Molly Brostrom, DPC

Box 2: Seniors, Drug Conference, Media&Violence

Issue Brief Backup
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National Assocaiton of Meals Programs 8/95
Medicare Anniversary 7/95
Seniors Op-Ed 3/95
Seniors Outreach Strategy

Older Americans Act
- Reauthorization
- Title IV Research
- Title V SCSEP
- Forest Service/T.V

Arkansas Office on Aging
Budget/Funding and Older Americans
Robert Butler
National Assoc. for Community Services Programs
Aging Demographics
Age Discrimination--EEOC
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Pension Benefit Guranty Corp. 12/94
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Childern's TV
Alex Kroll
Media and Violence–Substance

SENIORS

"I think we're obligated to balance this budget to take the debt off our children and our grandchildren, but we're obligated to do it in a way that represents -- that reflects our responsibility to our parents and our grandparents..."

President Bill Clinton
September 20, 1995

Today, there are thirty-three million older Americans. By 2030, older Americans will number seventy million--twenty percent of our population. Older Americans are doing better today--healthier and wealthier--than ever before. As we move into the twentieth century, President Clinton is fighting to protect and improve those programs which have successfully provided older Americans a base of health, economic security and independence for decades, and to prepare for the challenges ahead.

A RECORD OF ACCOMPLISHMENT:

- **Fighting Drastic Cuts in Medicare and Medicaid**: President Clinton is fighting Republican proposals for Medicare and Medicaid that would shift a staggering financial burden to elderly and disabled Medicare beneficiaries, reduce Medicaid nursing home coverage for elderly and disabled Americans, and result in damaging structural changes in the Medicare program.

- **Strengthening and improving Medicare and Medicaid:** President Clinton enacted and continues to fight for proposals that strengthen the Medicare Trust Fund: the President's 1993 Economic Plan extended the life of the Trust Fund by 3 years, and his balanced budget guarantees the life of the Trust Fund for a decade. President Clinton is also strengthening the Medicare program by combating fraud and abuse, enhancing quality, and supporting an expansion of voluntary managed-care options to increase choices for beneficiaries -- not as a smokescreen for deep and arbitrary cuts. In addition, he has proposed providing more preventive services and a respite care benefit for families of victims of Alzheimer's disease under Medicare.

- **Long-Term Care:** The President opposes Republican proposals to reduce Medicaid long-term care coverage. He has consistently supported expanding state administered home and community-based care services, tax clarifications and consumer standards for private long-term care insurance, and penalty-free withdrawals from IRAs to pay for long-term care.

- **Social Security:** Recognizing that Social Security has successfully provided a foundation of economic security to older Americans for decades, President Clinton is committed to ensuring the long-term integrity of the Trust Fund through a bipartisan solution that keeps the program dependable for all recipients. The President firmly opposes proposals to use Social Security benefits to balance the budget or pay for tax cuts for the wealthy.

- **Promoting and Strengthening Retirement Savings**: President Clinton's pension initiatives are helping more Americans save for retirement and ensuring that pension benefits are safeguarded for retirement. The Retirement Savings and Security Act proposed this year by the President would increase pension portability, enhance pension protection and expand coverage. The Retirement Protection Act signed by the President in 1994 strengthened pension plan standards and enhanced enforcement authority so that workers and retirees can count on receiving the pensions they have earned.

- **Strengthening Supportive Services and Opportunity**: This year, President Clinton proposed reauthorization of the Older Americans Act that will renew and strengthen critical Meals on Wheels, transportation, senior community employment and ombudsman services. The President is also fighting to support and protect the Corporation for National Service's Senior Service Programs -- Foster Grandparents, Senior Companions and the Retired Senior Volunteer Program. These programs give older Americans the opportunity for continued involvement in their communities and allow the nation to benefit from the rich resource that our elderly are.

- **Bringing Seniors to the Table**: President Clinton elevated the Commissioner of Aging to Assistant Secretary status and called for the fourth White House Conference on Aging, after the 1991 Conference failed to take place.

- **Making Our Communities Safer**: President Clinton broke six years of Congressional gridlock by signing the toughest and smartest Crime Bill ever with bipartisan support and endorsements from every major law enforcement organization. In addition, the President fought for and signed the Brady Bill which has prevented over 60,000 convicted felons, fugitives, stalkers and other criminals from buying handguns. These efforts are contributing to safer communities: in 1995, the number of murders fell 8% --one of the largest declines in more than three decades--and overall crime fall 6% in our nation's largest cities.

THE CHALLENGES AHEAD:

The President will continue to fight for policies that honor our commitments to older Americans and allow them to remain independent and active participants in our communities. The President will continue to work to:

- Preserve and strengthen Medicare through: assured financial solvency without substantial new costs on beneficiaries or damaging structural changes; expanded choices of high-quality health plans and delivery systems; and new preventive benefits and strong new protections against fraud and abuse.

- Improve access to home and community-based care and to protect nursing home coverage under Medicaid.

- Implement private long-term care insurance standards to protect consumers against substandard policies and unacceptable insurance practices.

- Maintain federal quality standards for nursing homes and protections against impoverishment for spouses of nursing home residents in the Medicaid program.

- Enhance economic security for older Americans through an improved pension system and a strong long-term financial basis for Social Security.

June 1996

A PROFILE OF OLDER AMERICANS

1995

AARP AoA

The Older Population

■ The older population—persons 65 years or older—numbered 33.2 million in 1994. They represented 12.7% of the U.S. population, about one in every eight Americans. The number of older Americans increased by 2.1 million or 7% since 1990, compared to an increase of 4% for the under-65 population.

