further their education; those who want to contribute to their communities through public service in AmeriCorps can receive college tuition assistance.

The School-

to-

Work Opportunities Act - This legislation invests in training and education programs to prepare students for further education and for high-skill, high-wage jobs. Through work-based and school-based experiences, women and girls are exposed to a variety of occupations traditionally dominated by men.

Increasing Parental Involvement - Strong Families, Strong Schools is a national initiative that encourages and supports efforts by families to take a more active role in their children's learning and that encourages businesses to allow employees to participate more fully in their children's schooling.

SCIENCE AND TECHNOLOGY

For too long, many girls interested in a career in science abandoned this goal while still in school, hampered by the biases against girls that persist in our nation's classrooms and discouraged by the dearth of female role models. For too long, those women who did become scientists were confronted by an impenetrable "old boys network" in the scientific community. And for too long, an promising area of medical research was blocked despite its potential for helping and healing millions of Americans afflicted with heretofore intractable diseases.

National Science and Technology Policy -

The Clinton Administration has appointed female scientists to top-level government research positions and has created a national science and technology policy that will encourage women and underrepresented minorities to pursue careers in the sciences and promote gender equity within the profession.

Removal of the Fetal Tissue Research Ban -

On his first day in office, President Clinton ended a five-year moratorium on federal funding of human fetal tissue transplantation research. This research has important therapeutic implications for diseases such as Alzheimer's and Parkinsons.

Breast Cancer Detection Technology - The Public Health Service's Office on Women's Health (OWH) and the National Cancer Institute (NCI) have initiated an exploration into applying imaging technology used by the defense, space, and computer graphics industries to the early detection of breast cancer. OWH and NCI will facilitate collaborations among those involved in imaging technology in government, academia and industry to further the development of this potentially life-saving application.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Jennifer L. Klein (KLEIN_J) (OPD)

CREATION DATE/TIME:22-MAR-1995 19:02:10.34

SUBJECT: More

TO: Karen R. Guss (GUSS_K) (WHO)
READ:22-MAR-1995 19:54:12.10

TEXT:
PRINTER FONT 12_POINT_COURIER

Equal access to education has always been the foundation of women's struggle for equality. Today, we are doing well. The percentage of American women 25 and over who have at least a high school education increased substantially between 1970 and 1990, particularly among black women. However, equal access to education is not enough. As we educate girls and women, we must examine what subjects they learn and how they learn them, and how they are treated in the classroom by their teachers and peers.
The Clinton Administration's education initiatives increase women's involvement in education and will improve their academic success and professional opportunities.

? The Goals 2000: Educate America Act sets national education goals and gives resources to states and communities to implement comprehensive education reforms.

Because women continue to math and science -- and as a result may remain in low-paying, low-skill jobs -- one of the national education goals seeks to increase the number of women and minorities who complete degrees in math, science and engineering.

? The Federal Direct Student Loan program increases access to higher education -- 20 million students can take advantage of low-interest loans and better repayment terms. The Income Contingent Loan Repayment part of the program will allow women to receive a student loan and then decide to leave their job -- for example, to raise a family -- without the penalty of loan default.

? The School-to-Work Opportunities Act invests in training and education programs to prepare students for further education and for high-skill, high-wage jobs. Through work-based and school-based experiences, women are exposed to a variety of occupations that they do not traditionally explore.

? Strong Families, Strong Schools is a national initiative that encourages and supports efforts by families to take a more active role in their children's learning and that encourages businesses to allow employees to participate more fully in their children's schooling.

PUT IN CHILDREN AND FAMILIES

? The President's dramatic increase of Head Start funding will allow 840,00 children to participate in this preschool education program next year, up from 621,000 in 1992.

IS THERE A BETTER PLACE FOR THIS

? National Service also helps students further their education; those who want to contribute to their communities through public service can receive college tuition assistance.

RECORD TYPE: PRESIDENTIAL (XCHANGE MAIL)

CREATOR: Ida Ghaffari (CN=Ida Ghaffari/OU=EDUC/O=GOV [UNKNOWN])

CREATION DATE/TIME: 2-MAY-1995 09:12:24.00

SUBJECT: Cabinet Report from Education

TO: Timothy G. Zayac (CN=Timothy G. Zayac/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: Cheryl Rodman (CN=Cheryl Rodman/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: LeeAnn Inadomi (CN=LeeAnn Inadomi/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: Chloe Sladden (CN=Chloe Sladden/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: Lawrence R. Jurcich (CN=Lawrence R. Jurcich/OU=WHO/O=GOV [OA])
READ:NOT READ

TO: Cornelius F. Johnson (CN=Cornelius F. Johnson/OU=WHO/O=GOV [NEOB])
READ:NOT READ

TO: Linda M. Tolkan (CN=Linda M. Tolkan/OU=WHO/O=GOV [EOP])
READ:NOT READ

TO: Quentin J. Dean (CN=Quentin J. Dean/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: John K. Riordan (CN=John K. Riordan/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: Admin User (CN=Admin User/OU=WHO/O=GOV [OA])
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TO: Deborah J. Behr (CN=Deborah J. Behr/OU=WHO/O=GOV [OA])
READ:NOT READ

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: Jennifer M. O'Connor (CN=Jennifer M. O'Connor/OU=WHO/O=GOV [WHO])
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TO: Dana J. Hyde (CN=Dana J. Hyde/OU=WHO/O=GOV [WHO])
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TO: Phillip M. Caplan (CN=Phillip M. Caplan/OU=WHO/O=GOV [WHO])
READ:NOT READ

TO: Jason S. Goldberg (CN=Jason S. Goldberg/OU=WHO/O=GOV [WHO])
READ:NOT READ

TEXT:
==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

PRINTER FONT 12_POINT_COURIER
March 30, 1995

MEMORANDUM FOR LEON PANETTA, THE WHITE HOUSE
FROM: Richard W. Riley
SUBJECT: Weekly Report for April 2 - 8

KEY DEPARTMENT NEWS

Southern Universities Conference. On March 31, I will address the Southern Universities Conference on Kiawah Island, SC.
National School Boards Association. I will speak to the National School Boards Association on April 3 in San Francisco.
Baltimore. Deputy Secretary Kunin will visit a school in Baltimore on April 3 to highlight the impact of education budget cuts on urban schools.
HIPPY Conference. On April 3, Deputy Secretary Kunin will address the HIPPY National Conference.
Chicago. On April 4, I will join Lee Brown in Chicago for a town meeting on school violence. I will also visit a school to highlight proposed rescissions.
Key to the Future Summit. On April 5, former Secretary of Education Terrel Bell, Senator Jeffords, and I will jointly host an education summit. Members of Congress expected to participate include Senator Nancy Kassebaum (R-KS), Senator Edward Kennedy (D-MA), Senator Jeff Bingaman (D-NM), Senator Paul Simon (D-IL), and Congressman Bill Goodling (R-PA).
ESEA Anniversary. I am tentatively scheduled to participate in an event celebrating the 30th anniversary of the Elementary and Secondary Education Act on April 6.
Skill Standards Board. On April 6, I will join Secretary Reich to swear in the National Skill Standards Board. On April 7, I will participate in their first meeting and in a press conference with the Board and Secretary Reich.
Special Education in Virginia. A decision is expected by the hearing officer as early as next week in the dispute between the Department and the Commonwealth of Virginia, over the issue of providing educational services to disabled children and youth who are suspended long-term or expelled from schools. This case has received substantial media attention.

Safe Schools Grants. On April 8, the President and I are scheduled to announce 21 grant awards totalling $18 million under the Safe Schools program.

Satellite Town Meeting. Deputy Secretary Kunin will host a Satellite Town Meeting on April 18, entitled "Ready to Learn." The meeting will be hosted from Miami, Florida and will include a taped message from Governor Lawton Chiles, founder of the National Health and Education Consortium.

National Catholic Education Association. I will speak before the National Catholic Education Association on April 21 in Cincinnati.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

Economic Summit. I participated in the President's Economic Summit in Atlanta on March 29.

CONGRESS

Senate Rescissions. The full Senate began its deliberations on the FY 95 rescissions bill yesterday. We expect debate to continue until early next week. Congress would like to complete the conference committee on the rescissions bill by the end of next week.

Budget Hearing. My March 14 testimony before the House Budget Committee (Chairman, John Kasich, R-OH) on the FY 96 budget has been postponed and will be rescheduled.

Direct Lending Hearing. Today, Deputy Secretary Kunin and Assistant Inspector General Steve McNamara testified before the Senate Subcommittee on Education, Arts and Humanities (Chairman Jim Jeffords, R-VT) of the Committee on Labor and Human Resources, regarding the Federal Direct Student Loan Program.

Adult Education Reauthorization. The House Subcommittee on Early Childhood, Youth and Families (Chairman Duke Cunningham, R-CA) will hold a hearing on reauthorization of the adult education legislation on March 31. Assistant Secretary Augusta Kappner is scheduled to testify.

Technology Hearing. On April 4, Deputy Secretary Kunin, Assistant Secretary Sharon Robinson, and Special Advisor on Technology Linda Roberts will testify before the Senate Appropriations Subcommittee on Labor, HHS, and Education on education technology.

REGULATORY ACTION

There is nothing new to report this week.

PRESS INQUIRIES

Interviews. This week I was mainly interviewed by Southern press regarding the Economic Summit in Atlanta, the Goals 2000 conference in Columbus, GA on March 30, and school visits and speeches in South Carolina. I am scheduled to be interviewed on April 6 by Wall Street Week in Review.

FOIA REQUESTS

There is nothing new to report this week.

WEEK IN REVIEW

National Science Scholarships. I announced earlier this week that the Department has reversed its earlier decision and will award new National Science Scholarships for the one remaining year of the program, which was repealed in 1994, unless Congress rescinds the FY 1995 appropriation for this program. I will shortly forward to the President a list of nominees for this scholarship, and I recommend that he carry out the competition for this year regardless of whether the program is funded. Senator Kennedy has expressed interest in reinstating the authority for this program.

