

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

November 18, 1999

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

November 18, 1999

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

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

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

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

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

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

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

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

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

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

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

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

ADDRESSING HEALTH CARE. The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical

prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

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

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

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

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

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

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

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

- × **Strengthening Social Security:** The Republicans have proposed so-called "lockbox" legislation that would not add a single day to the life of Social Security; the President has asked them to join him in using the benefits of fiscal discipline to extend the life of Social Security from 2034 to 2050.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President and Vice President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. These challenges include modernizing it with a long overdue, optional prescription drug and giving Medicare the adequate resources and tools to be as efficient as possible.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start, through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs.
- × **Expanding Federal Hate Crimes Laws:** The President and Vice President have called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability.
- × **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.
- × **Providing for Long-term Care Assistance for Those With Chronic Illnesses and Their Families:** Despite proposals by the President and bipartisan support from many members of Congress, the Congress has failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** Although the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on the President's proposals to expand health options for older Americans
- × **Encouraging Small Businesses to Offer Health Insurance:** The President has urged Congress to provide new health insurance options for vulnerable Americans employed by small businesses.
- × **Continuing to Help People Move From Welfare to Work:** Although the Congress enacted eligibility changes similar to those proposed by the President to allow states, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, Congress failed to provide any new funding.
- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act. This legislation would be an important milestone in America's effort to build a new economic relationship with Sub-Saharan Africa and deepen ties with our Caribbean and Central American neighbors.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years as part

of an effort to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.

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

A VICTORY FOR AMERICA'S STUDENTS

November 18, 1999

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

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

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

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

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

PROGRESS ON AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT

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

- **Debt Quadrupled Between 1981 and 1992:** Between 1981 and 1992, the debt held by the public quadrupled. The budget deficit grew to \$290 billion in 1992 – and was projected to grow to more than \$400 billion by 1999.
- **President's Tough Choices Led to Largest Surplus Ever:** As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever.
- **The President Stopped Republican Attempts to Reverse this Fiscal Discipline:** Throughout the year, the Republican Congress took steps that would have threatened our fiscal discipline. These were stopped by the President, who vetoed the Republican's fiscally irresponsible and exploding tax cut.
 - **In January, Republicans Proposed a Tax Cut that Would Have Spent the Social Security Surplus:** H.R. 3 and S. 3 called for an across-the-board 10 percent reduction in income tax rates. According to Joint Committee on Taxation Estimates, this proposal would have cost \$58 billion in 2000 – *using tens of billions of dollars from the Social Security surplus this year*. In the first five years, this tax cut would have cost \$360 billion – much more than could be paid for out of the non-Social Security surplus, then projected at \$165 billion by the Congressional Budget Office (CBO).
 - **In August, Republicans Passed a Tax Cut that Would Likely Have Spent the Social Security Surplus:** In August, the Republican Congress passed a \$792 billion tax cut that, if continued, would have used virtually all of CBO's projected surplus over the next 10 years. It would have used growing amounts of the Social Security surplus every year after 2004. This tax cut was based on a budget plan that would have required nearly 50 percent cuts in all domestic discretionary spending, assuming defense were funded at the level requested by the President. If cuts of this magnitude were not made, the likely consequence of the Republican tax cut would have been to divert hundreds of billions of dollars of the Social Security surplus from promised debt reduction.

A VICTORY FOR AMERICA'S STUDENTS

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

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** President Clinton's budget included the second installment of his plan to help reduce class size in the early grades by hiring 100,000 quality

teachers. The President vetoed a Congressional budget that reneged on last year's bipartisan agreement, did not guarantee funding for 29,000 teachers hired last year, and would have allowed Class Size dollars to be used for virtually any activity – including vouchers – rather than hiring qualified teachers. The final budget enhances last year's teacher quality and flexibility provisions and provides \$1.3 billion for Class Size Reduction, enough to stay on track to hire 100,000 teachers over the next 6 years.

- ✓ **More than Twice as Much Federal Support for After School:** In his State of the Union address, the President called for a large investment in after school and summer school programs to give children the extra help they need to meet high standards. The final budget more than doubles the federal investment in these programs to \$453 million, to provide educational support to nearly 675,000 students – 375,000 more students than last year.
- ✓ **Early Intervention To Help Disadvantaged Students Prepare for College:** House Republicans proposed to terminate the President's GEAR UP college preparation initiative for low-income students, a new initiative begun in 1998. The final budget increases funding for GEAR UP from \$120 million in 1999 to \$200 million to support State projects and partnerships of colleges, high-poverty schools, and community organizations, to help 482,000 students aspire to and prepare for college starting in the 7th grade.
- ✓ **Accountability for the Lowest Performing Schools:** In his State of the Union address, President Clinton insisted that “all states and school districts must turn around their worst-performing schools – or shut them down,” and his Budget included funds to help states and school districts turn around their own failing schools. The final bill provides \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results. In addition, the bill provides \$7,807 million for the base program, Title I Grants to LEAs, which is an increase of \$75 million over last year, in order to continue efforts to help disadvantaged students catch up with their peers.
- ✓ **More Education Technology for Students:** The final budget triples funding for Community Technology Centers to reach at least 120 low-income communities, provides \$75 million to train new teachers in the use of technology, and provides \$425 million to states and school districts to purchase computer hardware and educational software. Investment in educational technology has increased to \$769 million, up from \$698 million in 1999.
- ✓ **Making Schools Safe, Disciplined, and Drug-Free:** The budget agreement provides \$606 million for school-based drug and violence prevention programs, including the President's \$50 million request for the Coordinator Initiative, that would provide coordinators to plan, implement, and evaluate successful prevention programs in middle schools across the Nation. Additional resources are also provided for an expansion of the interagency Safe Schools / Healthy Students initiative, with HHS and DoJ.
- ✓ **Expanded Head Start:** President Clinton and Vice President Gore proposed a \$607 million increase for Head Start to serve an additional 44,000 young children – and stay on track toward serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied over 40,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at \$5.3 billion – or 90 percent above the 1993 level.

- ✓ **Increasing Public School Choice Through Charter Schools:** The budget agreement provides \$145 million for Public Charter Schools, an increase of \$45 million over the FY 1999 enacted level. This will strengthen and expand public school choice by providing startup funding to as many as 2,400 charter schools next year, about 650 more schools than this year. The President has pledged to help start 3,000 charter schools across the country by early in the next century. When President Clinton and Vice President Gore were first elected in 1992, there was only one charter school operating in the country. This year, more than 1,700 charter schools are operating, serving a diverse student body in more than 30 states. This remarkable growth is in large part due to the President's leadership and support for these innovative high quality schools.
- ✓ **Hispanic Education Agenda:** President Clinton's budget included an ambitious agenda to address the disproportionately low educational achievement and high dropout rates of Latino students. The final budget includes \$436 million in increases for a number of education programs that help to improve the educational outcomes of Latinos and limited English proficient students, including Title I Grants to LEAs, Adult Education, Bilingual Education, and TRIO.
- ✓ **English Language/Civics Education Initiative:** The increase to Adult Education targets \$25.5 million for the President's ESL/Civics Initiative, which would provide instruction in both English literacy and critical life skills necessary for effective citizenship and civic participation.
- ✓ **Largest Maximum Pell Grant Award Ever:** The final budget provides \$7.7 billion for Pell Grants, increasing the maximum Pell Grant award from \$3,125 to \$3,300. The maximum award has increased 43 percent since President Clinton and Vice President Gore took office in 1993.
- ✓ **Support for One Million Students To Work Their Way Through College:** The President's budget requested \$934 million for Federal Work-Study to fulfill his commitment to expand work-study to one million students in FY 2000. House Republicans initially provided only \$880 million. The final budget provides the President's request and will give one million students the opportunity to earn money for college through part-time work.
- ✓ **Training for Dislocated Workers:** The final budget provides a \$190 million increase for a total of \$1.6 billion to provide much needed training for dislocated workers. This is more than triple the funding in 1993, allowing the program to serve more than 3 times as many dislocated workers. This increase is a step toward meeting the 5-year goal of the Universal Reemployment Initiative to provide training to every dislocated worker who wants and needs training.
- ✓ **Providing for School Construction:** The final budget extends Qualified Zone Academy Bonds (QZABs) through 2001. QZABs provide no-interest loans to school districts in needy areas to fund certain expenditures on rehabilitation and repairs, educational equipment, curriculum development, and teacher training. QZABs have been used to purchase computers and develop technology-based curricula, renovate and repair a charter school, purchase computer software and hardware to develop literacy programs, and even to establish the first public secondary military academy in the nation.
- ✓ **Tax Relief to Encourage Worker Training:** The final budget extends the tax relief provided by Section 127 through 2001, which allows employers to provide educational assistance for courses at degree-granting institutions as a tax-free fringe benefit. By encouraging worker education, it helps employers expand the skills of their work force and expands the opportunities of workers to adapt to new technologies.

FIGHTING CRIME, DRUGS, AND GUNS

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

- ✓ **More Police on the Streets:** In 1994, President Clinton and Vice President Gore won a commitment to put 100,000 police officers on the street. In his State of the Union Address, the President proposed a 21st Century crime plan to hire up to 50,000 more police officers by 2005. The final budget contains full funding for the first installment toward meeting this goal.
- ✓ **Law Enforcement Technology:** The final budget provides \$230 million to provide law enforcement with the latest crime-fighting and crime-solving technology.
- ✓ **Community Prosecutors:** Provides \$10 for the Administration's initiative to extend the success of community policing to local prosecutors.
- ✓ **Strengthened Gun Enforcement:** An increase of \$12.6 million for more ATF agents to bolster federal law enforcement efforts against gun crime.
- ✓ **Youth and Guns:** Over \$50 million for the President's Youth Crime Gun Interdiction Initiative, to expand the initiative from 27 to 38 cities, trace more guns used in crimes, and add more ATF agents to crack down on illegal gun traffickers who supply guns to juveniles and criminals.
- ✓ **Youth Anti-Drug Media Campaign:** \$185 million to continue the successful campaign to reach our youth with the message that drugs are wrong, dangerous and deadly.