■ In 1994, there were 19.7 million older women and 13.5 million older men, or a sex ratio of 146 women for every 100 men. The sex ratio increased with age, ranging from 122 for the 65-69 group to a high of 259 for persons 85 and older.

■ Since 1900, the percentage of Americans 65+ has more than tripled (4.1% in 1900 to 12.7% in 1994), and the number has increased nearly eleven times (from 3.1 million to 33.2 million).

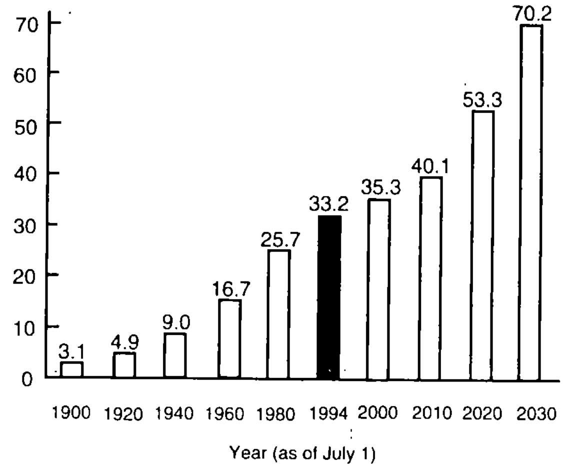
■ The older population itself is getting older. In 1994 the 65-74 age group (18.7 million) was eight times larger than in 1900, but the 75-84 group (10.9 million) was 14 times larger and the 85+ group (3.5 million) was 28 times larger.

■ In 1993, persons reaching age 65 had an average life expectancy of an additional 17.3 years (18.9 years for females and 15.3 years for males).

■ A child born in 1993 could expect to live 75.5 years, about 28 years longer than a child born in 1900. The major part of this increase occurred because of reduced death rates for children and young adults. Life expectancy at age 65 increased by only 2.4 years between 1900 and 1960, but has increased by 3.0 years since 1960.

■ About 2.1 million persons celebrated their 65th birthday in 1994 (5,600 per day). In the same year, about 1.7 million persons 65 or older died, resulting in a net increase of 385,000 (1,050 per day).

FIGURE 1
NUMBER OF PERSONS 65 +: 1900 to 2030



Note: Increments in years on horizontal scale are uneven.

Based on data from U.S.Bureau of the Census

Future Growth

■ The older population will continue to grow in the future (see fig. 1). This growth will slow somewhat during the 1990's because of the relatively small number of babies born during the Great Depression of the 1930's. The most rapid increase is expected between the years 2010 and 2030 when the "baby boom" generation reaches age 65.

■ By 2030, there will be about 70 million older persons, more than twice their number in 1990. People 65+ are projected to represent 13% of the population in the year 2000 but will be 20% by 2030.

■ Minority populations are projected to represent 25% of the elderly population in 2030, up from 13% in 1990. Between 1990 and 2030, the white nonhispanic population 65+ is projected to increase by 93% compared with 328% for older minorities, including Hispanics (555%) and nonhispanic blacks (160%), American Indians, Eskimos, and Aleuts (231%), and Asians and Pacific Islanders (693%).

braska? It's important to me; I'm the President of all the American people; I'm proud we've got it down so low in Nebraska. But if it's 15 percent in your neighborhood, and if it's 50 percent among young people who aren't in school and do want to be at work, then those numbers mean nothing to you. So this country has never solved that problem, but we are trying some new and different approaches. And I'm convinced now that a lot of people in both parties and across racial lines understand that we've got to put work back into our young people's lives.

Cooperation With Congress

Mr. Gordon. How willing are you to go toe-to-toe with Bob Dole and the other Republicans who inevitably are going to fight some of those programs you're putting forth?

The President. Well, all I've been doing for 2 years is going toe-to-toe with them. [*Laughter*] The real question ought to be asked of them. They ought to be asked, "Aren't you willing to stop going toe-to-toe and start working in partnership with the President, and stop worrying about short-term political gains and start worrying about America?"

Mr. Gordon. Are you concerned that it's going to continue the partisan fighting that we've seen over the course of the years?

The President. The Republicans in this Congress were the most partisan by a nonpartisan analysis—they were more partisan this year and last year than ever before since people have been studying this, since World War II. I hope that they'll be better next time.

Q. Mr. President, you've got a lot of successes. What can you do to get your message out even more?

Mr. Gordon. With about 40 seconds to go, let's let him answer that.

The President. Well, one reason I do programs like this is to get the information out. Most Americans do not know, unless they've been personally affected by the college loan program, the family leave program, the immunization program. We just have to work harder to get those messages out. And next year, I'm going to devote an enormous amount of time to doing it.

Mr. Gordon. Well, Mr. President, we're to the point where just about rubber meets the road. We will see next week what happens.

The President. Thanks.

Mr. Gordon. We appreciate you joining us, as always.

The President. Good to see you.

NOTE: The interview began at 10:15 a.m. in the East Room at the White House.

Remarks to Senior Citizens in Pawtucket, Rhode Island
November 2, 1994

Thank you very much. Congressman Kennedy—has a nice ring to it, don't you think? [*Laughter*] We'll take pictures later, okay? And I'll go over here, and we'll shake hands and take pictures, have a big time.

Let me say how delighted I am to be here. I was told in my briefing this morning that I am the first President of the United States to visit Pawtucket since Andrew Jackson. And that's not all that inappropriate. I probably care more about average Americans than any President since Andrew Jackson.