Conference Action on First Rescission Bill. Yesterday a conference committee had its first meeting to consider the narrow rescission bill intended to offset Defense Department pay raises and emergency costs. The House version of the bill reduced $100 million in the new Infrastructure program for which the amended President's budget proposed a rescission of $35 million. The Senate reduced $100 million from the 1994-95 Pell grant surplus instead of the infrastructure program.

Senate Rescissions. The Senate Appropriations Committee marked up a broad 1995 rescission bill last week. The Committee's proposed education rescissions totalled $704 million, compared to the House-passed rescission bill of $1.7 billion. The Committee's cuts included programs such as: $100 million in Safe and Drug-Free Schools, $95 million in Direct Student Loan administration, $72.5 million in Title I, $69 million in Eisenhower Professional Development, $67.6 million in Goals 2000, $15 million in School-to-Work, and $5 million in Education Technology.

Vernonia School District 475 v. Wayne and Judy Acton. On March 28, the Department of Justice (DOJ) argued before the Supreme Court in support of the petitioner school district's random drug testing program for student athletes. DOJ argued that the Supreme Court should reverse the Ninth Circuit's ruling that the school district's drug testing program violated the student athlete's Fourth Amendment guarantee against unreasonable searches. It explained that the school district identified a drug problem in the school; had taken alternative, less intrusive

prevention measures that had proven ineffective; and had taken significant steps to limit the extent of the intrusion of the drug testing, by limiting the group being tested, and maintaining strict confidentiality of the test results. Thus, under the circumstances, the Government argued that random testing of athletes was a reasonable response.

Technology Grants. On March 24, my staff issued a news release to announce the award of $27 million to support state-of-the-art education technology projects in approximately 20 low-income urban and rural school districts.

SECRETARY'S SCHEDULE

Please see attachment.

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Please see attachment.

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================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Angus S. King (KING_A) (WHO)

CREATION DATE/TIME:16-MAY-1995 12:48:22.22

SUBJECT: radio/video

TO: Amanda Crumley (CRUMLEY_A) (WHO)
READ:16-MAY-1995 13:26:09.60

TEXT:

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:12-MAY-1995 11:56:00.00

ATT CREATOR: David B. Anderson

ATT SUBJECT: POTUS Final Video List for next Wednesday

ATT TO: Alan Brown (PR_U=ABROWN@PR_L=AVUOEOB@MRP@OPUS)

ATT TO: Janet B. Abrams (ABRAMS_J)

ATT TO: Lori E. Abrams (ABRAMS_L)

ATT TO: Donald A. Baer (BAER_D)

ATT TO: Jeremy D. Benami (BENAMI_J)

ATT TO: Gabrielle M. Bushman (BUSHMAN_G)

ATT TO: Rebecca A. Cameron (CAMERON_RA)

ATT TO: Jose Cerda, III (CERDA_J)

ATT TO: Steven A. Cohen (COHEN_SA)

ATT TO: Kelly A. Crawford (CRAWFORD_K)

ATT TO: Amanda Crumley (CRUMLEY_A)

ATT TO: Betty Currie (CURRIE_B)

ATT TO: Marilyn DiGiacobbe (DIGIACOBBE_M)

ATT TO: Rahm Emanuel (EMANUEL_R)

ATT TO: John B. Emerson (EMERSON_J)

ATT TO: Jay K. Footlik (FOOTLIK_J)

ATT TO: William A. Galston (GALSTON_W)

ATT TO: David S. Goodin (GOODIN_D)

ATT TO: Julia R. Green (GREEN_J)

ATT TO: Alexis M. Herman (HERMAN_A)

ATT TO: Nancy V. Hernreich (HERNREICH_N)

ATT TO: Angus S. King (KING_A)

ATT TO: Reta J. Lewis (LEWIS_RJ)

ATT TO: Bruce R. Lindsey (LINDSEY_B)

ATT TO: Gordon Li (LI_G)

ATT TO: Julie E. Mason (MASON_J)

ATT TO: Colleen A. McCarthy (MCCARTHY_C)

ATT TO: Anne E. McGuire (MCGUIRE_A)

ATT TO: Lorraine McHugh (MCHUGH_L)

ATT TO: Paul Meyer (MEYER_P)

ATT TO: Linda L. Moore (MOORE_L)

ATT TO: Ruby G. Moy (MOY_R)

ATT TO: Ann M. O'Leary (OLEARY_A)

ATT TO: Kathleen L. O'Neill (ONEILL_K)

ATT TO: Jonathan M. Prince (PRINCE_J)

ATT TO: Carol H. Rasco (RASCO_C)

ATT TO: A. Victoria Rivas-Vazquez (RIVASVAZQU_A)

ATT TO: Christa T. Robinson (ROBINSON_C)

ATT TO: Ronald K. Saleh (SALEH_R)

ATT TO: Debra A. Schiff (SCHIFF_D)

ATT TO: Stephen B. Silverman (SILVERMAN_S)

ATT TO: Patti Solis (SOLIS_P)

ATT TO: Douglas B. Sosnik (SOSNIK_D)

ATT TO: Margo L. Spiritus (SPIRITUS_M)

ATT TO: Stephanie Streett (STREETT_S)

ATT TO: Virginia M. Terzano (TERZANO_V)

ATT TO: Daniel Wexler (WEXLER_D)

ATT TO: Marilyn Yager (YAGER_M)

TEXT:
COMMENT
AUTHOR : OMB
OPERATOR : OMB
COMMENT :
PRINTER FONT 14_POINT_ROMAN
"Reasonable" Budget Resolution Targets

HORIZONTAL_PITCH 15
PRINTER FONT 12_POINT_ROMAN
Welfare programs:

$15 billion over 5 years; $20 billion over 7. Legal immigrants could receive needs-based assistance for up to one year, and sponsor's income would be deemed until citizenship. Drug and alcohol abuse would not qualify one for SSI and Medicaid. Eligibility for the least severely disabled children would be reduced by strengthening the standards and dropping "maladaptive behavior". Savings from capping AFDC Emergency Assistance could reduce the deficit or be reinvested in an enhanced welfare-to-work program or added flexibility for States.

Food assistance programs:

$10 billion over 5 years; $15 billion over 7. Food Stamp benefits would be reduced from 103% to 100% of the Thrifty Food Plan. Able-bodied adults without children could receive benefits for six months at a time. Energy assistance would be treated as income. Reimbursements to Family Day Care Homes would be income tested, and school lunch subsidies for those above 185% of poverty would be de-indexed.

Earned Income Tax Credit:

$7 billion over five years; $10 billion over seven. Undocumented aliens would become ineligible for the EITC, and improved processing procedures for questionable returns would be enacted. Untaxed Social Security, tax-exempt interest, non-taxed pension distributions, etc. would be included in the calculation of the phaseout.

Student Loans:

A reasonable savings number is contained in the 96 President's Budget. The President proposes to save $5.2 B between FY1996 and FY2000 (or $8.2 billion over seven years) by a package of reforms based on accelerating the phase

-in of the Federal direct student loan
program, which will replace the guaranteed loan program, to reach 80% direct lending by July 1, 1996, and 100% by July 1, 1997. The acceleration of direct lending by itself will save $4.1 B in outlays. The other part of this package is the pull back of $1.1. in reserves from guaranty agencies, which are not needed under a direct loan program.

These savings will be achieved without reducing benefits to students and parents, but rather by reducing subsidies to lenders and guaranty agencies.

Veterans Affairs:

The President's FY96 budget included proposals to extend OBRA savings provisions related to the Department of Veterans Affairs. Extending these provisions through FY 2002 would yield, depending on assumptions, approximately $7 billion in savings to VA over the seven year period 1996 - 2002. Since one VA savings provision results in a partial cost shift to the Medicaid program, government-wide savings would be approximately $6 billion over the seven years.

Farm Programs:

The FY 1996 budget assumes $1.5 billion in savings over 5 years - $500 million each year 1998-2000. It is reasonable to assume this pattern is continued into the years beyond 2000, so that a consistent 10 year savings figure would be $500 million each year after 2000, or $4 billion over 10 years.

The President specifically addressed the farm program savings during the FY 1996 budget process, and selected the $1.5 billion figure. Other alternative savings options presented him were in the $5 to $7 billion range over five years.

CSRS/FERS:

Options currently under review by the Health/VA-Personnel PAD

================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: LAWRENCE J. HAAS (HAAS_L) (OMB)

CREATION DATE/TIME:13-JUN-1995 20:16:14.51

SUBJECT: press packet

TO: Jason S. Goldberg (GOLDBERG_JS) (WHO)
READ:13-JUN-1995 20:20:10.06

TEXT:
as attached.
==================== ATTACHMENT 1 ====================
ATT CREATION TIME/DATE:13-JUN-1995 20:15:00.00

ATT BODYPART TYPE:p

ATT CREATOR: LAWRENCE J. HAAS

TEXT:
COMMENT
AUTHOR : Michael Ruffner
OPERATOR : Michael Ruffner
COMMENT :

PRINTER FONT 18_POINT_ROMAN
THE PRESIDENT'S ECONOMIC PLAN:

A BALANCED BUDGET THAT PUTS PEOPLE
FIRST

PRINTER FONT 12_POINT_ROMAN
THE PRESIDENT'S ECONOMIC PLAN:
A BALANCED BUDGET THAT PUTS PEOPLE FIRST

AN OVERVIEW

The President today proposed a bold plan to balance the
budget by 2005, cut taxes for middle

-income Americans, and
continue investing in education and training -- all to raise average living standards.

The President's plan provides a sharp contrast between his policies and those of the Republicans. The President wants to balance the budget over a reasonable period of time -- 10 years -- so he can protect Medicare, and invest in education and training and other priorities for the American people. Because Republicans balance the budget more quickly, and also provide a huge tax cut for the wealthy, they have to slash Medicare and Medicaid and cut education.

? To help raise living standards of average Americans, the President's plan will:
-- balance the budget, freeing up capital for private investment;
-- invest in education and training to give Americans skills to get high

-wage jobs; and
-- take the first, serious steps to reform the health care system, expanding coverage and reducing costs for average Americans.

? By contrast, Republican policies will:
-- increase the "education deficit;"
-- turn Medicare and Medicaid into second

-class health care
systems; and
-- give huge tax breaks to the wealthy.