INVESTING IN A CLEANER ENVIRONMENT

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

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

- \$36 million to manage and protect marine sanctuaries and coral reefs;
 - \$15 million in matching funds to protect wilderness and other lands in the California Desert.
 - \$206 million for states and local governments to help communities preserve their farms, urban parks, coastal areas, and working forests.
- ✓ **Ensuring Clean Water and Healthy Communities:** The final budget secures \$1.8 billion for the President's Clean Water Action Plan, a 9 percent increase includes increased funds to reduce polluted runoff from large livestock operations. In addition, the Environmental Protection Agency budget provides \$2.17 billion to help communities build or upgrade drinking water and sewage treatment plants, and \$1.4 billion to continue progress toward cleaning up 900 Superfund sites by 2002.
- ✓ **Leading the Fight Against Global Warming:** The budget provides \$1.1 billion for research and development of clean energy through the Climate Change Technology Initiative, including a 7 percent increase for energy efficiency investments to reduce pollution, create jobs, and save consumers money.
- ✓ **Saving Pacific Salmon:** The Administration secured \$83 million to initiate two major new efforts to restore salmon in the Pacific Northwest: \$58 million for states and tribes through the Administration's Pacific Coastal Salmon Recovery Fund; and \$25 million to implement an historic salmon treaty with Canada.
- ✓ **Fighting Congestion and Dirty Air:** The budget provides \$8.2 billion, a 10 percent increase, for programs that reduce air pollution while increasing transportation choices. This includes increases of \$407 million for public transit, and \$278 million to help communities reduce congestion while improving air quality.
- ✓ **Encouraging Energy Efficiency:** Extend through 2001 the tax credits for wind and biomass energy production. These tax credits encourage no- (wind) and low- (biomass) emission energy production. The biomass tax credit encourages farmers to grow certain materials that can be burned to produce energy. Producing energy from wind and biomass preserves scarce energy resources and reduces our reliance on imported oil.
- ✓ **Cleaning Up Brownfields:** The budget extends the tax provision that allows businesses to fully deduct the cost of cleaning up polluted "brownfields" in targeted areas through 2001. This provision encourages the redevelopment of blighted properties, which improves the environment and makes communities more livable.
- ✓ **Defending Our Environment Against Stealth Attacks:** In addition to securing these major new environmental investments, President Clinton and Vice President Gore stood as the last line of defense against congressional efforts to attach anti-environmental riders to budget bills. These riders would have given special deals to special interests by: allowing overcutting of our national forests and jeopardizing the President's plan to protect more than 40 million acres of roadless areas; allowing mining companies to dump more toxic waste on public lands and delaying critical mining reforms; letting major oil companies continue paying below-market royalties on oil developed on federal lands; crippling critical protections for wetlands and wildlife; and attempting to block common-sense actions to reduce greenhouse gas pollution.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP

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

- ✓ **Promoting Peace in the Middle East:** The Congress fully funded the President's \$1.8 billion request arising from the Wye River Agreement, which is essential to promoting peace in the Middle East. As Israelis and Palestinians move ahead on an ambitious agenda to rapidly conclude a peace accord, this funding sends an important message of U.S. commitment to building a lasting peace.
- ✓ **Maintaining Leadership at the United Nations:** In an agreement reached between the President and Congress, the United States will now be able to avoid losing its vote, encourage needed reforms at the UN, and repay \$926 million owed to the UN. This will help meet our obligations to the UN in order to protect our national security interests and preserve American influence within the organization and around the world. The bill passed by the Congress and vetoed by the President would have caused the United States to lose its vote in the General Assembly.
- ✓ **Debt Relief for Poor Countries:** The bill provides \$110 million to fund reduction of debts owed to the U.S. government by the poorest developing countries. This amount represents an increase of \$90 million above the Foreign Operations conference agreement funding level for this purpose (\$20 million). We now have sufficient resources to finance U.S. participation over the next year in the bilateral debt aspect of the Cologne Debt Initiative. The agreement also includes authorization for U.S. support to use a portion of International Monetary Fund (IMF) gold reserves for debt relief, and additional authorization would permit the use of the full amount of gold earnings. Together, the funding and authorizations will help to begin to provide debt relief for the world's poorest nations, and allow them to focus on providing basic needs for their own citizens instead of paying interest to international creditors. Unfortunately, the agreement omits appropriations for the U.S. contribution to the Heavily Indebted Poor Country (HIPC) Trust Fund, which will be necessary to fully finance the participation of some multilateral development institutions in this historic initiative. We will work with Congress next year to secure this crucial funding as well as authorization to use the remaining portion of IMF gold earnings.
- ✓ **Promoting International Development:** The bill provides \$1.1 billion for the U.S. contribution to multilateral development banks including the World Bank and regional development banks. This amount represents an increase from the \$895 million included in the Foreign Operations conference agreement; however, it remains lower than the Administration's original request of \$1.4 billion.
- ✓ **Reducing the Nuclear Weapons Threat and Building Democracy in Russia and the Newly Independent States:** The final bill provides \$839 million to fund critical efforts in the Newly Independent States (NIS) to reduce the threat of nuclear weapons, to promote democracy, private

enterprise, and free speech, and to generally assist in the transition these countries are undertaking. The bulk of these funds will go to the President's Expanded Threat Reduction Initiative (ETRI) for programs to increase nuclear security in the former Soviet Union, dismantle strategic weapons, and strengthen efforts to block transfers of sensitive technology and expertise. The budget will also allow us to help remove Russian troops from Georgia and Moldova, and to expand civilian research projects with former Soviet weapons scientists.

- ✓ **Raising International Labor Standards and Protecting Workers:** The FY 2000 Budget includes \$70 million for working with developing economies through the International Labor Organization (ILO), an increase of \$30 million over FY 1999. These funds include \$20 million to finance the creation of a new arm of the ILO to provide technical assistance to help countries implement core labor standards. The agreement also provides \$10 million to fund bilateral technical assistance by the US Department of Labor to developing economies seeking to establish social safety net programs and design, implement and enforce labor market policies. In addition, Congress provided the State Department with sufficient funds to allow it to go forward with the President's initiative to support innovative efforts to eliminate sweatshops.
- ✓ **More Funding for President Clinton's Child Labor Initiative:** Last year, the President proposed a 10-fold increase in funding for the ILO's International Program for the Elimination of Child Labor (IPEC) – from \$3 million to \$30 million – and Congress agreed. This year, the Congress once again fully funded the President's \$30 million request. In addition, Congress provided additional funds sought by the President to support enhanced customs enforcement of the ban on importation of goods made with forced or indentured child labor. Congress also provided sufficient funds to the United States Agency for International Development (USAID) to allow it to go forward with the President's new "School Works!" program, which will help developing countries provide educational alternatives to abusive child labor. Finally, to help us lead by example, the budget includes enhanced resources for domestic labor standards enforcement that should help improve compliance with U.S. child labor laws.
- ✓ **Improving Military Pay and Readiness:** The final bill fully funded the President's "trilogy" pay initiative which includes a significant pay raise, pay table reform, and a change in military retirement. The bill additionally funds fully all of our critical readiness programs (unit training, depot maintenance, recruiting, and spare purchases).
- ✓ **Modernizing the Air Force:** The final bill restores most of the funding for the F-22, allowing the program to continue.
- ✓ **Continuing Chemical Demilitarization:** The final bill approves the higher funding level passed by the Senate (the House proposed cuts of \$392 million), helping to meet our treaty deadlines under the Chemical Weapons Convention for destruction of chemical weapons.

EMPOWERING FAMILIES AND COMMUNITIES

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

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families:** The budget includes \$347 million for 60,000 new housing vouchers for low-income families, building

on last year's level of 50,000. The House and Senate-passed bills had included zero funding for this initiative. These vouchers will subsidize the rents of America's hard-pressed working families, enabling them to move closer to economic opportunities.

- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$70 million in funding for Rural and Urban Empowerment Zones. The President's budget requested \$165 million – \$150 million for urban EZs and \$15 million for rural EZs/ECs. The House and Senate bills included no funding. All of the Urban and Rural EZs (20 Zones) and rural enterprise communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will receive funding.
- ✓ **Protecting Rent Subsidies for Low-Income Families:** The final budget includes \$10.8 billion for the renewal of all Section 8 contracts, an increase of \$1.2 billion from FY 1999. This will ensure continuation of HUD rental subsidies for low-income tenants in privately-owned housing.
- ✓ **Housing Assistance for Elderly and Disabled:** The final budget includes expansion of funding for affordable housing for the elderly and disabled by \$911 million, \$57 million above FY 1999, enabling about 30,000 people to have affordable housing. Also included were core elements of a *Housing Security Plan* for older Americans that recognizes the dramatic increase in our elderly population and the changing housing needs that accompany this demographic shift.
- ✓ **Increased Funding for Homeless Assistance:** The President and Vice President proposed a major expansion of HUD's continuum of care program, designed to help homeless persons obtain temporary and permanent housing. The final budget includes \$1.02 billion in funds for the homeless assistance grants – a \$45 million, or 5 percent, increase over last year.
- ✓ **Extending the Work Opportunity Tax Credit:** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first \$6,000 in wages. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Extending the Welfare-to-Work Tax Credit:** This tax credit encourages employers to hire and retain certain long-term assistance recipients. The maximum credit to an employer is as much as 50 percent of wages, with a maximum credit of \$8,500 per qualified employee over 2 years. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Access to Jobs Transportation Funds:** The final budget includes \$75 million to assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.
- ✓ **Individual Development Accounts:** Since 1992, President Clinton and Vice President Gore have supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. Last year, Congress passed legislation authorizing IDAs, and the final budget includes \$10 million for a second round of demonstration grants.

- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents. The President's budget requested \$125 million for the CDFI Fund – the House appropriated \$70 million and the Senate appropriated \$80 million. The added resources bring funding up to FY 1999 enacted levels.
- ✓ **More Home Delivered Meals:** President Clinton's budget included an additional \$35 million for home-delivered meals, a 31 percent increase over last year's funding level. Hundreds of thousands of seniors with disabilities depend on nutritious home-delivered meals to help them remain in their homes. The final bill includes this increase to support the delivery of 146 million meals in FY 2000.
- ✓ **HUD Fair Housing.** The final budget includes \$44 million for efforts to fight housing discrimination, a \$4 million increase from last year's enacted level, as part of President Clinton and Vice President Gore's "One America" initiative. This amount includes \$6 million to continue the audit-based fair housing enforcement initiative started last year.
- ✓ **Maintaining Community Service.** The VA/HUD bill includes \$438.5 million for AmeriCorps, funding that will support nearly 50,000 AmeriCorps members in community service projects across the country.

PROGRESS ON THE NEW MARKETS INITIATIVE

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

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), key elements of the President's New Markets Initiative to leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** \$16.5 million in funding, subject to authorization, has been provided for the New Markets program at the Small Business Administration (SBA). This includes \$6 million in funding for the New Markets Venture Capital program, which provides capital to untapped rural and urban new market areas; \$1.5 million for BusinessLINC, which encourages large businesses to mentor small business owners; and \$9 million for technical assistance to enhance the borrower's probability of success. This program exploits investment opportunities that are not presently being met by private lenders.
- ✓ **Authorization of the PRIME Program:** Congress passed new legislation that included authorization of the PRIME Act, which will provide micro-enterprise technical assistance through competitive grants to micro-enterprise development organizations that focus on low-income entrepreneurs.

ADDRESSING HEALTH CARE

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

- ✓ **Passing the Landmark Work Incentives Improvement Act for People with Disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.
- ✓ **Increasing Access to Health Care for the Uninsured:** Fully funds the President's request of \$25 million, making a down payment on the President's \$1 billion investment in developing integrated systems of care for the uninsured. It also provides an additional \$15 million to identify the best way to deliver health care services to this population.
- ✓ **Supporting Graduate Medical Education at Children's Hospitals:** Fully funds the President's request of \$40 million to support graduate medical education at freestanding children's hospitals, which play an essential role in the education of the nation's pediatricians.
- ✓ **Caring for the Nation's Elderly.** Includes a \$43.5 million increase for the new Nursing Home Initiative, only \$1 million below the President's request, for more rigorous inspections of nursing facilities and improved federal oversight and enforcement of nursing home quality.
- ✓ **Improving States' Capacity to Deliver Health Care Services to the Mentally Ill:** Provides an additional \$67 million above the FY 1999 funding level, for the Mental Health Block Grant, a 23 percent increase over FY 1999 and the largest increase ever.
- ✓ **Preparing For and Preventing Bioterrorist Attacks:** Fully funds the President's request of \$52 million to stockpile vaccines, antibiotics, and other medical supplies to deploy in the event of a chemical or biological terrorist attack.
- ✓ **Reducing Racial Disparities in Health Status:** Provides an additional \$20 million, a 200 percent increase over the FY 1999 funding level for health education, prevention, and treatment services to address health disparities among minority populations.
- ✓ **Expanding AIDS Care, Prevention, and Research:** The Administration and Congress continue their strong partnership to address the AIDS epidemic with substantial increases in funding. Included in the bill are a \$73 million increase in funding for HIV prevention activities to help stop the spread of this disease; an increase of \$183 million in the Ryan White CARE Act, which helps provide primary care and support for those living with HIV/AIDS; and an estimated \$300 million in additional funds for AIDS-related research at the NIH. Congress and the Administration also worked closely together to add \$80 million in funding to the Minority AIDS Initiative, which

utilizes existing programs to reach African-Americans, Latinos, and other racial and ethnic minorities that are disproportionately impacted by HIV/AIDS. Consistent with the President's request, an additional \$100 million to fight AIDS internationally was funded. Finally, the Administration helped protect local authority over HIV prevention activities, successfully removing language from the District of Columbia appropriations bill that would have tied the hands of community health agencies in their ability to use needle exchange programs as part of their overall HIV prevention strategy.

- ✓ **Preventing Childhood Diseases:** Provides an additional \$62 million, a 4 percent increase over FY 1999 funding levels to provide childhood immunizations nationwide and fully funds the President's request to eradicate polio worldwide.
- ✓ **Providing Critical Organ Transplants to Those Most In Need:** Permits the development of a more equitable allocation system for the over 63,000 Americans awaiting organ transplants, saving hundreds of lives a year.
- ✓ **First Time Funding For the Ricky Ray Hemophilia Relief Fund Act:** Provides \$75 million for one-time payments of \$100,000 to hemophiliacs who were infected with HIV by blood solids during the 1980s.
- ✓ **Controlling the Spread of Infectious Disease:** Provides \$29 million to the Center for Disease Control (CDC), a 21 percent increase over the FY 1999 funding level, for programs dedicated to emerging infectious diseases and improving disease surveillance systems.

RESPONDING TO THE FARM CRISIS

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

A STRONG RESEARCH AND DEVELOPMENT AGENDA

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

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

- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research as a foundation for combating disease and advancing medical technologies.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet, which is connecting more than 100 universities at speeds that are up to 1,000 times faster than today's Internet. It also includes \$235 million for the Administration's "Information Technology for the 21st Century" initiative, which will strengthen America's leadership in the high-tech industries of the future, and accelerate the pace of discovery in all science and engineering disciplines. Currently, IT industries account for 1/3 of U.S. economic growth.
- ✓ **Defense Research:** Department of Defense (DOD) support for basic and applied research is up almost 8 percent. DOD is a leading supporter of basic research in computer sciences, mathematics, oceanography, and most engineering disciplines.
- ✓ **Increases in Science at Department of Energy:** Science Programs increased \$117 million. DOE, the principal supporter of the Federal investment in the physical sciences, has supported research that has resulted in over 60 Nobel prizes. DOE's scientific user facilities are used by more than 15,000 scientists to conduct frontier scientific research, and provide the next generation of scientists and engineers.
- ✓ **Advanced Technology Program:** President Clinton's FY 2000 budget continues to fund ATP's research and development into cutting-edge high-technologies. While the House proposed eliminating the program, the final budget will allow ATP funding for an additional \$51 million in new awards. ATP supports the development of high-risk technologies that promise significant commercial payoffs and widespread economic benefits.
- ✓ **NASA - Investing in Our Future:** The budget includes \$13.65 billion for NASA, an additional \$100 million. The funding levels passed by the House would have cut the NASA budget by almost \$1 billion. These investments offer the potential of new scientific breakthroughs through an aggressive robotic series of exploration missions into the solar system, as well as enhancing our ability to monitor important changes in the earth's climate system, and strengthening aviation safety for the travelling public.
- ✓ **Extending the Research and Experimentation Tax Credit:** President Clinton proposed to extend the research tax credit because it provides incentives for private sector investment in research and innovation that can help increase America's economic competitiveness and enhance U.S. productivity. The final budget extends this research tax credit through 2004. This long-term extension will encourage companies to undertake new multi-year research activities, secure in the knowledge that the 20 percent tax credit will continue to be available.

OTHER HIGHLIGHTS

- ✓ **Nutrition for Women, Infants, and Children (WIC):** The final budget provides over \$4 billion for nutrition assistance to 7.4 million women, infants, and children through the WIC program, an increase of \$108 million over FY 1999. The additional funds will allow the program to provide a monthly package of nourishing supplemental foods, nutrition education, and health care referrals to

7.4 million low-income women, infants, and children who are at nutritional risk – a 25 percent increase in participation since 1993.

- ✓ **Boosting Funding for Natural Disasters Such as Hurricane Floyd:** The budget provides \$2.8 billion for the Federal Emergency Management Agency's (FEMA) disaster relief fund to assist victims with repairs and recovery from natural disasters. This includes \$215 million to address unmet housing needs resulting from Hurricane Floyd that could not otherwise be met by Federal disaster assistance programs.
- ✓ **Expanding Civil Rights Enforcement:** Funding for the Civil Rights Division of Justice was expanded from \$69 million in FY 1999 to \$82 million in FY 2000 – a 19 percent increase. Funding for HUD fair housing programs was increased by \$4 million – a 10 percent increase.
- ✓ **Largest Increase In Family Planning Services Since 1993:** The President won a nearly \$25 million increase for Title X family planning, the largest increase since 1993, bringing the program to almost \$240 million for FY 99. These grants fund family planning clinics providing reproductive health services and clinical care to over 5 million low-income women.
- ✓ **President's Food Safety Initiative:** The bill provides an increase of \$59 million for the President's Food Safety Initiative, which will fund enhanced domestic and imported food safety inspections; increased outbreak response and traceback work; and expanded research, risk assessment and education activities. In addition, this increase will fund enhanced Federal-State inspection partnerships, bioscience research, and Risk Assessment modeling and data collection to include the pre-harvest phase for all foods.
- ✓ **The Final Bill Strengthens Enforcement of Labor Protections.** The final bill provides key funding increases for worker protection programs including Occupational Safety and Health Administration (OSHA) oversight of employee pension and health plans, enforcement of wage and hour laws, and the National Labor Relations Board (NLRB). The final total of \$1.3 billion is \$105 million (9 percent) above the FY 1999 enacted level. As a result of these increases, OSHA will conduct approximately 3,000 more compliance inspections thereby increasing the safety and health of our Nation's workers, particularly those in high-hazard industries. In addition, the Department of Labor also will be able to implement new health care laws effectively and encourage equal pay practices that will benefit our workers.
- ✓ **Ensuring That American Families Continue to Benefit From Tax Credits:** The budget ensures that Americans take full advantage of their personal credits—including the child credit, the child and dependent care tax credit, and the Hope scholarship and Lifetime Learning credits—without restriction by the alternative minimum tax. The final budget extends these rules for the alternative minimum tax through 2001.
- ✓ **Encouraging First-Time Homeowners in the District of Columbia:** Extend through 2001 the \$5,000 tax credit for low- and moderate-income first-time homebuyers who purchase homes in the District of Columbia. This tax credit encourages homeownership and strengthens neighborhoods in the Capital City.