I want you to know, Mr. Mayor, how delighted I am to be here in your wonderful city. I am delighted to be here in the Portuguese Social Club. And for the members of the national press traveling with us, we have over a million Portuguese-Americans, and most of them live in Rhode Island, in Massachusetts, and in California. And I'm glad to be here in this community and in this club today.

I'm glad to be here with Patrick Kennedy. You know, he's got a shade of Irish luck. [*Laughter*] Wouldn't you love to be running for Congress against a person named Vigilante? [*Laughter*] I mean, especially in this election year with these issues. I'm glad to be here with Myrth York and with your senatorial candidate, Linda Kushner—I hope you will support them all—and my good friend Jack Reed, who has been a terrific Congressman for the State of Rhode Island.

I'm glad to be here with Senator Claiborne Pell, who just took a trip with me to the Middle East, a historic trip for the United States and for the world. And I know you must be so proud of his leadership not only in foreign affairs but also in education and in so many other areas here at home. And I thank you, sir.

Again, Mr. Mayor, let me say how glad I am to be here. I thank you for the key to the city. I already see a lot of hearts that are unlocked—[*laughter*]—and I intend to use it. I've got a little tape on my foot here—[*laughter*]—you all don't have to worry about me, I'll stick; I don't need the tape. [*Laughter*]

Twenty-one months ago, with the help of the State of Rhode Island, the people of the United States sent me to Washington to try to change the direction of this country, to get the economy going again, to empower our people to compete in a tough global economy, to get the Government to work for ordinary citizens again, to try to help make the world more peaceful and more prosperous for Americans to live and flourish in. Well, 21 months later, jobs are up; the deficit is down; we have more educational opportunities; we've taken a serious assault against crime; the tax system is fairer; we've increased trade and reduced the nuclear threat. For the first time since the dawn of the nuclear age, no Russian missiles are pointing at your children or your grandchildren. America has become recognized as the world's defender of peace and freedom and democracy. In short, we've still got a lot of problems, folks, but this country is in better shape than it was 21 months ago. And the issue is whether we're going to keep going forward.

Just remember the challenges we face: 30 years, 30 years of deepening social problems with more and more children being born into difficult family circumstances and more and more violence and gangs and drugs building up; 20 years in which most of our wage earners have worked harder every year without getting wages that even kept them up with inflation; 12 years of a very different economic policy, trickle-down economics, that really believed you could give tax cuts to the wealthy, increase spending, explode the deficit, and somehow stagger your way to prosperity. In the last 4 years before I became President, this State alone lost about 30,000 jobs.

Well, we're trying to change all that. We've tried to reward the values of work and family and strengthen our communities. Instead of making easy promises to the American people, I've tried to have disciplined commitments and challenge the American people.

We passed the family and medical leave law after 7 years, which guarantees 164,000 working families in Rhode Island if they have to take a little time off for a baby to be born or to take care of a sick parent, they won't lose their jobs now.

Thanks in no small measure to Senator Pell and to Congressman Reed, we made 20 million students and former students eligible for lower cost college loans and better repayments, including 117,000 right here in Rhode Island.

You heard Mr. Kennedy say that we provided a fairer tax system. We did ask 1.2 percent, the wealthiest of our people, to pay higher income taxes. We put all their money into paying down the deficit, along with $255 billion in spending cuts. But we gave 15 million working families, including 38,000 right here in Rhode Island, a tax cut because they work 40 hours a week, they have children in the home, and we don't believe people who are working full-time and raising kids should live in poverty in this country because of the tax system.

We did pass the Brady bill and the crime bill. And I'm proud to say I wore here a watch I got on the day I signed the crime bill from the Rhode Island Police Chiefs Association. I wore it not only because a Rhode Island chief gave it to me but to highlight the fact that even though our Republican opponents in the Congress tried to kill the crime bill after having supported it, and alleged that it was full of wasted money, even though they sponsored a lot of the programs in it, every major law enforcement organization in the United States supported the crime bill, and we gave it to the American people to make our streets safer.

Now, when we did these things, our opponents in the Republican Party—and every one of them voted against the deficit reduction package; every one of them voted against middle class college loans—they said the world would come to an end; they said the economy would go to pieces; they said we were doing a terrible thing trying to pay our bills. [*Laughter*] They said it was just awful.

Well, guess what? In the last 4 years before I showed up, your economy lost 32,800 jobs. In our first 20 months, Rhode Island gained over 10,000 jobs. This deficit is $100 billion lower this year than it would have been if we'd left their budgets in place. We are giving the future back to our children and building an economy that can compete in the 21st century. It is the right thing to do.

Believe me, I know that we have more to do. I know there are still people who don't have work, and others who have work who are afraid they'll lose their jobs or never get a raise or lose their health care. I know there are senior citizens in this country every single month who are not quite poor enough to be on Medicaid but have a hard time getting along on Medicare and Social Security, who choose every month between food and medicine. I know that. But the question before you, my fellow Americans, is if you want to make progress, are you going to go with the folks that have moved forward on jobs, forward on bringing down the deficit, forward on making the tax system fairer, forward on expanding Head Start to our kids—forward, forward, forward at home and abroad—or are you going to go with the crowd that got a program to take us back to what got us into trouble in the 1980's? That is the choice in this election.

Our opponents said no to our economic program, no to deficit reduction, no to the middle class college loans. They said overwhelmingly—almost all of them said no to the crime bill, no to family leave, no to the Brady bill. They said no. I offered a health care bill that would have reduced the deficit over the next 10 years and provided for medicine, prescription medicine, supports for elderly people who aren't poor enough to be on Medicaid, and would have begun to phase in a long-term care program in addition to nursing homes so that people who wanted to live at home or in boarding homes could have some support. And they all said no.