The President would balance the budget the right way, by eliminating wasteful spending, streamlining programs, and ending unneeded subsidies; taking the first, serious steps toward health care reform; reforming welfare to reward work; cutting non

-defense discretionary spending that doesn't include the President's investments by 22 percent in real terms, while leaving room to provide increases for education, the environment, and anti

-crime efforts; and targeting tax relief to middle

-income
Americans.

Republicans would balance the budget the wrong way: To reach balance in 7 years and provide a huge tax break for the wealthy, they would slash Medicare and Medicaid and cut deeply in education and other investments that help raise average living standards.

The President's plan builds upon the policies of his first

-1/2 years that cut the deficit, created nearly 7 million jobs, controlled interest rates and inflation, expanded trade to create more high

-wage jobs, and rewarded work by cutting taxes for 15 million families. The President is also building on his efforts to create a new kind of government, one that creates opportunity, not bureaucracy, and provides the tools that average Americans need to build better lives for themselves and their families.

THE PRESIDENT'S ECONOMIC PLAN:

HIGHLIGHTS

? The President, who has cut the deficit from $290 billion in 1992 to an estimated $190 billion this year, proposes to balance the budget by 2005.
-- Republicans, none of whom voted for the President's 1993 plan, now want to balance the budget the wrong way -- cutting Medicare, education, and other important priorities deeply to fund a huge tax break for the wealthy and reach balance in 2002.
? The President proposes to take a first, serious step toward health care reform, providing net savings of $124 billion in Medicare and $55 billion in Medicaid by 2002 while expanding coverage and initiating insurance reforms.
-- Republicans would simply cut over $430 billion from Medicare and Medicaid, enough to turn them into second

-class
health systems.
? The President would save $64 billion in non

-health entitlements
by 2002 by reforming welfare, farm, and other programs.
-- Republicans would cut too deeply; for example, by increasing interest costs of student loans.
? The President would cut $200 billion from discretionary programs by 2002 by eliminating, cutting, or consolidating hundreds of programs and targeting available funds to defense, education, children, and anti

-crime efforts.
-- Republicans would cut education and anti

-crime programs;
for instance, their cuts would throw hundreds of thousands of children off Head Start and nutrition programs, and gut the President's anti

-crime efforts.
? The President would target tax relief to middle

-income
Americans, enabling them to more easily raise their children, pay for post

-secondary education, and save for the future.
-- Republicans would provide a huge tax break whose benefits would flow disproportionately to the wealthy, and also would raise taxes on millions of working families.
? The President proposes to work with Congress to save $25 billion by eliminating unneeded corporate subsidies.

THE PRESIDENT'S ECONOMIC PLAN:

REACHING BALANCE IN 2005

? In 1993, the President faced a deficit that was rising out of control -- from $290 billion in 1992 to more than $600 billion early in the next century.
? The President's 1993 economic plan has cut the deficit dramatically -- from $290 billion to a projected $190 billion this year.
? More importantly, it cut the deficit as a percentage of the economy (GDP) -- from 4.9 percent to 1992 to an estimated 2.7 percent this year and 2.1 percent by the end of the decade.
? If not for interest on the debt accumulated between 1981 and 1993, the budget would be in balance today.
? But, largely due to health care costs, the deficit will begin to rise again -- gradually reaching $266 billion in 2005.
? Now, the President proposes to finish the job -- to balance the budget by 2005.
? In 2005, the President proposes to save:
-- $96 billion in entitlements:
Medicare, $67 billion
Medicaid, $19 billion
Poverty programs, $9 billion
Other entitlements, $1 billion
-- $92 billion in discretionary spending:
Defense, $27 billion
Non

-defense, $65 billion
-- $6 billion in corporate subsidies.
-- $117 billion in interest savings.
? The President would target tax relief to average Americans, costing $26 billion in 2005.
? All told, the President's plan would bring the budget at least to balance by 2005.

THE PRESIDENT'S HEALTH REFORM INITIATIVE:
A SERIOUS STEP TOWARD HEALTH CARE REFORM

As the President has said, the key to long

-term deficit
reduction is controlling health care costs through health care reform. Thus, in his plan to balance the budget by 2005, the President presents a serious first step toward reform that:

? strengthens the Medicare Hospital Insurance (HI) Trust Fund, ensuring Medicare solvency until 2005;

? provides health security for 6 months for working families after a job loss;

? reforms Medicare to make quality managed care options more attractive while preserving choice;

? improves Medicare with new benefits that (1) provide Alzheimer's respite care, and (2) waive the copayment for women who need mammograms;

? provides home- and community

-based care grants for
disabled and elderly Americans;

? maintains Medicaid as a safety net for low

-income
Americans while reforming it to target funds more efficiently and increase state flexibility;

? reforms the insurance market to ensure that Americans can keep their coverage if they change jobs, that they won't lose coverage if they get sick, and to improve the availability and affordability of coverage for small businesses;

? gives small businesses voluntary pooling options, including access to Federal Employees Health Benefits Program (FEHBP) plans;

? expands the self

-employed tax deduction to 50 percent; and

? reduces the deficit by $271 billion over the next decade.

The President's plan expands coverage, cuts the deficit with less than half the Medicare savings and a third of the Medicaid savings that Republicans propose, and imposes no new cost increases on Medicare beneficiaries.

By contrast, the Republican budget proposals threaten Medicare beneficiaries, reduce Medicaid coverage for millions of

children and elderly Americans, and endanger many hospitals, including academic health centers. The Republicans' cuts (assuming a 50/50 beneficiary/provider split) would increase out

-of

-pocket costs for couples by $1,700 in 2002 alone (under the House budget resolution). Moreover, the Republicans do not reinvest one penny into health care; instead, the Republicans use Medicare and Medicaid cuts to pay for hundreds of billions of dollars of tax cuts for well

-off Americans.

DETAILED EXPLANATION

1. Reforming the Insurance Market

Insurance reforms, based on proposals that both Republicans and Democrats supported in the last Congress, will improve the fairness and efficiency of the insurance marketplace.

? Portability and Renewability of Coverage -- Insurers will be barred from denying coverage to Americans with pre

-existing medical conditions, and plans will have to renew coverage regardless of health status.

? Small Group Market Reforms -- Insurers will be required to offer coverage to small employers and their workers, regardless of health status, and companies will be limited in their ability to vary or increase premiums on the basis of claims' history.

? Consumer Protections -- Insurers will be required to give consumers information on benefits and limitations of their health plans, including the identity, location, and availability of participating providers; a summary of procedures used to control utilization of services; and how well the plan meets quality standards. In addition, plans would have to provide prompt notice of claims denials and establish internal grievance and appeals procedures.

2. Helping Working Families Retain Insurance After a Job Loss

Families that lose their health insurance when they lose a job will be eligible for premium subsidies for up to 6 months. The premium subsidies will be adequate to help families purchase health insurance with benefits like the Blue Cross/Blue Shield standard option plan available to Federal employees.

3. Helping Small Businesses Afford Insurance

? Giving Small Employers Access to Group Purchasing Options: Small employers that lack access to a group purchasing option through voluntary state pools would get that option through access to the Federal Employees Health Benefits Program (FEHBP) plans. This would increase the purchasing power of smaller businesses and make the small group insurance market more efficient. Small firms would get coverage from plans that also provide coverage to Federal employees through FEHBP, but the coverage would be separately rated in each state, leaving premiums for Federal and state employees unaffected.

? Expanding the Self

-Employed Tax Deduction: The

President's plan provides a fairer system for self

-employed
Americans who have health insurance. Self

-employed people
would deduct 50 percent of the cost of their health
insurance premiums, rather than 25 percent as under current
law.
4. Reforming and Strengthening Medicare
? Strengthening the Trust Fund: The President's plan would
reduce spending in Medicare's Part A by $79 billion over 7
years to ensure the solvency of the Medicare HI Trust Fund
to 2005. The plan finds such savings by reducing provider
cost growth, not raising beneficiary costs.
? Eliminating the CoPayment for Mammograms: Although
coverage by Medicare began in 1991, only 14 percent of
eligible beneficiaries without supplemental insurance tap
this potentially lifesaving benefit. One factor is the
required 20 percent copayment. To remove financial barriers
to women seeking preventive mammograms, the President's plan
waives the Medicare copayment.
? Expanding Managed Care Choices: The President's plan
expands the managed care options available to beneficiaries
to include preferred provider organizations ("PPOs") and
point

-of

-service ("POS") plans. The plan also implements
initiatives to improve Medicare reimbursement of managed
care plans, including a competitive bidding demonstration
proposal. Also included in his plan are important
initiatives to streamline regulation.
? Combatting Fraud and Abuse: "Operation Restore Trust" is
a five

-state demonstration project that targets fraud and
abuse in home health care, nursing home, and durable medical
equipment industries. The President's budget increases
funding for these critical fraud and abuse activities.
5. Long

-Term Care
? Expanding Home and Community

-Based Care: The President's
plan provides grants to states for home

-and community

-based

services for disabled elderly Americans. Each state, will receive funds for home

-and community

-based care based on the number of severely disabled people in the state, the size of its low

-income population, and the cost of services in the state.

? Providing for a New Alzheimer's Respite Benefit within Medicare: The President's plan helps Medicare beneficiaries who suffer from Alzheimer's disease by providing respite

services for their families for one week each year.

6. Reforming Medicaid

The President maintains Medicaid, expanding state flexibility, cutting costs, and assuring Medicaid's ability to provide coverage to the vulnerable populations it now serves.

? Eliminating Unnecessary Federal Strings on States: To let states manage their Medicaid programs more efficiently, the President's plan substantially reduces Federal requirements.

-- States will be allowed to pursue managed care strategies and other service delivery innovations without seeking Federal waivers; and

-- The "Boren Amendment" and other Federal requirements that set minimum payments to health care providers will be repealed.

? Reducing Medicaid Costs: The President proposes a combination of policies to reduce the growth of federal Medicaid spending, including expanding managed care, reducing and better targeting Federal payments to states for hospitals that serve a high proportion of low

-income people, and limiting the growth in federal Medicaid payments to states for each beneficiary. Per

-person limits, as opposed to a block grant on total spending, promote efficiency while protecting coverage.