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

November 18, 1999

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

- × **Passing Common Sense Gun Legislation:** While the Administration's successful strategy of keeping guns out of the hands of fugitives, felons, and children has contributed to record declines in crime, recent tragic shootings reinforce the need to protect American families from gun violence. For months, Congress has failed to enact common-sense gun legislation. Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** For over two years, the American people have been waiting for Congress to pass a strong, enforceable Patients Bill of Rights. During that time, the President has exercised his executive authority to extend critical patient protections to over 85 million Americans. The House passed such legislation earlier this year, but the Republican leadership is preventing an open debate on it in conference. The President continues to urge the Congress to recommit to passing this legislation and prevent another year from passing without action on this important issue.
- × **Strengthening Social Security:** The President has put forth a specific proposal to use the benefits of fiscal discipline and debt reduction to strengthen Social Security, extending its solvency from 2034 to 2050. This would be a down payment on truly saving Social Security. The Republican so-called "lockbox" legislation would not add a single day to the life of Social Security.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. With the number of beneficiaries expected to double over the next 30 years, Medicare needs adequate resources and the tools to be as efficient as possible. A long-overdue prescription drug benefit option is also essential for seniors and people with disabilities.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans have acted as politicians instead of parents, and killed this year's effort to increase the excise tax on cigarettes by 55 cents a pack. Public health experts agree that the single most effective way to cut youth smoking is to raise the price of cigarettes.

- × **Expanding Federal Hate Crimes Laws:** At a time when our leaders should be doing all they can to bring Americans together, the Congress has refused to enact legislation to punish hate crimes. The President has called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability. Congress should take a strong stand against intolerance and hatred by enacting such legislation without further delay.
- × **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.
- × **Providing for Long-term Care Assistance for the Those Chronic Illnesses and Their Families:** At the beginning of this year, the President proposed a new, \$6 billion initiative to address complex long-term care needs, including an unprecedented \$1,000 tax credit that compensates Americans with long-term care needs of all ages or the family caregivers who support them for their formal or informal costs. The initiative also supports a new National Family Caregivers Support Program that provides a range of critical services such as respite, home care services, and information and referral. Many members of Congress, on a bipartisan basis, introduced similar proposals, but despite this, the Congress failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** In the FY 1999 and FY 2000 budgets, the President proposed an initiative to expand health options available for older Americans by: enabling Americans aged 62 to 65 to buy into Medicare by paying a full premium; providing vulnerable displaced workers ages 55 and older access to Medicare by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option; and providing Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits a new health option, by extending "COBRA" continuation coverage until age 65. Despite the fact that the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on this proposal.
- × **Encouraging Small Businesses to Offer Health Insurance:** In the FY 2000 budget, the President proposed an initiative to encourage small businesses to offer health insurance to their employees through: a new tax credit for small businesses who offer coverage by joining coalitions; encouraging private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; offering technical assistance to small business coalitions from the Office of Personnel Management. The President urges Congress to provide new health insurance options for these vulnerable Americans.
- × **Continuing to Help People Move From Welfare to Work:** In January, the President proposed to invest an additional \$1 billion in the Welfare-to-Work program and to reauthorize the program with several changes including helping more low-income fathers work and support their children. The Congress enacted eligibility changes similar to those proposed by the Administration to allow States, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, but failed to provide any new funding.

- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests. More than 11 million workers would benefit from a \$1 increase in the minimum wage. A full-time, year-round worker at the minimum wage would get a \$2,000 raise – enough for a typical family of four to buy groceries for 7 months or pay rent for 5 months.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act and the Caribbean Basin legislation -- crucial to strengthening our economic ties with Sub-Saharan Africa and our Caribbean and Central American neighbors. This legislation would help increase trade, enhance opportunity, and boost growth in America and nations in Africa, the Caribbean, and Central America. The President called for the rapid passage of the Africa legislation in the State of the Union address and has pressed the case for these bills several times since. The House passed this legislation overwhelming earlier this summer, but the legislation is now awaiting Conference action.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years. This initiative is an important part of the Stability Pact launched by the President and other leaders last July, and is designed to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.
- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. The shortage threatens to undermine fragile peace processes around the world or to incur additional UN arrears. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.
- × **School Construction:** Despite record student enrollment and a massive maintenance backlog in our nation's schools, Congressional Republicans again failed to enact school construction legislation. The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. We can not hold students to high academic standards if we do not provide them with adequate facilities within which to learn. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. Although the House passed a bipartisan reform plan, a minority of the Senate blocked further action and left unchecked the influence of moneyed special interests. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer, and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income

working families, and tax credits to help millions of working families pay for child care. The Republican Majority has refused to support these critical investments.

- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation. For example, most of the assistance is not targeted to farmers who need it most, but is available to farmers, both large and small, whether they have suffered particular difficulty this year or not.
- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families by: restoring important disability, health, and nutrition benefits to additional categories of legal immigrants; restructuring the Immigration and Naturalization Service (INS); approving the Administration's proposal to support the process of democratization and stabilization now underway in Central America and Haiti and ensure equitable treatment for migrants from these countries; or changing the registry date to permit long-term migrants to adjust their status.
- × **Continuing to Empower Communities:** Urban and Rural Empowerment Zones were funded at \$70 million in 2000, \$55 million for Urban Zones and \$15 million for Rural Zones and Enterprise Communities. Empowerment Zones continue to be a priority for the President and Vice President and they are committed to supporting and obtaining funding for the Empowerment Zones' remaining eight years. Without the full 10 years of funding, the Round II Empowerment Zones and Enterprise Communities, designated in January 1999 by the Vice President, will have difficulty implementing their community and economic development strategies to revitalize their communities.

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

November 18, 1999

Final

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

November 18, 1999

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

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

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

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

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

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

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

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

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

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

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

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

ADDRESSING HEALTH CARE. The President won a \$34.5 billion investment in health programs, 11.7 percent above the FY 1999 enacted level, to strengthen the public health infrastructure, provide critical

prevention and treatment services to individuals with mental illness, and advance biomedical research with a historic investment of \$2.3 billion.

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

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

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

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

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

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

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

- × **Strengthening Social Security:** The Republicans have proposed so-called "lockbox" legislation that would not add a single day to the life of Social Security; the President has asked them to join him in using the benefits of fiscal discipline to extend the life of Social Security from 2034 to 2050.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President and Vice President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. These challenges include modernizing it with a long overdue, optional prescription drug and giving Medicare the adequate resources and tools to be as efficient as possible.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start, through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs.
- × **Expanding Federal Hate Crimes Laws:** The President and Vice President have called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability.
- × **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.
- × **Providing for Long-term Care Assistance for Those With Chronic Illnesses and Their Families:** Despite proposals by the President and bipartisan support from many members of Congress, the Congress has failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** Although the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on the President's proposals to expand health options for older Americans
- × **Encouraging Small Businesses to Offer Health Insurance:** The President has urged Congress to provide new health insurance options for vulnerable Americans employed by small businesses.
- × **Continuing to Help People Move From Welfare to Work:** Although the Congress enacted eligibility changes similar to those proposed by the President to allow states, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, Congress failed to provide any new funding.
- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act. This legislation would be an important milestone in America's effort to build a new economic relationship with Sub-Saharan Africa and deepen ties with our Caribbean and Central American neighbors.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years as part

of an effort to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.

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

A VICTORY FOR AMERICA'S STUDENTS

November 18, 1999

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

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

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

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

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

PROGRESS ON AMERICA'S PRIORITIES

November 18, 1999

PROTECTING FISCAL DISCIPLINE AND PAYING DOWN THE DEBT

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

- **Debt Quadrupled Between 1981 and 1992:** Between 1981 and 1992, the debt held by the public quadrupled. The budget deficit grew to \$290 billion in 1992 – and was projected to grow to more than \$400 billion by 1999.
- **President's Tough Choices Led to Largest Surplus Ever:** As a result of the tough and sometimes unpopular choices made by President Clinton in 1993 and 1997, we have seen seven consecutive years of fiscal improvement for the first time in America's history, bringing last year's budget to a unified surplus of \$123 billion – the largest ever.
- **The President Stopped Republican Attempts to Reverse this Fiscal Discipline:** Throughout the year, the Republican Congress took steps that would have threatened our fiscal discipline. These were stopped by the President, who vetoed the Republican's fiscally irresponsible and exploding tax cut.
 - **In January, Republicans Proposed a Tax Cut that Would Have Spent the Social Security Surplus:** H.R. 3 and S. 3 called for an across-the-board 10 percent reduction in income tax rates. According to Joint Committee on Taxation Estimates, this proposal would have cost \$58 billion in 2000 – *using tens of billions of dollars from the Social Security surplus this year*. In the first five years, this tax cut would have cost \$360 billion – much more than could be paid for out of the non-Social Security surplus, then projected at \$165 billion by the Congressional Budget Office (CBO).
 - **In August, Republicans Passed a Tax Cut that Would Likely Have Spent the Social Security Surplus:** In August, the Republican Congress passed a \$792 billion tax cut that, if continued, would have used virtually all of CBO's projected surplus over the next 10 years. It would have used growing amounts of the Social Security surplus every year after 2004. This tax cut was based on a budget plan that would have required nearly 50 percent cuts in all domestic discretionary spending, assuming defense were funded at the level requested by the President. If cuts of this magnitude were not made, the likely consequence of the Republican tax cut would have been to divert hundreds of billions of dollars of the Social Security surplus from promised debt reduction.