Once there were 24 of them who said, "We'll be for universal coverage. We at least want everybody to have health insurance." And when the time came for the floor debate in the Senate, we had gone from 24 Republicans to zero. The more we moved toward them, the more they ran out the back door on health care. Why? Because they believed that the cynicism and the skepticism and the negative feelings of the American people would be so great that they could be irresponsible on every issue. They could say no to health care. They could say no to campaign finance reform. They could say no to lobbying reform. They could even say no to cleaning up the toxic waste dumps in this country. They could say no to it all, and they could punish us for what they didn't do. But you know what? You're smarter than that. And you're going to send them a message on election day.

Now, I watched your faces when Jack Reed and Patrick Kennedy talked to you about this Republican contract. And I can tell some of you find it hard to believe that anybody, even the most conservative Republican, would propose a plan that would cut Social Security benefits. After all, Social Security is a solemn contract. It's worked well for 60 years. The percentage of our national income going to Social Security today is almost exactly what it was 20 years ago. Social Security is not causing the Federal deficit. It's hard to believe, but it's true.

It's true. They have one Senate candidate saying Social Security ought to be voluntary, which means bankrupt the system. They have another saying that he wishes the retirement age were above 70, above 70. They have a House leader who once basically called for dismantling the system just a couple of years ago.

Now, I want you to see—this is the contract they signed. This is what they promised: They promised to give everybody a tax cut but most of it going to the wealthiest Americans; to increase defense, increase Star Wars; to balance the budget in 5 years. That costs a trillion dollars. That's real money, even in Rhode Island—[*laughter*]—a trillion dollars. Every one of us could have a pretty good time on a trillion dollars.

I wish—it's election season—I'd like to help elect this candidate for the Senate and this candidate for Governor and these fine candidates for Congress. I wish I could come here and promise to write you a trillion dollars' worth of hot checks. [*Laughter*] But I can't do it with a straight face; I just don't have it—I'm not shameless enough to do it. But they're better than we are at this; they can say anything. [*Laughter*]

So they made a trillion dollars worth of promises. Now, here's how you keep those promises. The only way you can give a tax cut to the wealthy, increase defense, bring back Star Wars, and balance the budget in 5 years is to cut everything else in the Government 20 percent. That's $2,000 a Social Security recipient a year. Now, that's it; that is the only way you can do it. Then if you say, "Oh, no, no, I never said I'd touch Social Security," you have to cut Medicare 30 percent and everything else. You really think they're going to cut the Agriculture Department, the Veterans Department, all this stuff 30 percent? That's what they have to do. They have to shut down the rest of the Government, close Yellowstone Park.

Now, if they're not serious, if they just want to do what they did in the eighties—spend the money and load all the debt onto our children and grandchildren and wreck the economy—then what they will do is explode the deficit, start shipping our jobs overseas, and put this economy back in the ditch again, just when Rhode Island is beginning to come out. There are no other alternatives, not if they intend to keep the signed contract. The third alternative is, it was just a bunch of cheap political promises to con people into voting at election time.

So I say to you, my fellow Americans, we are better than that. We are better than that. We are moving into the 21st century. We have just been voted for the first time in 9 years by the annual review of international economists the most productive economy in the world. For the first time in 10 years, we've had 9 months of manufacturing job growth in a row. For the first time in 15 years, American automakers have sold more cars around the world than Japanese automakers. We are coming back. Let's don't mess it up now. Let's don't go back.

You know, it makes a difference whether you vote and for whom you vote on election day. It is important to reward people that are moving forward and to tell people that want to take you back with beguiling promises, "We have heard this before." The senior citizens of this country—people who have seen a great World War, people who can remember, many of you, the Depression, people who have seen our country at its best and its worst, motivated by our hopes and our courage, in the grip of our fears, hopeful, fearful—you know that we ought to do the right thing.

If we're moving forward on jobs, forward on bringing the deficit down, forward on giving us Government that's smaller but does more for ordinary citizens, forward in bringing peace and prosperity, increasing trade and reduced nuclear threats to the world, we ought not to go backward. Every voter in this country on Tuesday is just like somebody that has a remote control on a movie about America. They can push forward, fast forward, or reverse. Do not push reverse. You will regret it, and so will America.

You know, I just want to close with this, folks. I keep seeing how people are beat down and discouraged and they're so pessimistic because they hear all these bad things all the time. Let me tell you something, just look at what we've seen in the last few weeks. Look at what we've seen in the last few weeks about how other people look at us.

We had the President of Russia coming here to see me, a democratic country working with us on reducing the nuclear threat. We had the President of South Africa coming here to the United States to thank us for helping to conduct their free election. We have been asked to participate in helping to bring to an end the centuries-old conflict between the Catholics and the Protestants in Northern Ireland. We have been involved in restoring to Haiti the democratically elected government of President Aristide. And we were the only country in the world, by the way, that could have done that and actually had Haitian-American soldiers down there speaking Creole to the natives because America is a country for everybody. We are a country of all peoples, all ethnic groups, all backgrounds.

I went to see our young men and women in uniform in the Persian Gulf who so quickly turned back the tide of Saddam Hussein's recent aggressive move. I was there at the signing of the peace treaty between Jordan and Israel. Let me tell you something: Other people around the world, they are not cynical about America. They admire the strength, the values, the energy of this country, our capacity to grow. They know we have the strongest military in the world, but they also know we're the world's strongest peacemaker, the world's strongest economy, and the world's strongest example. That is what we owe to our children and our grandchildren. The best days of this country are before us, but they will not be before us if we divide the old against the young, if we walk away from our responsibilities to our children or to our parents and grandparents, and if we walk away from our responsibility to ourselves.