THE PRESIDENT'S PLAN:
REWARDING WORK AND RESPONSIBILITY

For low

-income programs, the President would move people from welfare to work through strict work requirements and investments in training and child care. He would expand efforts to fight fraud and abuse, maintain the national nutrition safety net, target support to the neediest, and protect poor children.

These proposals would save $38 billion over 7 years, after accounting for investments in child care and work and training for welfare recipients. Republican proposals would cut more than $100 billion over 7 years, tearing apart the social safety net, imposing unattainable work requirements while slashing child care, and putting millions of children at risk.
? For the Earned Income Tax Credit, the President proposes to continue the expansion of tax relief for the working poor, save $3 billion over 7 years by improving error and fraud control, and make sure illegal aliens who are not authorized to work in the U.S. do not receive the EITC.
-- By cutting the EITC by $21 billion over 7 years, Senate Republicans would raise taxes on 10 million working families with children and 4 million low

-income workers without
children.
? For cash assistance and social services programs, the President would save $10 billion over 7 years by tightening SSI eligibility, tightening rules for AFDC, encouraging recipients to move from welfare to work, curtailing abuses, and investing in child care and work programs.
-- Republicans would drastically cut funding for cash assistance ($29

-44 billion over 7 years), remove requirements that States contribute to program funding, place new strings on States, and, in the House plan, ultimately deny cash to millions of children. In addition, the House would eliminate SSI benefits for up to 170,000 disabled children now receiving benefits and for as many as 550,000

-850,000 who would otherwise receive them over the next five years.
? For benefits to immigrants, the President would save $5 billion over 7 years by tightening sponsorship and eligibility rules for non

-citizens, thus forcing sponsors of legal immigrants to bear greater responsibility for those whom they encourage to come to the U.S.
-- Republicans would slash $27-$33 billion over 7 years by

denying assistance to low

-income immigrants, including over
1 million legal immigrants now in the U.S.
? For food assistance, the President would maintain the national nutrition safety net programs while cutting mandatory spending by $20 billion over 7 years. He would protect spending on WIC and give 600,000 more women, infants and children access to WIC's important health and nutrition benefits.
-- Republicans would eliminate the national nutrition safety

net, slashing $33-$49 billion over 7 years, by capping Food Stamps and block granting the school lunch and other child nutrition programs. In addition, Republicans would force up to 300,000 women, infants, and children off WIC in 1996.

THE PRESIDENT'S PLAN:
REFORMING ENTITLEMENT SPENDING

The President is proposing a series of reforms in entitlements and other mandatory programs that will raise tens of billions of dollars by targeting benefits to those who need them and ensuring that taxpayers get a fair return on public resources. Republicans would cut too deeply into entitlements and threaten services and benefits on which millions of Americans rely.

Veterans:
? The President proposes to protect pensions for poor veterans and compensation for service

-connected disabled veterans.
-- Republicans would restrict or eliminate compensation benefits for certain veterans, and redefine and narrow eligibility for service

-connected disabilities.

Farm Programs:
? The President proposes to save $4.2 billion over 7 years by allowing farmers to use more acreage to plant what the market demands, reducing inequitable treatment of farmers by crop and region, and targeting payments to smaller farmers.
-- Republicans would cut farm program spending 3

-4 times as
much -- the House by $17 billion over 7 years, the Senate by $12 billion over 7 years -- without specifying how.

Spectrum Auction:
? The President proposes to raise $14.3 billion from 1996

-2002 by
expanding the Federal Communications Commission's spectrum auctions to a variety of new wireless services.

-- The House and Senate also would expand the Government's auction authority.

THE PRESIDENT'S PLAN:
INVESTING IN EDUCATION AND TRAINING

The President proposes to invest more in education and training, giving average Americans the skills they need to get high

-wage jobs in the new economy. He would increase investment in education and training by $9.5 billion a year by 2002. The President's plan increases education and training by $40 billion over the next 7 years; Republicans would cut it by up to $43 billion over the same period.

? For National Service, the President would expand the Corporation for National and Community Service, enabling nearly 1 million young Americans to serve their communities and earn scholarships for higher education.

-- The House would kill all national service programs.

? For the GI Bill for America's Workers (excluding Pell grants), the President consolidates 70 programs and add an additional $2.3 billion in 2002 for adult skill grants and youth programs.

-- Republicans would cut funding 25 percent below the 1995 level.

? For Head Start, the President would increase annual funding by $1.5 billion by 2002 to reach another 50,000 children -- for a total of 800,000 per year -- and to improve quality.

-- House Republicans would cut up to 200,000 children, compared to 1995.

? For Goals 2000, the President would increase funding from $124 million in 1995 to $867 million in 2002, helping all States and school systems extend high academic standards, better teaching, and better learning to 44 million children in over 85,000 schools.

-- House Republicans would kill support to help States raise education achievement.

? For Pell Grants, the President would increase annual funding by $3.4 billion by 2002 to reach 960,000 more recipients (for a total of 4.8 million) and increase the maximum award from $2,340 to $3,128.

-- Republicans would freeze Pell at the 1995 level.

? For Safe and Drug

-Free Schools and Communities, the President would maintain funding at $500 million per year, to help nearly

ever school district fight drug abuse and reduce violence.

-- Republicans would turn the program into a block grant and cut funding 30 percent.

? The President would phase in Federal Direct Student Loans quicker, affecting $25 billion in loans to 6 million people a year, at lower cost to government, schools, and students.

-- House Republicans would eliminate the in

-school interest exemption for 4 million financially needy borrowers, requiring a low

-income college graduate who borrowed the maximum amount to pay $3,150 more for loans than under the President's plan.

THE PRESIDENT'S PLAN:
PROTECTING THE ENVIRONMENT

The President proposes to protect the environment and our natural resources, but still save money by focusing funds on legitimate Federal functions, cutting or eliminating lower

-priority programs, and increasing the use of user fees. Republicans would jeopardize the environment by eliminating funds for constructing municipal wastewater and drinking water facilities, ending the acquisition of land for national parks and forests, and cutting park and forest budgets by 10 percent below 1995.

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The President proposes to significantly improve the Nation's global economic competitiveness through a balanced mix of basic research, applied research, and technology development, much of it through cooperative projects with private industry.
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-risk technologies with significant commercial potential.
The MEP is a nationwide, locally managed network of manufacturing centers to help the nation's 381,000 small manufacturers adopt modern manufacturing technologies.

-- Republicans would eliminate both programs.
The President is proposing to increase funding by $100 million from 1996

-2002 for the Defense Department's DOD Technology Reinvestment Project (TRP), which invests in partnerships with industry to accelerate the development of technologies that are critical to national security but can also benefit civilian purposes (i.e., dual use).
-- The House would eliminate it in the draft 1996 authorization bill.

THE PRESIDENT'S PLAN:
TARGETING TAX RELIEF TO MIDDLE

-INCOME AMERICANS

The President also proposes to raise living standards with a tax cut for middle

-income Americans. The President proposes to help average Americans to save, and to meet the cost of raising and educating their children. Republicans would provide a huge tax cut whose benefits flow disproportionately to wealthy people and corporations and whose costs must be offset by deep cuts in Medicare and other priorities.
? To assist families raising children, the President proposes a tax credit of up to $500 for each child under age 13. The credit starts at $300 per child through 1998, and increases to $500 in 1999. It is phased out between incomes of $65,000 and $75,000 per year.
-- House Republicans also include a $500 child tax credit, but phase it out between incomes of $200,000 and $250,000. Because Republicans propose a tax cut for people of high incomes -- about 6 times that of the typical family -- they must cut deeply into Medicare and other priorities.
? To help families meet the costs of education beyond high school, the President proposes a deduction for post

-secondary
tuition and fees of up to $10,000 per year. The deduction begins at $5,000 in 1996, rising to $10,000 in 1999. It is phased out at incomes between $100,000 and $120,000 per year for married couples ($70,000 and $90,000 for other taxpayers).
-- Republicans have offered no such incentive for education.
? To help families save, the President proposes to expand Individual Retirement Accounts. Income limits would double; couples with incomes up to $80,000 (and single persons with incomes of $50,000) could make fully deductible contributions. The President would allow penalty

-free withdrawals for
catastrophic medical expenses (including for parents and grandparents), higher education costs, the purchase of a first home, and unemployment. The President proposes a new back

-loaded
IRA; contributions are not tax deductible, but withdrawals after

five years are tax free.
-- House Republican have a similar proposal but would allow back

-loaded contributions with no income limit -- again, forcing deep cuts in Medicare and other priorities.
* * *

? House Republicans also have proposed enormous tax cuts for wealthy persons and corporations, forcing them to cut deeply into Medicare and other priorities. The tax cuts include: the virtual end of the alternative minimum tax for large corporations, costing $35 billion over 10 years; a liberalization of tax depreciation laws that would save large corporations over $150 billion between 1999 and 2005; a cut in estate taxes for persons with at least $600,000 of accumulated wealth, costing $20 billion; and a capital gains tax cut, costing $90 billion and providing 58 percent of its tax benefits to the 2.5 percent of taxpayers with incomes over $200,000 per year.
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: LAWRENCE J. HAAS (HAAS_L) (OMB)

CREATION DATE/TIME:14-JUN-1995 15:47:01.07

SUBJECT: budget package

TO: Anna Winderbaum (WINDERBAUM_A) (WHO)
READ:14-JUN-1995 15:57:25.09

TEXT:
as attached.
================== ATTACHMENT 1 ==================
ATT CREATION TIME/DATE:14-JUN-1995 15:46:00.00

ATT BODYPART TYPE:p

ATT CREATOR: LAWRENCE J. HAAS

TEXT:
COMMENT
AUTHOR : Michael Ruffner
OPERATOR : Michael Ruffner
COMMENT :

PRINTER FONT 18_POINT_ROMAN
THE PRESIDENT'S ECONOMIC PLAN:

A BALANCED BUDGET THAT PUTS PEOPLE
FIRST

PRINTER FONT 12_POINT_ROMAN
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AN OVERVIEW

The President today proposed a bold plan to balance the budget by 2005, cut taxes for middle

-income Americans, and
continue investing in education and training -- all to raise average living standards.