A VICTORY FOR AMERICA'S STUDENTS

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

- ✓ **More High-Quality Teachers With Smaller Class Sizes:** President Clinton's budget included the second installment of his plan to help reduce class size in the early grades by hiring 100,000 quality

teachers. The President vetoed a Congressional budget that reneged on last year's bipartisan agreement, did not guarantee funding for 29,000 teachers hired last year, and would have allowed Class Size dollars to be used for virtually any activity – including vouchers – rather than hiring qualified teachers. The final budget enhances last year's teacher quality and flexibility provisions and provides \$1.3 billion for Class Size Reduction, enough to stay on track to hire 100,000 teachers over the next 6 years.

- ✓ **More than Twice as Much Federal Support for After School:** In his State of the Union address, the President called for a large investment in after school and summer school programs to give children the extra help they need to meet high standards. The final budget more than doubles the federal investment in these programs to \$453 million, to provide educational support to nearly 675,000 students – 375,000 more students than last year.
- ✓ **Early Intervention To Help Disadvantaged Students Prepare for College:** House Republicans proposed to terminate the President's GEAR UP college preparation initiative for low-income students, a new initiative begun in 1998. The final budget increases funding for GEAR UP from \$120 million in 1999 to \$200 million to support State projects and partnerships of colleges, high-poverty schools, and community organizations, to help 482,000 students aspire to and prepare for college starting in the 7th grade.
- ✓ **Accountability for the Lowest Performing Schools:** In his State of the Union address, President Clinton insisted that “all states and school districts must turn around their worst-performing schools – or shut them down,” and his Budget included funds to help states and school districts turn around their own failing schools. The final bill provides \$134 million in Title I funds to help turn around the worst-performing schools and hold them accountable for results. In addition, the bill provides \$7,807 million for the base program, Title I Grants to LEAs, which is an increase of \$75 million over last year, in order to continue efforts to help disadvantaged students catch up with their peers.
- ✓ **More Education Technology for Students:** The final budget triples funding for Community Technology Centers to reach at least 120 low-income communities, provides \$75 million to train new teachers in the use of technology, and provides \$425 million to states and school districts to purchase computer hardware and educational software. Investment in educational technology has increased to \$769 million, up from \$698 million in 1999.
- ✓ **Making Schools Safe, Disciplined, and Drug-Free:** The budget agreement provides \$606 million for school-based drug and violence prevention programs, including the President's \$50 million request for the Coordinator Initiative, that would provide coordinators to plan, implement, and evaluate successful prevention programs in middle schools across the Nation. Additional resources are also provided for an expansion of the interagency Safe Schools / Healthy Students initiative, with HHS and DoJ.
- ✓ **Expanded Head Start:** President Clinton and Vice President Gore proposed a \$607 million increase for Head Start to serve an additional 44,000 young children – and stay on track toward serving one million children by 2002. The House Republican budget did not provide the President's increase and would have denied over 40,000 children Head Start slots if enacted. The final budget includes the President's full increase for Head Start, which is funded at \$5.3 billion – or 90 percent above the 1993 level.

- ✓ **Increasing Public School Choice Through Charter Schools:** The budget agreement provides \$145 million for Public Charter Schools, an increase of \$45 million over the FY 1999 enacted level. This will strengthen and expand public school choice by providing startup funding to as many as 2,400 charter schools next year, about 650 more schools than this year. The President has pledged to help start 3,000 charter schools across the country by early in the next century. When President Clinton and Vice President Gore were first elected in 1992, there was only one charter school operating in the country. This year, more than 1,700 charter schools are operating, serving a diverse student body in more than 30 states. This remarkable growth is in large part due to the President's leadership and support for these innovative high quality schools.
- ✓ **Hispanic Education Agenda:** President Clinton's budget included an ambitious agenda to address the disproportionately low educational achievement and high dropout rates of Latino students. The final budget includes \$436 million in increases for a number of education programs that help to improve the educational outcomes of Latinos and limited English proficient students, including Title I Grants to LEAs, Adult Education, Bilingual Education, and TRIO.
- ✓ **English Language/Civics Education Initiative:** The increase to Adult Education targets \$25.5 million for the President's ESL/Civics Initiative, which would provide instruction in both English literacy and critical life skills necessary for effective citizenship and civic participation.
- ✓ **Largest Maximum Pell Grant Award Ever:** The final budget provides \$7.7 billion for Pell Grants, increasing the maximum Pell Grant award from \$3,125 to \$3,300. The maximum award has increased 43 percent since President Clinton and Vice President Gore took office in 1993.
- ✓ **Support for One Million Students To Work Their Way Through College:** The President's budget requested \$934 million for Federal Work-Study to fulfill his commitment to expand work-study to one million students in FY 2000. House Republicans initially provided only \$880 million. The final budget provides the President's request and will give one million students the opportunity to earn money for college through part-time work.
- ✓ **Training for Dislocated Workers:** The final budget provides a \$190 million increase for a total of \$1.6 billion to provide much needed training for dislocated workers. This is more than triple the funding in 1993, allowing the program to serve more than 3 times as many dislocated workers. This increase is a step toward meeting the 5-year goal of the Universal Reemployment Initiative to provide training to every dislocated worker who wants and needs training.
- ✓ **Providing for School Construction:** The final budget extends Qualified Zone Academy Bonds (QZABs) through 2001. QZABs provide no-interest loans to school districts in needy areas to fund certain expenditures on rehabilitation and repairs, educational equipment, curriculum development, and teacher training. QZABs have been used to purchase computers and develop technology-based curricula, renovate and repair a charter school, purchase computer software and hardware to develop literacy programs, and even to establish the first public secondary military academy in the nation.
- ✓ **Tax Relief to Encourage Worker Training:** The final budget extends the tax relief provided by Section 127 through 2001, which allows employers to provide educational assistance for courses at degree-granting institutions as a tax-free fringe benefit. By encouraging worker education, it helps employers expand the skills of their work force and expands the opportunities of workers to adapt to new technologies.

FIGHTING CRIME, DRUGS, AND GUNS

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

- ✓ **More Police on the Streets:** In 1994, President Clinton and Vice President Gore won a commitment to put 100,000 police officers on the street. In his State of the Union Address, the President proposed a 21st Century crime plan to hire up to 50,000 more police officers by 2005. The final budget contains full funding for the first installment toward meeting this goal.
- ✓ **Law Enforcement Technology:** The final budget provides \$230 million to provide law enforcement with the latest crime-fighting and crime-solving technology.
- ✓ **Community Prosecutors:** Provides \$10 for the Administration's initiative to extend the success of community policing to local prosecutors.
- ✓ **Strengthened Gun Enforcement:** An increase of \$12.6 million for more ATF agents to bolster federal law enforcement efforts against gun crime.
- ✓ **Youth and Guns:** Over \$50 million for the President's Youth Crime Gun Interdiction Initiative, to expand the initiative from 27 to 38 cities, trace more guns used in crimes, and add more ATF agents to crack down on illegal gun traffickers who supply guns to juveniles and criminals.
- ✓ **Youth Anti-Drug Media Campaign:** \$185 million to continue the successful campaign to reach our youth with the message that drugs are wrong, dangerous and deadly.

INVESTING IN A CLEANER ENVIRONMENT

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

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

- \$36 million to manage and protect marine sanctuaries and coral reefs;
 - \$15 million in matching funds to protect wilderness and other lands in the California Desert.
 - \$206 million for states and local governments to help communities preserve their farms, urban parks, coastal areas, and working forests.
- ✓ **Ensuring Clean Water and Healthy Communities:** The final budget secures \$1.8 billion for the President's Clean Water Action Plan, a 9 percent increase includes increased funds to reduce polluted runoff from large livestock operations. In addition, the Environmental Protection Agency budget provides \$2.17 billion to help communities build or upgrade drinking water and sewage treatment plants, and \$1.4 billion to continue progress toward cleaning up 900 Superfund sites by 2002.
- ✓ **Leading the Fight Against Global Warming:** The budget provides \$1.1 billion for research and development of clean energy through the Climate Change Technology Initiative, including a 7 percent increase for energy efficiency investments to reduce pollution, create jobs, and save consumers money.
- ✓ **Saving Pacific Salmon:** The Administration secured \$83 million to initiate two major new efforts to restore salmon in the Pacific Northwest: \$58 million for states and tribes through the Administration's Pacific Coastal Salmon Recovery Fund; and \$25 million to implement an historic salmon treaty with Canada.
- ✓ **Fighting Congestion and Dirty Air:** The budget provides \$8.2 billion, a 10 percent increase, for programs that reduce air pollution while increasing transportation choices. This includes increases of \$407 million for public transit, and \$278 million to help communities reduce congestion while improving air quality.
- ✓ **Encouraging Energy Efficiency:** Extend through 2001 the tax credits for wind and biomass energy production. These tax credits encourage no- (wind) and low- (biomass) emission energy production. The biomass tax credit encourages farmers to grow certain materials that can be burned to produce energy. Producing energy from wind and biomass preserves scarce energy resources and reduces our reliance on imported oil.
- ✓ **Cleaning Up Brownfields:** The budget extends the tax provision that allows businesses to fully deduct the cost of cleaning up polluted "brownfields" in targeted areas through 2001. This provision encourages the redevelopment of blighted properties, which improves the environment and makes communities more livable.
- ✓ **Defending Our Environment Against Stealth Attacks:** In addition to securing these major new environmental investments, President Clinton and Vice President Gore stood as the last line of defense against congressional efforts to attach anti-environmental riders to budget bills. These riders would have given special deals to special interests by: allowing overcutting of our national forests and jeopardizing the President's plan to protect more than 40 million acres of roadless areas; allowing mining companies to dump more toxic waste on public lands and delaying critical mining reforms; letting major oil companies continue paying below-market royalties on oil developed on federal lands; crippling critical protections for wetlands and wildlife; and attempting to block common-sense actions to reduce greenhouse gas pollution.