So I say to you, we're moving forward. You be thinking on Tuesday: "I am in control. I have a remote control on America's movie. I'm going to go into the polling place, and I'm going to push forward; maybe I'll even push fast forward. But I certainly won't push reverse."

Thank you, and God bless you all.

NOTE: The President spoke at 2:33 p.m. at the Portuguese Social Club. In his remarks, he referred to congressional candidate Patrick Kennedy, Mayor Robert E. Metivier of Pawtucket, and gubernatorial candidate Myrth York.

Interview With Diane Stern of WBZ Radio, Boston, Massachusetts

November 2, 1994

Ms. Stern. The President joins me live on WBZ News Radio. And welcome, Mr. President. If we could get right to the questions, we'd appreciate it.

The President. Great. It's nice to hear your voice.

White House Attack

Ms. Stern. The man who allegedly shot at the White House was in court today, as you know. He may soon be indicted on charges that he tried to kill you. I'd like to know, how do you talk to your daughter about that?

The President. Well, I think my daughter is well aware of the requirements of the office and that a lot of it involves the Secret Service. But I have to tell you, I think they do a good job. I was not in any danger, and I think this matter is being handled in the appropriate way.

Moral Guidance for Youth

Ms. Stern. We're talking live to President Clinton on WBZ News Radio 1030. Mr. President, as a parent, I'm concerned about what seems to be a moral decline in this country. Do you share those concerns?

The President. Of course I do. I'm especially concerned that so many of our young children are being raised, in effect, in a vacuum where they're so vulnerable to gangs and guns and violence and drugs and where they don't have enough people to look up to and enough people to follow. And they're not being taught right from wrong on a daily basis. I think we have to work on all those things.

One of the things that I've tried hard to do as President is to emphasize the importance of parents and churches and community groups taking responsibility for these children again. And one of the things that I liked about our crime bill was that we enabled church groups and others to apply for assistance to reach out to more of these young people. You know, every child is going to have somebody that he or she looks up to. It needs to be the right person; it needs to be somebody who has a sustained and caring relationship with the child over a long period of time. It ought to be the parents, but if it can't be, it has to be someone else. That's the only way to turn this around.

Midterm Elections

Ms. Stern. Mr. President, if we could get on to the campaign trail, campaign '94, as you know, you're not welcomed by some Democrats campaigning for election this year. Personally, how does that make you feel?

The President. Well, most elections are decided on the merits within each State. You know, when I was a Governor, I never had the President come and campaign for me, even when the President was a member of my own party and was popular, because I thought that the voters were discriminating about that. But I do think there are some national elements to this election. And particularly in a lot of these races for Congress and Senate, I'm pleased to go where I've been asked to go—I've been asked to go more places than I can—to try to say what the stakes are in this election. And they are national.

You know, the fact is that in the last 21 months, while we haven't solved all the problems in the country and while a lot of ordinary Americans still have difficulties, the country is in better shape than it was. We've got more jobs. The deficit is coming down. We're doing more for families and children. And educational opportunities have been increased. The tax system is fair. The nuclear threat is less. There's more trade in the world. There's more peace, more democracy in the world. We're moving in the right direction at home and abroad. And the voters need to go forward, not back to the easy promises of the eighties.

You know, I knew when I took this job, if I really tried to change things I'd have to shake some things up; I wouldn't always be popular.

NEWS

Pension Benefit Guaranty Corporation
1200 K Street, N.W.
Washington, D.C. 20005-4126

FOR IMMEDIATE RELEASE

December 1, 1994

CONTACT: Judith Welles, Director
Communications & Public Affairs
or
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Public Affairs Officer
(202) 326-4040

Pension Bill Passage Improves Financial Future of Workers

Secretary of Labor Robert B. Reich said today that nearly 8 million workers and retirees covered by underfunded pension plans can look forward to a more secure retirement with passage of the Retirement Protection Act.

"This is a great day for American workers. Pensions will be better funded and the benefits for which they have worked long and hard will be there when they retire," said Reich, who is Chairman of the Pension Benefit Guaranty Corporation's (PBGC) Board of Directors.

The heart of the reforms is strengthened and accelerated funding for pension plans that are less than 90 percent funded.

"Workers, retirees, business, and taxpayers are winners. Pension promises will be kept and PBGC will remain strong. Businesses with well-funded plans will no longer carry more than their fair share of the insurance cost. We have removed a risk for American taxpayers, but we must always remain vigilant for the future," said Reich.

Over a 15-year period, the funding of large underfunded pensions will improve from the current average of about 60 percent of vested benefits to over 85 percent. The reforms will also put PBGC on a sound financial basis. The agency's deficit, which at the end of FY 1993 was $2.9 billion in its single-employer insurance program, should be eliminated within 10 years.

"These are comprehensive reforms, targeted to the most severely underfunded pension plans," said Reich.

The pension reforms are part of the General Agreement on Tariffs and Trade (GATT) legislation passed by Congress. The reforms:

o Strengthen funding. New rules accelerate pension funding, and specify mortality tables and narrow the range of permissible interest rates for valuing pension liability. Companies have used interest rate and mortality assumptions to significantly reduce required funding.

-more-

They also close a major loophole that enabled employers to double count credits in order to minimize pension contributions, and require severely underfunded plans to have enough cash and marketable securities to make three years of benefit payments.