The President's plan provides a sharp contrast between his policies and those of the Republicans. The President wants to balance the budget over a reasonable period of time -- 10 years -- so he can protect Medicare, and invest in education and training and other priorities for the American people. Because Republicans balance the budget more quickly, and also provide a huge tax cut for the wealthy, they have to slash Medicare and Medicaid and cut education.

? To help raise living standards of average Americans, the President's plan will:
-- balance the budget, freeing up capital for private investment;
-- invest in education and training to give Americans skills to get high

-wage jobs; and
-- take the first, serious steps to reform the health care system, expanding coverage and reducing costs for average Americans.

? By contrast, Republican policies will:
-- increase the "education deficit;"
-- turn Medicare and Medicaid into second

-class health care systems; and
-- give huge tax breaks to the wealthy.

The President would balance the budget the right way, by eliminating wasteful spending, streamlining programs, and ending unneeded subsidies; taking the first, serious steps toward health care reform; reforming welfare to reward work; cutting non

-defense discretionary spending that doesn't include the President's investments by 22 percent in real terms, while leaving room to provide increases for education, the environment, and anti

-crime efforts; and targeting tax relief to middle

-income Americans.

Republicans would balance the budget the wrong way: To reach balance in 7 years and provide a huge tax break for the wealthy, they would slash Medicare and Medicaid and cut deeply in education and other investments that help raise average living standards.

The President's plan builds upon the policies of his first

-1/2 years that cut the deficit, created nearly 7 million jobs, controlled interest rates and inflation, expanded trade to create more high

-wage jobs, and rewarded work by cutting taxes for 15 million families. The President is also building on his efforts to create a new kind of government, one that creates opportunity, not bureaucracy, and provides the tools that average Americans need to build better lives for themselves and their families.

THE PRESIDENT'S ECONOMIC PLAN:

HIGHLIGHTS

? The President, who has cut the deficit from $290 billion in 1992 to an estimated $190 billion this year, proposes to balance the budget by 2005.
-- Republicans, none of whom voted for the President's 1993 plan, now want to balance the budget the wrong way -- cutting Medicare, education, and other important priorities deeply to fund a huge tax break for the wealthy and reach balance in 2002.
? The President proposes to take a first, serious step toward health care reform, providing net savings of $124 billion in Medicare and $55 billion in Medicaid by 2002 while expanding coverage and initiating insurance reforms.
-- Republicans would simply cut over $430 billion from Medicare and Medicaid, enough to turn them into second

-class
health systems.
? The President would save $64 billion in non

-health entitlements
by 2002 by reforming welfare, farm, and other programs.
-- Republicans would cut too deeply; for example, by increasing interest costs of student loans.
? The President would cut $200 billion from discretionary programs by 2002 by eliminating, cutting, or consolidating hundreds of programs and targeting available funds to defense, education, children, and anti

-crime efforts.
-- Republicans would cut education and anti

-crime programs;
for instance, their cuts would throw hundreds of thousands of children off Head Start and nutrition programs, and gut the President's anti

-crime efforts.
? The President would target tax relief to middle

-income
Americans, enabling them to more easily raise their children, pay for post

-secondary education, and save for the future.
-- Republicans would provide a huge tax break whose benefits would flow disproportionately to the wealthy, and also would raise taxes on millions of working families.
? The President proposes to work with Congress to save $25 billion by eliminating unneeded corporate subsidies.

THE PRESIDENT'S ECONOMIC PLAN:

REACHING BALANCE IN 2005

? In 1993, the President faced a deficit that was rising out of control -- from $290 billion in 1992 to more than $600 billion early in the next century.
? The President's 1993 economic plan has cut the deficit dramatically -- from $290 billion to a projected $190 billion this year.
? More importantly, it cut the deficit as a percentage of the economy (GDP) -- from 4.9 percent to 1992 to an estimated 2.7 percent this year and 2.1 percent by the end of the decade.
? If not for interest on the debt accumulated between 1981 and 1993, the budget would be in balance today.
? But, largely due to health care costs, the deficit will begin to rise again -- gradually reaching $266 billion in 2005.
? Now, the President proposes to finish the job -- to balance the budget by 2005.
? In 2005, the President proposes to save:
-- $96 billion in entitlements:
Medicare, $67 billion
Medicaid, $19 billion
Poverty programs, $9 billion
Other entitlements, $1 billion
-- $92 billion in discretionary spending:
Defense, $27 billion
Non

-defense, $65 billion
-- $6 billion in corporate subsidies.
-- $117 billion in interest savings.
? The President would target tax relief to average Americans, costing $26 billion in 2005.
? All told, the President's plan would bring the budget at least to balance by 2005.

THE PRESIDENT'S HEALTH REFORM INITIATIVE:
A SERIOUS STEP TOWARD HEALTH CARE REFORM

As the President has said, the key to long

-term deficit
reduction is controlling health care costs through health care reform. Thus, in his plan to balance the budget by 2005, the President presents a serious first step toward reform that:
? strengthens the Medicare Hospital Insurance (HI) Trust Fund, ensuring Medicare solvency until 2005;
? provides health security for 6 months for working families after a job loss;
? reforms Medicare to make quality managed care options more attractive while preserving choice;
? improves Medicare with new benefits that (1) provide Alzheimer's respite care, and (2) waive the copayment for women who need mammograms;
? provides home- and community

-based care grants for
disabled and elderly Americans;
? maintains Medicaid as a safety net for low

-income
Americans while reforming it to target funds more efficiently and increase state flexibility;

? reforms the insurance market to ensure that Americans can keep their coverage if they change jobs, that they won't lose coverage if they get sick, and to improve the availability and affordability of coverage for small businesses;
? gives small businesses voluntary pooling options, including access to Federal Employees Health Benefits Program (FEHBP) plans;
? expands the self

-employed tax deduction to 50 percent; and
? reduces the deficit by $271 billion over the next decade.

The President's plan expands coverage, cuts the deficit with less than half the Medicare savings and a third of the Medicaid savings that Republicans propose, and imposes no new cost increases on Medicare beneficiaries.

By contrast, the Republican budget proposals threaten Medicare beneficiaries, reduce Medicaid coverage for millions of

children and elderly Americans, and endanger many hospitals, including academic health centers. The Republicans' cuts (assuming a 50/50 beneficiary/provider split) would increase out

-of

-pocket costs for couples by $1,700 in 2002 alone (under the House budget resolution). Moreover, the Republicans do not reinvest one penny into health care; instead, the Republicans use Medicare and Medicaid cuts to pay for hundreds of billions of dollars of tax cuts for well

-off Americans.

DETAILED EXPLANATION

1. Reforming the Insurance Market

Insurance reforms, based on proposals that both Republicans and Democrats supported in the last Congress, will improve the fairness and efficiency of the insurance marketplace.

? Portability and Renewability of Coverage -- Insurers will be barred from denying coverage to Americans with pre

-existing medical conditions, and plans will have to renew coverage regardless of health status.

? Small Group Market Reforms -- Insurers will be required to offer coverage to small employers and their workers, regardless of health status, and companies will be limited in their ability to vary or increase premiums on the basis of claims' history.

? Consumer Protections -- Insurers will be required to give consumers information on benefits and limitations of their health plans, including the identity, location, and availability of participating providers; a summary of procedures used to control utilization of services; and how well the plan meets quality standards. In addition, plans would have to provide prompt notice of claims denials and establish internal grievance and appeals procedures.

2. Helping Working Families Retain Insurance After a Job Loss

Families that lose their health insurance when they lose a job will be eligible for premium subsidies for up to 6 months. The premium subsidies will be adequate to help families purchase health insurance with benefits like the Blue Cross/Blue Shield standard option plan available to Federal employees.

3. Helping Small Businesses Afford Insurance

? Giving Small Employers Access to Group Purchasing Options: Small employers that lack access to a group purchasing option through voluntary state pools would get that option through access to the Federal Employees Health Benefits Program (FEHBP) plans. This would increase the purchasing power of smaller businesses and make the small group insurance market more efficient. Small firms would get coverage from plans that also provide coverage to Federal employees through FEHBP, but the coverage would be separately rated in each state, leaving premiums for Federal and state employees unaffected.

? Expanding the Self

-Employed Tax Deduction: The

President's plan provides a fairer system for self

-employed
Americans who have health insurance. Self

-employed people
would deduct 50 percent of the cost of their health
insurance premiums, rather than 25 percent as under current
law.
4. Reforming and Strengthening Medicare
? Strengthening the Trust Fund: The President's plan would
reduce spending in Medicare's Part A by $79 billion over 7
years to ensure the solvency of the Medicare HI Trust Fund
to 2005. The plan finds such savings by reducing provider
cost growth, not raising beneficiary costs.
? Eliminating the CoPayment for Mammograms: Although
coverage by Medicare began in 1991, only 14 percent of
eligible beneficiaries without supplemental insurance tap
this potentially lifesaving benefit. One factor is the
required 20 percent copayment. To remove financial barriers
to women seeking preventive mammograms, the President's plan
waives the Medicare copayment.
? Expanding Managed Care Choices: The President's plan
expands the managed care options available to beneficiaries
to include preferred provider organizations ("PPOs") and
point

-of

-service ("POS") plans. The plan also implements
initiatives to improve Medicare reimbursement of managed
care plans, including a competitive bidding demonstration
proposal. Also included in his plan are important
initiatives to streamline regulation.
? Combatting Fraud and Abuse: "Operation Restore Trust" is
a five

-state demonstration project that targets fraud and
abuse in home health care, nursing home, and durable medical
equipment industries. The President's budget increases
funding for these critical fraud and abuse activities.
5. Long

-Term Care
? Expanding Home and Community

-Based Care: The President's
plan provides grants to states for home

-and community

-based

services for disabled elderly Americans. Each state, will receive funds for home

-and community

-based care based on the number of severely disabled people in the state, the size of its low

-income population, and the cost of services in the state.