MAINTAINING AMERICA'S GLOBAL LEADERSHIP

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

- ✓ **Promoting Peace in the Middle East:** The Congress fully funded the President's \$1.8 billion request arising from the Wye River Agreement, which is essential to promoting peace in the Middle East. As Israelis and Palestinians move ahead on an ambitious agenda to rapidly conclude a peace accord, this funding sends an important message of U.S. commitment to building a lasting peace.
- ✓ **Maintaining Leadership at the United Nations:** In an agreement reached between the President and Congress, the United States will now be able to avoid losing its vote, encourage needed reforms at the UN, and repay \$926 million owed to the UN. This will help meet our obligations to the UN in order to protect our national security interests and preserve American influence within the organization and around the world. The bill passed by the Congress and vetoed by the President would have caused the United States to lose its vote in the General Assembly.
- ✓ **Debt Relief for Poor Countries:** The bill provides \$110 million to fund reduction of debts owed to the U.S. government by the poorest developing countries. This amount represents an increase of \$90 million above the Foreign Operations conference agreement funding level for this purpose (\$20 million). We now have sufficient resources to finance U.S. participation over the next year in the bilateral debt aspect of the Cologne Debt Initiative. The agreement also includes authorization for U.S. support to use a portion of International Monetary Fund (IMF) gold reserves for debt relief, and additional authorization would permit the use of the full amount of gold earnings. Together, the funding and authorizations will help to begin to provide debt relief for the world's poorest nations, and allow them to focus on providing basic needs for their own citizens instead of paying interest to international creditors. Unfortunately, the agreement omits appropriations for the U.S. contribution to the Heavily Indebted Poor Country (HIPC) Trust Fund, which will be necessary to fully finance the participation of some multilateral development institutions in this historic initiative. We will work with Congress next year to secure this crucial funding as well as authorization to use the remaining portion of IMF gold earnings.
- ✓ **Promoting International Development:** The bill provides \$1.1 billion for the U.S. contribution to multilateral development banks including the World Bank and regional development banks. This amount represents an increase from the \$895 million included in the Foreign Operations conference agreement; however, it remains lower than the Administration's original request of \$1.4 billion.
- ✓ **Reducing the Nuclear Weapons Threat and Building Democracy in Russia and the Newly Independent States:** The final bill provides \$839 million to fund critical efforts in the Newly Independent States (NIS) to reduce the threat of nuclear weapons, to promote democracy, private

enterprise, and free speech, and to generally assist in the transition these countries are undertaking. The bulk of these funds will go to the President's Expanded Threat Reduction Initiative (ETRI) for programs to increase nuclear security in the former Soviet Union, dismantle strategic weapons, and strengthen efforts to block transfers of sensitive technology and expertise. The budget will also allow us to help remove Russian troops from Georgia and Moldova, and to expand civilian research projects with former Soviet weapons scientists.

- ✓ **Raising International Labor Standards and Protecting Workers:** The FY 2000 Budget includes \$70 million for working with developing economies through the International Labor Organization (ILO), an increase of \$30 million over FY 1999. These funds include \$20 million to finance the creation of a new arm of the ILO to provide technical assistance to help countries implement core labor standards. The agreement also provides \$10 million to fund bilateral technical assistance by the US Department of Labor to developing economies seeking to establish social safety net programs and design, implement and enforce labor market policies. In addition, Congress provided the State Department with sufficient funds to allow it to go forward with the President's initiative to support innovative efforts to eliminate sweatshops.
- ✓ **More Funding for President Clinton's Child Labor Initiative:** Last year, the President proposed a 10-fold increase in funding for the ILO's International Program for the Elimination of Child Labor (IPEC) – from \$3 million to \$30 million – and Congress agreed. This year, the Congress once again fully funded the President's \$30 million request. In addition, Congress provided additional funds sought by the President to support enhanced customs enforcement of the ban on importation of goods made with forced or indentured child labor. Congress also provided sufficient funds to the United States Agency for International Development (USAID) to allow it to go forward with the President's new "School Works!" program, which will help developing countries provide educational alternatives to abusive child labor. Finally, to help us lead by example, the budget includes enhanced resources for domestic labor standards enforcement that should help improve compliance with U.S. child labor laws.
- ✓ **Improving Military Pay and Readiness:** The final bill fully funded the President's "trilogy" pay initiative which includes a significant pay raise, pay table reform, and a change in military retirement. The bill additionally funds fully all of our critical readiness programs (unit training, depot maintenance, recruiting, and spare purchases).
- ✓ **Modernizing the Air Force:** The final bill restores most of the funding for the F-22, allowing the program to continue.
- ✓ **Continuing Chemical Demilitarization:** The final bill approves the higher funding level passed by the Senate (the House proposed cuts of \$392 million), helping to meet our treaty deadlines under the Chemical Weapons Convention for destruction of chemical weapons.

EMPOWERING FAMILIES AND COMMUNITIES

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

- ✓ **Funding 60,000 New Housing Vouchers for America's Hard-Pressed Working Families:** The budget includes \$347 million for 60,000 new housing vouchers for low-income families, building

on last year's level of 50,000. The House and Senate-passed bills had included zero funding for this initiative. These vouchers will subsidize the rents of America's hard-pressed working families, enabling them to move closer to economic opportunities.

- ✓ **Additional Funding for Empowerment Zones:** The budget provides \$70 million in funding for Rural and Urban Empowerment Zones. The President's budget requested \$165 million – \$150 million for urban EZs and \$15 million for rural EZs/ECs. The House and Senate bills included no funding. All of the Urban and Rural EZs (20 Zones) and rural enterprise communities (20 ECs) that were designated by the Vice President in January 1999 as Round II zones will receive funding.
- ✓ **Protecting Rent Subsidies for Low-Income Families:** The final budget includes \$10.8 billion for the renewal of all Section 8 contracts, an increase of \$1.2 billion from FY 1999. This will ensure continuation of HUD rental subsidies for low-income tenants in privately-owned housing.
- ✓ **Housing Assistance for Elderly and Disabled:** The final budget includes expansion of funding for affordable housing for the elderly and disabled by \$911 million, \$57 million above FY 1999, enabling about 30,000 people to have affordable housing. Also included were core elements of a *Housing Security Plan* for older Americans that recognizes the dramatic increase in our elderly population and the changing housing needs that accompany this demographic shift.
- ✓ **Increased Funding for Homeless Assistance:** The President and Vice President proposed a major expansion of HUD's continuum of care program, designed to help homeless persons obtain temporary and permanent housing. The final budget includes \$1.02 billion in funds for the homeless assistance grants – a \$45 million, or 5 percent, increase over last year.
- ✓ **Extending the Work Opportunity Tax Credit:** This tax credit encourages employers to hire individuals who have traditionally had a hard time securing employment. Targeted groups include disadvantaged youth, including those living in empowerment zones and enterprise communities, welfare recipients, and qualified veterans. The maximum credit paid to the employer is as much as 40 percent of an individual's first \$6,000 in wages. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Extending the Welfare-to-Work Tax Credit:** This tax credit encourages employers to hire and retain certain long-term assistance recipients. The maximum credit to an employer is as much as 50 percent of wages, with a maximum credit of \$8,500 per qualified employee over 2 years. The President proposed to extend this credit in his FY 2000 budget and the final budget includes an extension through 2001.
- ✓ **Access to Jobs Transportation Funds:** The final budget includes \$75 million to assist states and localities in developing flexible transportation alternatives, such as van services, to help former welfare recipients and other low income workers get to work.
- ✓ **Individual Development Accounts:** Since 1992, President Clinton and Vice President Gore have supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. Last year, Congress passed legislation authorizing IDAs, and the final budget includes \$10 million for a second round of demonstration grants.

- ✓ **Continuing To Build a Network Of Community Development Banks Across the Nation:** The final budget includes \$95 million for the Community Development Financial Institutions (CDFI) Fund that will expand the capacity of the network of community development financial institutions across the country, spurring the flow of capital to distressed neighborhoods and low-income residents. The President's budget requested \$125 million for the CDFI Fund – the House appropriated \$70 million and the Senate appropriated \$80 million. The added resources bring funding up to FY 1999 enacted levels.
- ✓ **More Home Delivered Meals:** President Clinton's budget included an additional \$35 million for home-delivered meals, a 31 percent increase over last year's funding level. Hundreds of thousands of seniors with disabilities depend on nutritious home-delivered meals to help them remain in their homes. The final bill includes this increase to support the delivery of 146 million meals in FY 2000.
- ✓ **HUD Fair Housing.** The final budget includes \$44 million for efforts to fight housing discrimination, a \$4 million increase from last year's enacted level, as part of President Clinton and Vice President Gore's "One America" initiative. This amount includes \$6 million to continue the audit-based fair housing enforcement initiative started last year.
- ✓ **Maintaining Community Service.** The VA/HUD bill includes \$438.5 million for AmeriCorps, funding that will support nearly 50,000 AmeriCorps members in community service projects across the country.