- o Increase premiums for plans that pose the greatest risk by phasing out the $53 cap on the additional premium they are required to pay. While accounting for 80 percent of all underfunding, companies with plans at the cap pay only 25 percent of PBGC's total premium revenue.
- o Require companies with large underfunded plans to provide PBGC with detailed funding and financial information on an annual basis. Also require privately held companies with large underfunded plans to provide PBGC with advance notice of certain transactions, such as mergers and spinoffs of underfunded plans or valuable subsidiaries, that might jeopardize pension security.
- o Keep workers and retirees better informed about their pensions. The reforms require most employers whose pensions are less than 90% funded to provide plan participants information--in easy to understand language--on their plan underfunding and the limits of PBGC's guarantees.

"Strengthening pensions through better funding will strengthen the system as a whole. Workers and companies can now have greater confidence in a stronger pension system and the PBGC," said PBGC Executive Director Martin Slate.

PBGC is a federal corporation created by the Employee Retirement Income Security Act of 1974 to guarantee payment of basic retirement benefits earned by nearly 41 million American workers and retirees participating in private-sector defined benefit plans. PBGC insures about 66,000 pension plans. The agency receives no funds from general tax revenues. Operations are financed largely by insurance premiums paid by companies that sponsor plans and investment returns.

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PBGC No. 95-10

FINAL

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

The Honorable William Goodling
Chairman, Committee on Economic
and Educational Opportunities
U.S. House of Representatives
Washington, DC 20515

DEC 7 1995

Dear Mr. Chairman:

We take this opportunity to inform you of the views of the Department of Health and Human Services (HHS) on H.R. 2570, which amends the Older Americans Act of 1965 (OAA).

We support your efforts to reauthorize the Act and look forward to continuing to work cooperatively with the Congress in a bipartisan manner to achieve consensus on an issue that has historically enjoyed strong bipartisan support. We applaud aspects of your bill that incorporate Administration recommendations to streamline the operation of State programs under the Act, provide flexibility to the States by eliminating unnecessary Federal requirements, and enhance customer orientation. We are encouraged by recent efforts that have been made at the Subcommittee level that meet these goals, and we look forward to ongoing dialogue on issues of mutual interest and concern.

However, we have some key concerns about other provisions of H.R. 2570 that eliminate or weaken critical safeguards the Act provides for America's elderly.

Protecting the Vulnerable

The OAA has been a critical source of protections and services for the most vulnerable Americans. We are therefore greatly concerned that H.R. 2570 would eliminate from the OAA the separate title for Elder Rights Protection for Vulnerable Older Individuals that was established in 1992 to ensure attention and funding for particularly vulnerable older individuals. We urge you to retain this title and its specific authorizations for long-term care ombudsman programs; the prevention of elder abuse, neglect, and exploitation; elder rights and legal assistance development; and outreach, counseling, and assistance. We are encouraged by recent efforts aimed at protecting important programs that prevent elder abuse and exploitation, as well as the critical importance of the long-term care ombudsman programs within this Department's Administration on Aging (AoA) and across the country.

The OAA is the second largest public source of funding for legal services for the elderly. We believe it is also essential to retain OAA's requirement in area plans to provide funding for legal services for the elderly.

Focusing Resources on Those in Greatest Need

[illegible] concerned about proposed amendments that would eliminate provisions of the OAA designed to ensure that a fair share of funds available under the Act are used to meet the needs of low-income minority older individuals who are among those with greatest social and economic needs. The legislative history of the provisions added by the 1984 amendments to the Act, and of several subsequent revisions, indicates both that the needs of minority elderly are more severe than those of low-income elderly as a whole, and that these individuals suffer greater social isolation and face greater barriers to receiving needed services. Data on this matter in the intervening years continue to document the compelling need for the provisions, indicating disproportionately greater need for, and lower rates of participation by minority elderly in, the programs and services under the OAA. In addition, services for members of recognized American Indian tribes and Alaskan native villages are consistent with the Federal Government's historical and unique legal relationship with Indian tribes and Alaskan Native villages.

legal services for the elderly.

We are heartened by the discussions that have ensued at the Subcommittee level about the significance and importance of the OAA programs for Native Americans, and in particular the retention of the Office for American Indian, Alaskan Native and Native Hawaiian Programs, as established in statute. A far larger proportion of Native American elderly than of the elderly as a whole are low-income and in need of supportive services. For a variety of reasons, including cultural differences and the remoteness of many Indian reservations and Alaska native villages, Native Americans have in many instances not been adequately served by programs administered by States. It was recognition of these facts that motivated the addition of title VI to the Act in 1978. Tribal governments have now administered effective title VI programs for many years. Eliminating title VI of the OAA (which provides for direct grants to tribal organizations) and folding services for Native Americans into title III (the authority for grants to States), as originally proposed in H.R. 2570, would do tremendous damage to these successful programs. We appreciate the willingness of the Subcommittee to have ongoing dialogue about this, and hope you will agree to restore these key provisions of the Act.

Preparing for an Aging Society

The elimination of a distinct and separate title IV (Training, Research and Discretionary Projects and Programs) and its related funding severely jeopardizes our ability to prepare for the dramatic demographic changes coming in the next century. Title IV has been used to test and develop the majority of OAA programs and services upon which older persons and their families rely to maintain their independence and dignity.

Such successful programs include: the area agency on aging concept; home and community-based long-term care services; congregate and home-delivered meals; long-term care ombudsmen to help protect older persons from abuse and exploitation; adult day care, including the well-known On Lok model; and information and referral systems to connect older persons and their families to the services they need. It is important to retain research and demonstration authority with dedicated funding in order to face the growing challenges of an aging society. While we appreciate the Subcommittee's recognition of the importance of retaining the Eldercare Locator, this should not be funded at the expense of other essential functions.