? Providing for a New Alzheimer's Respite Benefit within Medicare: The President's plan helps Medicare beneficiaries who suffer from Alzheimer's disease by providing respite

services for their families for one week each year.

6. Reforming Medicaid

The President maintains Medicaid, expanding state flexibility, cutting costs, and assuring Medicaid's ability to provide coverage to the vulnerable populations it now serves.

? Eliminating Unnecessary Federal Strings on States: To let states manage their Medicaid programs more efficiently, the President's plan substantially reduces Federal requirements.

-- States will be allowed to pursue managed care strategies and other service delivery innovations without seeking Federal waivers; and

-- The "Boren Amendment" and other Federal requirements that set minimum payments to health care providers will be repealed.

? Reducing Medicaid Costs: The President proposes a combination of policies to reduce the growth of federal Medicaid spending, including expanding managed care, reducing and better targeting Federal payments to states for hospitals that serve a high proportion of low

-income people, and limiting the growth in federal Medicaid payments to states for each beneficiary. Per

-person limits, as opposed to a block grant on total spending, promote efficiency while protecting coverage.

THE PRESIDENT'S PLAN:
REWARDING WORK AND RESPONSIBILITY

For low

-income programs, the President would move people from welfare to work through strict work requirements and investments in training and child care. He would expand efforts to fight fraud and abuse, maintain the national nutrition safety net, target support to the neediest, and protect poor children.

These proposals would save $38 billion over 7 years, after accounting for investments in child care and work and training for welfare recipients. Republican proposals would cut more than $100 billion over 7 years, tearing apart the social safety net, imposing unattainable work requirements while slashing child care, and putting millions of children at risk.
? For the Earned Income Tax Credit, the President proposes to continue the expansion of tax relief for the working poor, save $3 billion over 7 years by improving error and fraud control, and make sure illegal aliens who are not authorized to work in the U.S. do not receive the EITC.
-- By cutting the EITC by $21 billion over 7 years, Senate Republicans would raise taxes on 10 million working families with children and 4 million low

-income workers without
children.
? For cash assistance and social services programs, the President would save $10 billion over 7 years by tightening SSI eligibility, tightening rules for AFDC, encouraging recipients to move from welfare to work, curtailing abuses, and investing in child care and work programs.
-- Republicans would drastically cut funding for cash
assistance ($29

-44 billion over 7 years), remove
requirements that States contribute to program funding, place new strings on States, and, in the House plan, ultimately deny cash to millions of children. In addition, the House would eliminate SSI benefits for up to 170,000 disabled children now receiving benefits and for as many as
550,000

-850,000 who would otherwise receive them over the
next five years.
? For benefits to immigrants, the President would save $5 billion over 7 years by tightening sponsorship and eligibility rules for
non

-citizens, thus forcing sponsors of legal immigrants to bear greater responsibility for those whom they encourage to come to the U.S.
-- Republicans would slash $27-$33 billion over 7 years by

denying assistance to low

-income immigrants, including over
1 million legal immigrants now in the U.S.
? For food assistance, the President would maintain the national nutrition safety net programs while cutting mandatory spending by $20 billion over 7 years. He would protect spending on WIC and give 600,000 more women, infants and children access to WIC's important health and nutrition benefits.
-- Republicans would eliminate the national nutrition safety

net, slashing $33-$49 billion over 7 years, by capping Food Stamps and block granting the school lunch and other child nutrition programs. In addition, Republicans would force up to 300,000 women, infants, and children off WIC in 1996.

THE PRESIDENT'S PLAN:
REFORMING ENTITLEMENT SPENDING

The President is proposing a series of reforms in entitlements and other mandatory programs that will raise tens of billions of dollars by targeting benefits to those who need them and ensuring that taxpayers get a fair return on public resources. Republicans would cut too deeply into entitlements and threaten services and benefits on which millions of Americans rely.

Veterans:
? The President proposes to protect pensions for poor veterans and compensation for service

-connected disabled veterans.
-- Republicans would restrict or eliminate compensation benefits for certain veterans, and redefine and narrow eligibility for service

-connected disabilities.

Farm Programs:
? The President proposes to save $4.2 billion over 7 years by allowing farmers to use more acreage to plant what the market demands, reducing inequitable treatment of farmers by crop and region, and targeting payments to smaller farmers.
-- Republicans would cut farm program spending 3

-4 times as
much -- the House by $17 billion over 7 years, the Senate by $12 billion over 7 years -- without specifying how.

Spectrum Auction:
? The President proposes to raise $14.3 billion from 1996

-2002 by
expanding the Federal Communications Commission's spectrum auctions to a variety of new wireless services.

-- The House and Senate also would expand the Government's auction authority.

THE PRESIDENT'S PLAN:
INVESTING IN EDUCATION AND TRAINING

The President proposes to invest more in education and training, giving average Americans the skills they need to get high

-wage jobs in the new economy. He would increase investment in education and training by $9.5 billion a year by 2002. The President's plan increases education and training by $40 billion over the next 7 years; Republicans would cut it by up to $43 billion over the same period.
? For National Service, the President would expand the Corporation for National and Community Service, enabling nearly 1 million young Americans to serve their communities and earn scholarships for higher education.
-- The House would kill all national service programs.
? For the GI Bill for America's Workers (excluding Pell grants), the President consolidates 70 programs and add an additional $2.3 billion in 2002 for adult skill grants and youth programs.
-- Republicans would cut funding 25 percent below the 1995 level.
? For Head Start, the President would increase annual funding by $1.5 billion by 2002 to reach another 50,000 children -- for a total of 800,000 per year -- and to improve quality.
-- House Republicans would cut up to 200,000 children, compared to 1995.
? For Goals 2000, the President would increase funding from $124 million in 1995 to $867 million in 2002, helping all States and school systems extend high academic standards, better teaching, and better learning to 44 million children in over 85,000 schools.
-- House Republicans would kill support to help States raise education achievement.
? For Pell Grants, the President would increase annual funding by $3.4 billion by 2002 to reach 960,000 more recipients (for a total of 4.8 million) and increase the maximum award from $2,340 to $3,128.
-- Republicans would freeze Pell at the 1995 level.
? For Safe and Drug

-Free Schools and Communities, the President would maintain funding at $500 million per year, to help nearly

ever school district fight drug abuse and reduce violence.

-- Republicans would turn the program into a block grant and cut funding 30 percent.
? The President would phase in Federal Direct Student Loans quicker, affecting $25 billion in loans to 6 million people a year, at lower cost to government, schools, and students.
-- House Republicans would eliminate the in

-school interest exemption for 4 million financially needy borrowers, requiring a low

-income college graduate who borrowed the maximum amount to pay $3,150 more for loans than under the President's plan.

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-- Republicans would eliminate both programs.

The President is proposing to increase funding by $100 million from 1996

-2002 for the Defense Department's DOD Technology Reinvestment Project (TRP), which invests in partnerships with industry to accelerate the development of technologies that are critical to national security but can also benefit civilian purposes (i.e., dual use).
-- The House would eliminate it in the draft 1996 authorization bill.

THE PRESIDENT'S PLAN:
TARGETING TAX RELIEF TO MIDDLE

-INCOME AMERICANS

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-- House Republicans also include a $500 child tax credit, but phase it out between incomes of $200,000 and $250,000. Because Republicans propose a tax cut for people of high incomes -- about 6 times that of the typical family -- they must cut deeply into Medicare and other priorities.
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-- Republicans have offered no such incentive for education.
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================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: LAWRENCE J. HAAS (HAAS_L) (OMB)

CREATION DATE/TIME:15-JUN-1995 20:47:44.69

SUBJECT: budget text

TO: Marilyn Yager (YAGER_M) (WHO)
READ:16-JUN-1995 08:41:15.64

TEXT:
as attached.
here's the budget text. you need to get the talking points from gene. as for the charts and graphs, that's in someone else's computer, and we'll have to hook up on that. let's talk about it. see you soon.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE:15-JUN-1995 20:46:00.00

ATT BODYPART TYPE:p

ATT CREATOR: LAWRENCE J. HAAS

TEXT:
COMMENT
AUTHOR : Michael Ruffner
OPERATOR : Michael Ruffner
COMMENT :

PRINTER FONT 18_POINT_ROMAN
THE PRESIDENT'S ECONOMIC PLAN:

A BALANCED BUDGET THAT PUTS PEOPLE
FIRST

PRINTER FONT 12_POINT_ROMAN
THE PRESIDENT'S ECONOMIC PLAN:
A BALANCED BUDGET THAT PUTS PEOPLE FIRST

AN OVERVIEW

The President today proposed a bold plan to balance the budget by 2005, cut taxes for middle

-income Americans, and continue investing in education and training -- all to raise average living standards.

The President's plan provides a sharp contrast between his policies and those of the Republicans. The President wants to balance the budget over a reasonable period of time -- 10 years -- so he can protect Medicare, and invest in education and training and other priorities for the American people. Because Republicans balance the budget more quickly, and also provide a huge tax cut for the wealthy, they have to slash Medicare and Medicaid and cut education.

? To help raise living standards of average Americans, the President's plan will:

-- balance the budget, freeing up capital for private investment;

-- invest in education and training to give Americans skills to get high

-wage jobs; and

-- take the first, serious steps to reform the health care system, expanding coverage and reducing costs for average Americans.

? By contrast, Republican policies will:

-- increase the "education deficit;"

-- turn Medicare and Medicaid into second

-class health care systems; and

-- give huge tax breaks to the wealthy.

The President would balance the budget the right way, by eliminating wasteful spending, streamlining programs, and ending unneeded subsidies; taking the first, serious steps toward health care reform; reforming welfare to reward work; cutting non

-defense discretionary spending that doesn't include the President's investments by 22 percent in real terms, while leaving room to provide increases for education, the environment, and anti

-crime efforts; and targeting tax relief to middle

-income Americans.

Republicans would balance the budget the wrong way: To reach balance in 7 years and provide a huge tax break for the wealthy, they would slash Medicare and Medicaid and cut deeply in education and other investments that help raise average living standards.