PROGRESS ON THE NEW MARKETS INITIATIVE

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

- ✓ **Funding America's Private Investment Companies (APICs):** Provides \$20 million of funding for APICs (subject to authorization), key elements of the President's New Markets Initiative to leverage \$800 million of new investment in underserved areas.
- ✓ **New Markets Venture Capital Program:** \$16.5 million in funding, subject to authorization, has been provided for the New Markets program at the Small Business Administration (SBA). This includes \$6 million in funding for the New Markets Venture Capital program, which provides capital to untapped rural and urban new market areas; \$1.5 million for BusinessLINC, which encourages large businesses to mentor small business owners; and \$9 million for technical assistance to enhance the borrower's probability of success. This program exploits investment opportunities that are not presently being met by private lenders.
- ✓ **Authorization of the PRIME Program:** Congress passed new legislation that included authorization of the PRIME Act, which will provide micro-enterprise technical assistance through competitive grants to micro-enterprise development organizations that focus on low-income entrepreneurs.

ADDRESSING HEALTH CARE

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

- ✓ **Passing the Landmark Work Incentives Improvement Act for People with Disabilities:** Since 1998, the President has advocated for the passage of the bipartisan Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act. Currently, people with disabilities often become ineligible for Medicaid or Medicare if they work, forcing a choice between health care and employment. This legislation allows people with disabilities to maintain their Medicare or Medicaid coverage when they go to work. It also includes a \$250 million demonstration, which the President insisted on fully funding, that allows people with disabilities who are still working and are not sufficiently disabled to qualify for Medicaid to buy into the program. Finally, the bill reforms the training system for people with disabilities.
- ✓ **Increasing Access to Health Care for the Uninsured:** Fully funds the President's request of \$25 million, making a down payment on the President's \$1 billion investment in developing integrated systems of care for the uninsured. It also provides an additional \$15 million to identify the best way to deliver health care services to this population.
- ✓ **Supporting Graduate Medical Education at Children's Hospitals:** Fully funds the President's request of \$40 million to support graduate medical education at freestanding children's hospitals, which play an essential role in the education of the nation's pediatricians.
- ✓ **Caring for the Nation's Elderly.** Includes a \$43.5 million increase for the new Nursing Home Initiative, only \$1 million below the President's request, for more rigorous inspections of nursing facilities and improved federal oversight and enforcement of nursing home quality.
- ✓ **Improving States' Capacity to Deliver Health Care Services to the Mentally Ill:** Provides an additional \$67 million above the FY 1999 funding level, for the Mental Health Block Grant, a 23 percent increase over FY 1999 and the largest increase ever.
- ✓ **Preparing For and Preventing Bioterrorist Attacks:** Fully funds the President's request of \$52 million to stockpile vaccines, antibiotics, and other medical supplies to deploy in the event of a chemical or biological terrorist attack.
- ✓ **Reducing Racial Disparities in Health Status:** Provides an additional \$20 million, a 200 percent increase over the FY 1999 funding level for health education, prevention, and treatment services to address health disparities among minority populations.
- ✓ **Expanding AIDS Care, Prevention, and Research:** The Administration and Congress continue their strong partnership to address the AIDS epidemic with substantial increases in funding. Included in the bill are a \$73 million increase in funding for HIV prevention activities to help stop the spread of this disease; an increase of \$183 million in the Ryan White CARE Act, which helps provide primary care and support for those living with HIV/AIDS; and an estimated \$300 million in additional funds for AIDS-related research at the NIH. Congress and the Administration also worked closely together to add \$80 million in funding to the Minority AIDS Initiative, which

utilizes existing programs to reach African-Americans, Latinos, and other racial and ethnic minorities that are disproportionately impacted by HIV/AIDS. Consistent with the President's request, an additional \$100 million to fight AIDS internationally was funded. Finally, the Administration helped protect local authority over HIV prevention activities, successfully removing language from the District of Columbia appropriations bill that would have tied the hands of community health agencies in their ability to use needle exchange programs as part of their overall HIV prevention strategy.

- ✓ **Preventing Childhood Diseases:** Provides an additional \$62 million, a 4 percent increase over FY 1999 funding levels to provide childhood immunizations nationwide and fully funds the President's request to eradicate polio worldwide.
- ✓ **Providing Critical Organ Transplants to Those Most In Need:** Permits the development of a more equitable allocation system for the over 63,000 Americans awaiting organ transplants, saving hundreds of lives a year.
- ✓ **First Time Funding For the Ricky Ray Hemophilia Relief Fund Act:** Provides \$75 million for one-time payments of \$100,000 to hemophiliacs who were infected with HIV by blood solids during the 1980s.
- ✓ **Controlling the Spread of Infectious Disease:** Provides \$29 million to the Center for Disease Control (CDC), a 21 percent increase over the FY 1999 funding level, for programs dedicated to emerging infectious diseases and improving disease surveillance systems.

RESPONDING TO THE FARM CRISIS

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

A STRONG RESEARCH AND DEVELOPMENT AGENDA

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

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

- ✓ **National Institutes of Health:** Provides \$2.3 billion, a 15 percent increase over FY 1999 funding levels, to build on the President's commitment to biomedical research as a foundation for combating disease and advancing medical technologies.
- ✓ **Information Technology:** The final budget includes more than \$80 million in funding for the Next Generation Internet, which is connecting more than 100 universities at speeds that are up to 1,000 times faster than today's Internet. It also includes \$235 million for the Administration's "Information Technology for the 21st Century" initiative, which will strengthen America's leadership in the high-tech industries of the future, and accelerate the pace of discovery in all science and engineering disciplines. Currently, IT industries account for 1/3 of U.S. economic growth.
- ✓ **Defense Research:** Department of Defense (DOD) support for basic and applied research is up almost 8 percent. DOD is a leading supporter of basic research in computer sciences, mathematics, oceanography, and most engineering disciplines.
- ✓ **Increases in Science at Department of Energy:** Science Programs increased \$117 million. DOE, the principal supporter of the Federal investment in the physical sciences, has supported research that has resulted in over 60 Nobel prizes. DOE's scientific user facilities are used by more than 15,000 scientists to conduct frontier scientific research, and provide the next generation of scientists and engineers.
- ✓ **Advanced Technology Program:** President Clinton's FY 2000 budget continues to fund ATP's research and development into cutting-edge high-technologies. While the House proposed eliminating the program, the final budget will allow ATP funding for an additional \$51 million in new awards. ATP supports the development of high-risk technologies that promise significant commercial payoffs and widespread economic benefits.
- ✓ **NASA - Investing in Our Future:** The budget includes \$13.65 billion for NASA, an additional \$100 million. The funding levels passed by the House would have cut the NASA budget by almost \$1 billion. These investments offer the potential of new scientific breakthroughs through an aggressive robotic series of exploration missions into the solar system, as well as enhancing our ability to monitor important changes in the earth's climate system, and strengthening aviation safety for the travelling public.
- ✓ **Extending the Research and Experimentation Tax Credit:** President Clinton proposed to extend the research tax credit because it provides incentives for private sector investment in research and innovation that can help increase America's economic competitiveness and enhance U.S. productivity. The final budget extends this research tax credit through 2004. This long-term extension will encourage companies to undertake new multi-year research activities, secure in the knowledge that the 20 percent tax credit will continue to be available.

OTHER HIGHLIGHTS

- ✓ **Nutrition for Women, Infants, and Children (WIC):** The final budget provides over \$4 billion for nutrition assistance to 7.4 million women, infants, and children through the WIC program, an increase of \$108 million over FY 1999. The additional funds will allow the program to provide a monthly package of nourishing supplemental foods, nutrition education, and health care referrals to

7.4 million low-income women, infants, and children who are at nutritional risk – a 25 percent increase in participation since 1993.

- ✓ **Boosting Funding for Natural Disasters Such as Hurricane Floyd:** The budget provides \$2.8 billion for the Federal Emergency Management Agency's (FEMA) disaster relief fund to assist victims with repairs and recovery from natural disasters. This includes \$215 million to address unmet housing needs resulting from Hurricane Floyd that could not otherwise be met by Federal disaster assistance programs.
- ✓ **Expanding Civil Rights Enforcement:** Funding for the Civil Rights Division of Justice was expanded from \$69 million in FY 1999 to \$82 million in FY 2000 – a 19 percent increase. Funding for HUD fair housing programs was increased by \$4 million – a 10 percent increase.
- ✓ **Largest Increase In Family Planning Services Since 1993:** The President won a nearly \$25 million increase for Title X family planning, the largest increase since 1993, bringing the program to almost \$240 million for FY 99. These grants fund family planning clinics providing reproductive health services and clinical care to over 5 million low-income women.
- ✓ **President's Food Safety Initiative:** The bill provides an increase of \$59 million for the President's Food Safety Initiative, which will fund enhanced domestic and imported food safety inspections; increased outbreak response and traceback work; and expanded research, risk assessment and education activities. In addition, this increase will fund enhanced Federal-State inspection partnerships, bioscience research, and Risk Assessment modeling and data collection to include the pre-harvest phase for all foods.
- ✓ **The Final Bill Strengthens Enforcement of Labor Protections.** The final bill provides key funding increases for worker protection programs including Occupational Safety and Health Administration (OSHA) oversight of employee pension and health plans, enforcement of wage and hour laws, and the National Labor Relations Board (NLRB). The final total of \$1.3 billion is \$105 million (9 percent) above the FY 1999 enacted level. As a result of these increases, OSHA will conduct approximately 3,000 more compliance inspections thereby increasing the safety and health of our Nation's workers, particularly those in high-hazard industries. In addition, the Department of Labor also will be able to implement new health care laws effectively and encourage equal pay practices that will benefit our workers.
- ✓ **Ensuring That American Families Continue to Benefit From Tax Credits:** The budget ensures that Americans take full advantage of their personal credits—including the child credit, the child and dependent care tax credit, and the Hope scholarship and Lifetime Learning credits—without restriction by the alternative minimum tax. The final budget extends these rules for the alternative minimum tax through 2001.
- ✓ **Encouraging First-Time Homeowners in the District of Columbia:** Extend through 2001 the \$5,000 tax credit for low- and moderate-income first-time homebuyers who purchase homes in the District of Columbia. This tax credit encourages homeownership and strengthens neighborhoods in the Capital City.