Cost Sharing by Program Beneficiaries

Like the Administration proposal, H.R. 2570 would allow States to utilize cost sharing. The Administration, however, is very concerned by your proposal to permit States the option of requiring cost sharing in the nutrition program. Nutrition programs are, in many respects, the cornerstone of the Act because they address a host of issues of the elderly ranging from socialization to maintaining good nutrition. The nutrition program is very popular and visible in communities throughout our country. Its popularity has traditionally been due to the fact that it is not an income-based "welfare" program and the sense of ownership shared by individual older people and communities. As a result, contributions have consistently been high, with $171 million being collected in FY 1993. To permit States the option to require cost sharing as a condition of receiving and participating in the service would drastically change the combination of components which has resulted in the program's success.

Consolidation of Nutrition Programs

We strongly recommend that the Committee revise H.R. 2570 to parallel the Administrations's proposal for transferring the Nutrition Program for the Elderly (NPE) from the Department of Agriculture (USDA) to HHS. H.R. 2570 continues, and in some respects, complicates USDA's involvement in administering Older Americans Act nutrition programs without apparent gain for program operators or participants. For instance, USDA would still be required to continue making commodities available. In addition, H.R. 2570 would make funds under section 32 of P.L. 74-320 available for these programs if discretionary appropriations to USDA for such purposes are less than 1/3 of amounts appropriated under section 395(a)(2) of the OAA, as added by H.R. 2570.

OMB has advised that any transfer from section 32 would be scored as discretionary. The Labor/HHS appropriations bill would be scored for the full 1/3 transfer if it is enacted prior to an Agriculture appropriations bill. USDA will be providing more detailed comments regarding its concerns with H.R. 2570.

Senior Employment Programs

To prepare for our aging society, we must maintain our commitment to provide training and employment opportunities to low-income seniors. The Senior Community Service Employment Program (SCSEP) under title V of the OAA serves this need. The provision in H.R. 2570 transferring the administration of the program from the Department of Labor to AoA is consistent with the Administration's bill and streamlines the Federal applications and planning processes with which States must deal. We are mindful of the concerns expressed by the Comptroller General about this program, and we will work with the Congress to make improvements to the program. However, the Administration believes the program should continue to be carried out through grants to both the States and national sponsors. We strongly oppose the elimination of direct grants to national sponsors and believe that such a measure would significantly diminish the effectiveness of the program. The national sponsors have many years of experience in administering the SCSEP and have demonstrated an exceptional ability to reach out to the grassroots level of communities. In addition, their performance in placing participants in unsubsidized employment has consistently exceeded the performance of State-administered programs. Because of the experiences of States and national contractors, each is able to address distinct interests and target populations of eligible participants and to develop differing employment prospects and training opportunities.

Senior Volunteer Programs

H.R. 2570 would move the National Senior Volunteer Programs -- Foster Grandparents, Senior Companions, and RSVP (Retired and Senior Volunteer Program) -- from the Corporation for National and Community Service (CNCS) to AoA. In addition, it would move the CNCS's field structure -- its State Offices -- from CNCS to administration by AoA. These programs, and the field structure to support them and other volunteer service programs, should remain with the CNCS.

The National Service Volunteer Programs are not programs of service for the elderly, but rather programs in which active seniors volunteer to serve all segments of their communities. The National Senior Volunteer Programs offer opportunities for Americans age 55 and older to make significant contributions to their communities utilizing their lifetime of experience to serve children and peers and serve in thousands of other volunteer positions throughout their communities. The Senior Volunteer

Program sponsors are generally outside the traditional aging network. They include a broad range of social service organizations such as United Way, the American Red Cross, Catholic Charities, and Lutheran Social Services. A transfer of the Senior Volunteer Programs to AoA would be disruptive to the network and support system that enables these programs to thrive.

These views outline our principal concerns with H.R. 2570. Additional concerns include the elimination of the Federal Council on Aging, as well as the authority to convene a White House Conference on Aging.

In summary, this Department looks forward to working with the Congress in a bipartisan manner to achieve our common goals of streamlining and consolidating functions within the OAA in order to provide State and local flexibility in the administration of its programs, while improving upon services to its senior customers. We are encouraged by the willingness of the members of the Committee to continue discussions on these important programs, and hope that we may continue to work together to reach a mutually agreed upon reauthorization bill.

The Office of Management and Budget advises that there is no objection to the transmittal of this report to Congress from the standpoint of the Administration's program.

Sincerely,

These views outline our principal concerns with H.R. 2570.

Donna E. Shalala

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUN 13 1995

Honorable William H. Goodling
Chairman
Committee on Economic and
Educational Opportunities
2181 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

During recent action by the House of Representatives on the fiscal year 1996 budget resolution, the Committee on the Budget issued a report providing background for a variety of policy assumptions underlying its deficit-reduction plan. As part of that plan, the Budget Committee recommended that the Committee on Economic and Educational Opportunities consider moving the programs of the National Senior Service Corps (Senior Companion Program, Retired and Senior Volunteer Program (RSVP), and Foster Grandparent Program) from administration by the Corporation for National Service to the Administration on Aging within the Department of Health and Human Services.

These programs should remain with the Corporation for National Service. The National Senior Service Corps offers opportunities to older Americans to make significant contributions to their communities utilizing their lifetime experiences to work with children who are disadvantaged, disabled, or are otherwise at risk, counsel young people, assist peers, and serve in thousands of other volunteer positions throughout their communities. The Senior Corps is an integral part of America's renewed commitment to national service at all levels and at all stages of life. The Senior Corps programs are neither employment programs nor social service programs. They are volunteer programs whose sponsors include a broad range of social service organizations such as United Way, the American Red Cross, Catholic Charities, and Lutheran Social Services. Indeed, seventy-five percent of Senior Corps sponsors are other than aging services organizations. With over 30 million older Americans in our country today, it makes good public policy to include a major focus on seniors as part of the national service movement.