The President's plan builds upon the policies of his first
2

-1/2 years that cut the deficit, created nearly 7 million jobs, controlled interest rates and inflation, expanded trade to create more high

-wage jobs, and rewarded work by cutting taxes for 15 million families. The President is also building on his efforts to create a new kind of government, one that creates opportunity, not bureaucracy, and provides the tools that average Americans need to build better lives for themselves and their families.

THE PRESIDENT'S ECONOMIC PLAN:

HIGHLIGHTS

? The President, who has cut the deficit from $290 billion in 1992 to an estimated $190 billion this year, proposes to balance the budget by 2005.
-- Republicans, none of whom voted for the President's 1993 plan, now want to balance the budget the wrong way -- cutting Medicare, education, and other important priorities deeply to fund a huge tax break for the wealthy and reach balance in 2002.
? The President proposes to take a first, serious step toward health care reform, providing net savings of $124 billion in Medicare and $55 billion in Medicaid by 2002 while expanding coverage and initiating insurance reforms.
-- Republicans would simply cut over $430 billion from Medicare and Medicaid, enough to turn them into second

-class
health systems.
? The President would save $64 billion in non

-health entitlements
by 2002 by reforming welfare, farm, and other programs.
-- Republicans would cut too deeply; for example, by increasing interest costs of student loans.
? The President would cut $200 billion from discretionary programs by 2002 by eliminating, cutting, or consolidating hundreds of programs and targeting available funds to defense, education, children, and anti

-crime efforts.
-- Republicans would cut education and anti

-crime programs;
for instance, their cuts would throw hundreds of thousands of children off Head Start and nutrition programs, and gut the President's anti

-crime efforts.
? The President would target tax relief to middle

-income
Americans, enabling them to more easily raise their children, pay for post

-secondary education, and save for the future.
-- Republicans would provide a huge tax break whose benefits would flow disproportionately to the wealthy, and also would raise taxes on millions of working families.
? The President proposes to work with Congress to save $25 billion by eliminating unneeded corporate subsidies.

THE PRESIDENT'S ECONOMIC PLAN:

REACHING BALANCE IN 2005

? In 1993, the President faced a deficit that was rising out of control -- from $290 billion in 1992 to more than $600 billion early in the next century.
? The President's 1993 economic plan has cut the deficit dramatically -- from $290 billion to a projected $190 billion this year.
? More importantly, it cut the deficit as a percentage of the economy (GDP) -- from 4.9 percent to 1992 to an estimated 2.7 percent this year and 2.1 percent by the end of the decade.
? If not for interest on the debt accumulated between 1981 and 1993, the budget would be in balance today.
? But, largely due to health care costs, the deficit will begin to rise again -- gradually reaching $266 billion in 2005.
? Now, the President proposes to finish the job -- to balance the budget by 2005.
? In 2005, the President proposes to save:
-- $96 billion in entitlements:
    Medicare, $67 billion
    Medicaid, $19 billion
    Poverty programs, $9 billion
    Other entitlements, $1 billion
-- $92 billion in discretionary spending:
    Defense, $27 billion
    Non

-defense, $65 billion
-- $6 billion in corporate subsidies.
-- $117 billion in interest savings.
? The President would target tax relief to average Americans, costing $26 billion in 2005.
? All told, the President's plan would bring the budget at least to balance by 2005.

THE PRESIDENT'S HEALTH REFORM INITIATIVE:
A SERIOUS STEP TOWARD HEALTH CARE REFORM

As the President has said, the key to long

-term deficit
reduction is controlling health care costs through health care reform. Thus, in his plan to balance the budget by 2005, the President presents a serious first step toward reform that:

? strengthens the Medicare Hospital Insurance (HI) Trust Fund, ensuring Medicare solvency until 2005;
? provides health security for 6 months for working families after a job loss;
? reforms Medicare to make quality managed care options more attractive while preserving choice;
? improves Medicare with new benefits that (1) provide Alzheimer's respite care, and (2) waive the copayment for women who need mammograms;
? provides home- and community

-based care grants for
disabled and elderly Americans;
? maintains Medicaid as a safety net for low

-income
Americans while reforming it to target funds more efficiently and increase state flexibility;

? reforms the insurance market to ensure that Americans can keep their coverage if they change jobs, that they won't lose coverage if they get sick, and to improve the availability and affordability of coverage for small businesses;
? gives small businesses voluntary pooling options, including access to Federal Employees Health Benefits Program (FEHBP) plans;
? expands the self

-employed tax deduction to 50 percent; and
? reduces the deficit by $271 billion over the next decade.

The President's plan expands coverage, cuts the deficit with less than half the Medicare savings and a third of the Medicaid savings that Republicans propose, and imposes no new cost increases on Medicare beneficiaries.

By contrast, the Republican budget proposals threaten Medicare beneficiaries, reduce Medicaid coverage for millions of

children and elderly Americans, and endanger many hospitals, including academic health centers. The Republicans' cuts (assuming a 50/50 beneficiary/provider split) would increase out

-of

-pocket costs for couples by $1,700 in 2002 alone (under the House budget resolution). Moreover, the Republicans do not reinvest one penny into health care; instead, the Republicans use Medicare and Medicaid cuts to pay for hundreds of billions of dollars of tax cuts for well

-off Americans.

DETAILED EXPLANATION

1. Reforming the Insurance Market

Insurance reforms, based on proposals that both Republicans and Democrats supported in the last Congress, will improve the fairness and efficiency of the insurance marketplace.

? Portability and Renewability of Coverage -- Insurers will be barred from denying coverage to Americans with pre

-existing medical conditions, and plans will have to renew coverage regardless of health status.

? Small Group Market Reforms -- Insurers will be required to offer coverage to small employers and their workers, regardless of health status, and companies will be limited in their ability to vary or increase premiums on the basis of claims' history.

? Consumer Protections -- Insurers will be required to give consumers information on benefits and limitations of their health plans, including the identity, location, and availability of participating providers; a summary of procedures used to control utilization of services; and how well the plan meets quality standards. In addition, plans would have to provide prompt notice of claims denials and establish internal grievance and appeals procedures.

2. Helping Working Families Retain Insurance After a Job Loss

Families that lose their health insurance when they lose a job will be eligible for premium subsidies for up to 6 months. The premium subsidies will be adequate to help families purchase health insurance with benefits like the Blue Cross/Blue Shield standard option plan available to Federal employees.

3. Helping Small Businesses Afford Insurance

? Giving Small Employers Access to Group Purchasing Options: Small employers that lack access to a group purchasing option through voluntary state pools would get that option through access to the Federal Employees Health Benefits Program (FEHBP) plans. This would increase the purchasing power of smaller businesses and make the small group insurance market more efficient. Small firms would get coverage from plans that also provide coverage to Federal employees through FEHBP, but the coverage would be

separately rated in each state, leaving premiums for Federal
and state employees unaffected.
? Expanding the Self

-Employed Tax Deduction: The

President's plan provides a fairer system for self

-employed
Americans who have health insurance. Self

-employed people
would deduct 50 percent of the cost of their health
insurance premiums, rather than 25 percent as under current
law.
4. Reforming and Strengthening Medicare
? Strengthening the Trust Fund: The President's plan would
reduce spending in Medicare's Part A by $79 billion over 7
years to ensure the solvency of the Medicare HI Trust Fund
to 2005. The plan finds such savings by reducing provider
cost growth, not raising beneficiary costs.
? Eliminating the CoPayment for Mammograms: Although
coverage by Medicare began in 1991, only 14 percent of
eligible beneficiaries without supplemental insurance tap
this potentially lifesaving benefit. One factor is the
required 20 percent copayment. To remove financial barriers
to women seeking preventive mammograms, the President's plan
waives the Medicare copayment.
? Expanding Managed Care Choices: The President's plan
expands the managed care options available to beneficiaries
to include preferred provider organizations ("PPOs") and
point

-of

-service ("POS") plans. The plan also implements
initiatives to improve Medicare reimbursement of managed
care plans, including a competitive bidding demonstration
proposal. Also included in his plan are important
initiatives to streamline regulation.
? Combatting Fraud and Abuse: "Operation Restore Trust" is
a five

-state demonstration project that targets fraud and
abuse in home health care, nursing home, and durable medical
equipment industries. The President's budget increases
funding for these critical fraud and abuse activities.
5. Long

-Term Care
? Expanding Home and Community

-Based Care: The President's
plan provides grants to states for home

-and community

-based
services for disabled elderly Americans. Each state, will receive funds for home

-and community

-based care based on the number of severely disabled people in the state, the size of its low

-income population, and the cost of services in the state.

? Providing for a New Alzheimer's Respite Benefit within Medicare: The President's plan helps Medicare beneficiaries who suffer from Alzheimer's disease by providing respite

services for their families for one week each year.

6. Reforming Medicaid

The President maintains Medicaid, expanding state flexibility, cutting costs, and assuring Medicaid's ability to provide coverage to the vulnerable populations it now serves.

? Eliminating Unnecessary Federal Strings on States: To let states manage their Medicaid programs more efficiently, the President's plan substantially reduces Federal requirements.

-- States will be allowed to pursue managed care strategies and other service delivery innovations without seeking Federal waivers; and

-- The "Boren Amendment" and other Federal requirements that set minimum payments to health care providers will be repealed.

? Reducing Medicaid Costs: The President proposes a combination of policies to reduce the growth of federal Medicaid spending, including expanding managed care, reducing and better targeting Federal payments to states for hospitals that serve a high proportion of low

-income people,
and limiting the growth in federal Medicaid payments to states for each beneficiary. Per

-person limits, as opposed
to a block grant on total spending, promote efficiency while protecting coverage.

THE PRESIDENT'S PLAN:
REWARDING WORK AND RESPONSIBILITY

For low

-income programs, the President would move people from welfare to work through strict work requirements and investments in training and child care. He would expand efforts to fight fraud and abuse, maintain the national nutrition safety net, target support to the neediest, and protect poor children. These proposals would save $38 billion over 7 years, after accounting for investments in child care and work and training for welfare recipients. Republican proposals would cut more than $100 billion over 7 years, tearing apart the social safety net, imposing unattainable work requirements while slashing child care, and putting millions of children at risk.