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

November 18, 1999

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

- × **Passing Common Sense Gun Legislation:** While the Administration's successful strategy of keeping guns out of the hands of fugitives, felons, and children has contributed to record declines in crime, recent tragic shootings reinforce the need to protect American families from gun violence. For months, Congress has failed to enact common-sense gun legislation. Congress must pass a bipartisan juvenile crime bill that includes strong gun measures to: close the gun show loophole; require child safety locks for handguns; ban the importation of large capacity ammunition clips; and bar violent juveniles from owning guns for life.
- × **Passing a Strong, Enforceable, Patients' Bill of Rights:** For over two years, the American people have been waiting for Congress to pass a strong, enforceable Patients Bill of Rights. During that time, the President has exercised his executive authority to extend critical patient protections to over 85 million Americans. The House passed such legislation earlier this year, but the Republican leadership is preventing an open debate on it in conference. The President continues to urge the Congress to recommit to passing this legislation and prevent another year from passing without action on this important issue.
- × **Strengthening Social Security:** The President has put forth a specific proposal to use the benefits of fiscal discipline and debt reduction to strengthen Social Security, extending its solvency from 2034 to 2050. This would be a down payment on truly saving Social Security. The Republican so-called "lockbox" legislation would not add a single day to the life of Social Security.
- × **Modernizing and Strengthening Medicare:** Although members of both parties joined the President in the effort to adjust Medicare health care provider payments, Congress failed to address the growing challenges that Medicare faces. With the number of beneficiaries expected to double over the next 30 years, Medicare needs adequate resources and the tools to be as efficient as possible. A long-overdue prescription drug benefit option is also essential for seniors and people with disabilities.
- × **Reducing Youth Smoking:** President Clinton and Vice President Gore have made passage of comprehensive tobacco legislation to reduce youth smoking a top priority in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans have acted as politicians instead of parents, and killed this year's effort to increase the excise tax on cigarettes by 55 cents a pack. Public health experts agree that the single most effective way to cut youth smoking is to raise the price of cigarettes.

- × **Expanding Federal Hate Crimes Laws:** At a time when our leaders should be doing all they can to bring Americans together, the Congress has refused to enact legislation to punish hate crimes. The President has called for a bill that would make it easier to prosecute crimes based on race, color, religion and national origin; and that would also include crimes based on sexual orientation, gender and disability. Congress should take a strong stand against intolerance and hatred by enacting such legislation without further delay.
- × **Funding the EEOC:** Despite EEOC's success in beginning to reduce its backlog of private-sector cases in the last year, Congress failed to provide the funding which would allow EEOC to meet its goal of reducing the backlog of cases to 28,000 by the end of 2000. In addition, despite the fact that women still earn only approximately 75 percent of what men earn, Congress has failed to fund the EEOC's Equal Pay Initiative to improve compliance with equal pay laws.
- × **Providing for Long-term Care Assistance for the Those Chronic Illnesses and Their Families:** At the beginning of this year, the President proposed a new, \$6 billion initiative to address complex long-term care needs, including an unprecedented \$1,000 tax credit that compensates Americans with long-term care needs of all ages or the family caregivers who support them for their formal or informal costs. The initiative also supports a new National Family Caregivers Support Program that provides a range of critical services such as respite, home care services, and information and referral. Many members of Congress, on a bipartisan basis, introduced similar proposals, but despite this, the Congress failed to respond and lost an opportunity to provide critical assistance for this population.
- × **Providing Health Options for Older Americans:** In the FY 1999 and FY 2000 budgets, the President proposed an initiative to expand health options available for older Americans by: enabling Americans aged 62 to 65 to buy into Medicare by paying a full premium; providing vulnerable displaced workers ages 55 and older access to Medicare by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option; and providing Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits a new health option, by extending "COBRA" continuation coverage until age 65. Despite the fact that the number of uninsured Americans aged 55 to 65 is growing faster than any other age group, Congress refused to act on this proposal.
- × **Encouraging Small Businesses to Offer Health Insurance:** In the FY 2000 budget, the President proposed an initiative to encourage small businesses to offer health insurance to their employees through: a new tax credit for small businesses who offer coverage by joining coalitions; encouraging private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; offering technical assistance to small business coalitions from the Office of Personnel Management. The President urges Congress to provide new health insurance options for these vulnerable Americans.
- × **Continuing to Help People Move From Welfare to Work:** In January, the President proposed to invest an additional \$1 billion in the Welfare-to-Work program and to reauthorize the program with several changes including helping more low-income fathers work and support their children. The Congress enacted eligibility changes similar to those proposed by the Administration to allow States, tribes and communities to more effectively serve low-income fathers and hard-to-employ welfare recipients, but failed to provide any new funding.

- × **Raising the Minimum Wage:** The Congress has failed to pass a clean, straightforward bill to increase the minimum wage by \$1 over two years – a step that would simply restore it to the 1982 inflation-adjusted level. Instead, the Senate attached the minimum wage increase to fiscally irresponsible tax giveaways for special interests. More than 11 million workers would benefit from a \$1 increase in the minimum wage. A full-time, year-round worker at the minimum wage would get a \$2,000 raise – enough for a typical family of four to buy groceries for 7 months or pay rent for 5 months.
- × **Expanding Trade and Providing Opportunity for Africa and the Caribbean Basin:** Congress should complete work on the Africa Growth and Opportunity Act and the Caribbean Basin legislation -- crucial to strengthening our economic ties with Sub-Saharan Africa and our Caribbean and Central American neighbors. This legislation would help increase trade, enhance opportunity, and boost growth in America and nations in Africa, the Caribbean, and Central America. The President called for the rapid passage of the Africa legislation in the State of the Union address and has pressed the case for these bills several times since. The House passed this legislation overwhelming earlier this summer, but the legislation is now awaiting Conference action.
- × **Supporting Southeast Europe's Economic Development and Integration:** Congress should pass the Southeast Europe Trade Preference Act submitted by the President, which would authorize expansion of duty-free treatment to a broad range of imports from the region for five years. This initiative is an important part of the Stability Pact launched by the President and other leaders last July, and is designed to strengthen stability and prevent further conflict in the Balkans by facilitating long-term economic growth.
- × **Promoting Peacekeeping:** While the budget goes a long way in meeting the anticipated requirements for funding UN peacekeeping operations around the world, the Congress did not fund the full requests. The shortage threatens to undermine fragile peace processes around the world or to incur additional UN arrears. To promote peace and encourage burden-sharing, Congress should fully fund UN peacekeeping efforts.
- × **School Construction:** Despite record student enrollment and a massive maintenance backlog in our nation's schools, Congressional Republicans again failed to enact school construction legislation. The President's school construction proposal would provide funding to help states and school districts build and modernize 6,000 schools nationwide. We can not hold students to high academic standards if we do not provide them with adequate facilities within which to learn. Congress should pass the President's plan and invest in our nation's schoolchildren.
- × **Enacting Comprehensive Campaign Finance Reform:** This year, the Congress failed once again to adopt real, meaningful reform of our campaign finance system. Although the House passed a bipartisan reform plan, a minority of the Senate blocked further action and left unchecked the influence of moneyed special interests. The President will continue to fight for comprehensive campaign finance reform and believes that the Senate should act to restore the public's faith in our political process.
- × **Child Care Initiative.** In his State of the Union, the President proposed an historic child care initiative to make child care better, safer, and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income

working families, and tax credits to help millions of working families pay for child care. The Republican Majority has refused to support these critical investments.

- × **Farm Assistance.** The President and Vice President were pleased to get \$8.6 billion in emergency assistance to farmers and ranchers, but they believe that Congress did not address the underlying issues that exist in the wake of Freedom to Farm legislation. For example, most of the assistance is not targeted to farmers who need it most, but is available to farmers, both large and small, whether they have suffered particular difficulty this year or not.
- × **Providing Fairness to Immigrant Families.** Congress has failed to take action to provide fairness to immigrant families by: restoring important disability, health, and nutrition benefits to additional categories of legal immigrants; restructuring the Immigration and Naturalization Service (INS); approving the Administration's proposal to support the process of democratization and stabilization now underway in Central America and Haiti and ensure equitable treatment for migrants from these countries; or changing the registry date to permit long-term migrants to adjust their status.
- × **Continuing to Empower Communities:** Urban and Rural Empowerment Zones were funded at \$70 million in 2000, \$55 million for Urban Zones and \$15 million for Rural Zones and Enterprise Communities. Empowerment Zones continue to be a priority for the President and Vice President and they are committed to supporting and obtaining funding for the Empowerment Zones' remaining eight years. Without the full 10 years of funding, the Round II Empowerment Zones and Enterprise Communities, designated in January 1999 by the Vice President, will have difficulty implementing their community and economic development strategies to revitalize their communities.