? For the Earned Income Tax Credit, the President proposes to continue the expansion of tax relief for the working poor, save $3 billion over 7 years by improving error and fraud control, and make sure illegal aliens who are not authorized to work in the U.S. do not receive the EITC.

-- By cutting the EITC by $21 billion over 7 years, Senate Republicans would raise taxes on 10 million working families with children and 4 million low

-income workers without children.

? For cash assistance and social services programs, the President would save $10 billion over 7 years by tightening SSI eligibility, tightening rules for AFDC, encouraging recipients to move from welfare to work, curtailing abuses, and investing in child care and work programs.

-- Republicans would drastically cut funding for cash assistance ($29

-44 billion over 7 years), remove requirements that States contribute to program funding, place new strings on States, and, in the House plan, ultimately deny cash to millions of children. In addition, the House would eliminate SSI benefits for up to 170,000 disabled children now receiving benefits and for as many as 550,000

-850,000 who would otherwise receive them over the next five years.

? For benefits to immigrants, the President would save $5 billion over 7 years by tightening sponsorship and eligibility rules for non

-citizens, thus forcing sponsors of legal immigrants to bear greater responsibility for those whom they encourage to come to the U.S.

-- Republicans would slash $27-$33 billion over 7 years by

denying assistance to low

-income immigrants, including over 1 million legal immigrants now in the U.S.

? For food assistance, the President would maintain the national nutrition safety net programs while cutting mandatory spending by

$20 billion over 7 years. He would protect spending on WIC and give 600,000 more women, infants and children access to WIC's important health and nutrition benefits.
-- Republicans would eliminate the national nutrition safety net, slashing $33-$49 billion over 7 years, by capping Food Stamps and block granting the school lunch and other child nutrition programs. In addition, Republicans would force up to 300,000 women, infants, and children off WIC in 1996.

THE PRESIDENT'S PLAN:
REFORMING ENTITLEMENT SPENDING

The President is proposing a series of reforms in entitlements and other mandatory programs that will raise tens of billions of dollars by targeting benefits to those who need them and ensuring that taxpayers get a fair return on public resources. Republicans would cut too deeply into entitlements and threaten services and benefits on which millions of Americans rely.

Veterans:
? The President proposes to protect pensions for poor veterans and compensation for service

-connected disabled veterans.
-- Republicans would restrict or eliminate compensation benefits for certain veterans, and redefine and narrow eligibility for service

-connected disabilities.

Farm Programs:
? The President proposes to save $4.2 billion over 7 years by allowing farmers to use more acreage to plant what the market demands, reducing inequitable treatment of farmers by crop and region, and targeting payments to smaller farmers.
-- Republicans would cut farm program spending 3

-4 times as
much -- the House by $17 billion over 7 years, the Senate by $12 billion over 7 years -- without specifying how.

Spectrum Auction:
? The President proposes to raise $14.3 billion from 1996

-2002 by
expanding the Federal Communications Commission's spectrum auctions to a variety of new wireless services.

-- The House and Senate also would expand the Government's auction authority.

THE PRESIDENT'S PLAN:
INVESTING IN EDUCATION AND TRAINING

The President proposes to invest more in education and training, giving average Americans the skills they need to get high

-wage jobs in the new economy. He would increase investment in education and training by $9.5 billion a year by 2002. The President's plan increases education and training by $40 billion over the next 7 years; Republicans would cut it by up to $43 billion over the same period.
? For National Service, the President would expand the Corporation for National and Community Service, enabling nearly 1 million young Americans to serve their communities and earn scholarships for higher education.
-- The House would kill all national service programs.
? For the GI Bill for America's Workers (excluding Pell grants), the President consolidates 70 programs and add an additional $2.3 billion in 2002 for adult skill grants and youth programs.
-- Republicans would cut funding 25 percent below the 1995 level.
? For Head Start, the President would increase annual funding by $1.5 billion by 2002 to reach another 50,000 children -- for a total of 800,000 per year -- and to improve quality.
-- House Republicans would cut up to 200,000 children, compared to 1995.
? For Goals 2000, the President would increase funding from $124 million in 1995 to $867 million in 2002, helping all States and school systems extend high academic standards, better teaching, and better learning to 44 million children in over 85,000 schools.
-- House Republicans would kill support to help States raise education achievement.
? For Pell Grants, the President would increase annual funding by $3.4 billion by 2002 to reach 960,000 more recipients (for a total of 4.8 million) and increase the maximum award from $2,340 to $3,128.
-- Republicans would freeze Pell at the 1995 level.
? For Safe and Drug

-Free Schools and Communities, the President would maintain funding at $500 million per year, to help nearly

ever school district fight drug abuse and reduce violence.

-- Republicans would turn the program into a block grant and cut funding 30 percent.
? The President would phase in Federal Direct Student Loans quicker, affecting $25 billion in loans to 6 million people a year, at lower cost to government, schools, and students.
-- House Republicans would eliminate the in

-school interest
exemption for 4 million financially needy borrowers, requiring a low

-income college graduate who borrowed the
maximum amount to pay $3,150 more for loans than under the President's plan.

THE PRESIDENT'S PLAN:
PROTECTING THE ENVIRONMENT

The President proposes to protect the environment and our natural resources, but still save money by focusing funds on legitimate Federal functions, cutting or eliminating
lower

-priority programs, and increasing the use of user fees. Republicans would jeopardize the environment by eliminating funds for constructing municipal wastewater and drinking water facilities, ending the acquisition of land for national parks and forests, and cutting park and forest budgets by 10 percent below 1995.

? The President proposes to consolidate the Clean Water and Safe Drinking Water State Revolving Funds that make loans for municipal wastewater and water treatment construction, giving States more flexibility in meeting local priorities. He would reduce funding over time to $1.5 billion a year as States gain access, as a permanent source, to the repayments of previous loans.

-- The Senate would eliminate these programs by 1998; the House would provide less funding than the President.

? The President proposes to increase funding by $265 million a year by 2002 for the Environmental Protection Agency's operating program, the backbone of our efforts to protect the environment. This increase comes after $150 million in savings due to streamlining and decreased EPA oversight of State delegated programs. The operating program increases address global climate change, promote development and export of environmental technology, and protect sensitive ecosystems.

-- Republicans would eliminate the program to develop environmental technologies that improve the environment at lower cost while opening new export markets, and terminate funding for programs that protect water quality and preserve habitat for ducks and fish.

? The President proposes increases each year for National Park operations and rehabilitation in order to maintain parks and their facilities.

-- Republicans would cut national park construction by half, and park operations by 10 percent, the latter of which would strain the National Park Service's ability to keep parks open and up to standards.

? The President proposes to phase

-down spending on Federal land

acquisitions to $100 million a year, focusing on high

-priority
projects and the expanded use of land exchanges.
-- Republicans would terminate Federal land acquisitions.

THE PRESIDENT'S PLAN:
CONTROLLING VIOLENT CRIME

The President proposes to expand his vigorous fight against violent crime, providing a $6.7 billion increase a year by 2002 for grants to States and localities; more resources for Federal investigations, prosecutions, and imprisonment; and more support for the Federal Judiciary to try and convict violent offenders. The President would spend $7.5 billion more in 2002 than House Republicans and $200 million more than Senate Republicans.
? The President proposes to fully fund the Violent Crime Reduction Trust Fund (VCRTF), providing the full $30.2 billion authorized by the VCRTF from 1995

-2000. In addition, for 2001

-02
the President would add $8.5 billion, bringing total VCRTF funding to $38.7 billion for 1995

-2002.
-- House Republicans would cut programs authorized by the VCRTF from 1995

-2000.
? The President's proposal for the VCRTF would finance:
-- 100,000 cops for State and local police forces, fulfilling a major promise of the President and adding almost 20 percent to State and local police forces;
-- reimbursements to States which have paid to incarcerate criminal illegal aliens; and
-- State and local grants to:
?? bring new prison cells into service;
?? confront the problems of violence against women; and
?? finance "drug courts" which provide cost

-effective ways
to deal with first

-time, non

-violent drug offenders.
? The President would provide an increase of $1.7 billion by 2002 for Justice Department crime fighting programs, including heightened border enforcement, increased FBI and DEA funding to address drug abuse, street crime, and terrorism; and increased resources for the Federal Prison System for new prisons and costs tied to a growing population of violent criminals.
-- Republicans would not provide specific increases for these programs.

? The President would increase funding by $500 million a year by 2002 for the Federal court system to adjudicate violent criminal cases.

-- Republicans would not provide any increases for the Federal Judiciary.
? The President would terminate several unnecessary or redundant programs, such as the State Justice Institute, the Administrative Conference of the U.S., and the U.S. Parole Commission.

THE PRESIDENT'S PLAN:
STRENGTHENING OUR COMMITMENT TO SCIENCE AND TECHNOLOGY

The President proposes to significantly improve the Nation's global economic competitiveness through a balanced mix of basic research, applied research, and technology development, much of it through cooperative projects with private industry.
Republicans would significantly reduce investments in basic research, applied research, and technology development.
? The President proposes to add $2.5 billion a year by 2002 for biomedical and behavioral research at the National Institute for Health.
-- The House would cut biomedical and behavioral research at NIH by $542 million.
? The President proposes that the National Science Foundation's investments in basic research and education programs keep pace with inflation, adding $500 million a year by 2002.
-- Republicans would invest significantly less, with the Senate cutting $100 million and the House adding $240 million.
? The President would provide $100 million more a year by 2002 for the science facilities utilization initiative, ensuring more research time for scientists working on "cutting edge" research facilities.
-- Republicans would force many of these valuable facilities to close their doors.
? The President proposes to add at least $500 million a year by 2002 for NASA's investments in basic research, including Mission to Planet Earth, which will provide the first global study of the impact of man on the Earth's environment.
-- Republicans would cut these important research programs significantly.
? The President is proposing to increase the Advanced Technology Program (ATP) and the Manufacturing Extension Partnership (MEP) by almost $500 million a year by 2002. ATP invests in partnerships with industry to accelerate the development of high

-risk technologies with significant commercial potential.
The MEP is a nationwide, locally managed network of manufacturing centers to help the nation's 381,000 small manufacturers adopt modern manufacturing technologies.

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