With your support and strong bipartisan support of your Congressional colleagues over the years, the Senior Corps programs have become strong, effective, and efficient models of volunteer service. The field structure and support system for the Senior Corps programs has ensured their high quality. We hope you will agree that the Senior Corps works well and does not need fixing.

The Senior Corps is well positioned to meet the needs of our changing society. Opportunities await the increasing numbers of seniors who want to participate. The Senior Corps offers older Americans new challenges, and provides them with the opportunity to use their talents and skills to address society's most pressing needs.

The 1995 White House Conference on Aging delegates overwhelmingly approved a resolution calling for the Corporation for National Service to be the lead agency in promoting senior service. Resolution 20.1 -- "Acknowledging the Contribution of Older Volunteers" -- was among the top ten resolutions receiving the most votes cast by delegates, of the fifty resolutions approved. Resolution 20.1 calls for the reauthorization of the National and Community Service Trust Act as a means of reaffirming the National Senior Service Corps Programs, charges the Corporation to take a leadership role in promoting volunteer service by older persons, and calls for a doubling of the Corporation's current Senior Corps Programs by the year 2000.

We at the Department of Health and Human Services support the content and spirit of Resolution 20.1. We currently work closely with officials at the Corporation for National Service in seeking to coordinate our activities in such a way as to maximize the efforts of volunteers of all ages in providing assistance to elders in need. We look forward to continuing the productive collaboration as we move to work for implementation of the White House Conference on Aging Resolutions.

Therefore, I urge you to reject the suggestion of the House Budget Committee.

Sincerely,

Donna E. Shalala

PRESIDENT CLINTON'S RETIREMENT SAVINGS AND SECURITY ACT

1. NEW SMALL BUSINESS 401(k) PLAN
2. EXPANDED IRAs
3. INCREASED PENSION PORTABILITY
4. ENHANCED PENSION SECURITY
5. PREVENT PENSION RAIDING

April 11, 1996

PRESIDENT CLINTON'S RETIREMENT SAVINGS AND SECURITY ACT

Proposal Summary

llions of Americans do not have adequate retirement savings and are worried about their retirement and ng a burden on their children. The President's Retirement Savings and Security Act would empower re Americans to save for their retirement by expanding pension coverage, portability, and protections.

- **Expands Pensions** to help the 51 million working Americans -- nearly half of private-sector workers -- not currently covered by an employer-provided plan save for their retirement.
- **Increases Portability** by removing the obstacle course facing many workers when they change or lose their job and want to bring their retirement savings with them and keep saving.
- **Enhances Protections** so hard-working Americans do not have to worry whether their retirement savings will be there when they need them.

ESIDENT CLINTON'S PROPOSAL MEETS THESE CHALLENGES WITH A 5-PART PLAN:

New Small Business 401(k) Plan -- To Expand Pension Coverage: The lack of a simple pension plan for small businesses has led to a disturbing statistic: while 76% of workers in large businesses have employer-provided pensions, only 24% of workers in small businesses do. The President's plan offers small businesses a simple small business "401(k) plan," called the NEST, that could expand pension coverage to up to *10 million workers*:

- **$5,000 Tax-Free Contributions.** Workers could save up to $5,000 a year tax-free through automatic payroll deductions.

- **Employers Contribute 3% of Salary or 1% Plus a Match of Up To 5% of Salary.**

- **One-Page Form.** Cuts through the red tape with a simple, one-page form without complicated employer filing, calculations, or testing.

- **100% Portable.** All contributions would be immediately vested and fully portable.

The President's plan expands coverage in many other ways as well: it simplifies 401(k) plans for *all* businesses as recommended by Vice President Gore's Reinventing Government initiative, makes the 9 million employees of non-profit organizations eligible for 401(k) plans, enables relatives who work in a family business to earn their own retirement benefits, and repeals unreasonable limits on benefits for certain disabled and low- and middle-income union and state and local government employees.

Expanded IRAs -- To Increase Pension Coverage and Portability: Deductible IRAs are generally available only to families making under $50,000, and can be withdrawn penalty-free only after age 59½. The President's proposal makes IRAs more attractive and expands eligibility to *20 million more families*:

- **Allows Withdrawals for Education and Training, First Home Purchases, Major Medical Expenses, and During Long-Term Unemployment:** Allows penalty-free IRA withdrawals for these major life expenses to encourage more families to save.

- **Doubles Income Eligibility:** More middle class families -- especially those with two earners -- would be eligible for this expanded IRA that reduces taxes by up to $1,120 a year. The proposal doubles the income limits from $50,000 to $100,000 for married couples, and from $35,000 to $70,000 for single taxpayers.

3. Increases Pension Portability: Workers who change jobs and want to take their retirement savings with them and keep saving currently face a multi-faceted obstacle course. The President's proposals could help *over 5 million workers each year* who have an employer pension plan and change jobs:

- **Takes Away 1-Year Wait To Save At a New Job:** Millions of workers are forced to wait 1 year before they can enter their new employer's pension plan. The President's proposal changes a law that encourages private employers to impose a 1-year waiting requirement, and eliminates the waiting period for new federal employees to make pre-tax contributions to the Thrift Savings Plan.

- **Green Light for Employers to Accept Rollovers:** Today, 50% of workers in 401(k) plans are in plans that do not accept rollovers from new employees. The Treasury will issue new rules to make it easier for employers to accept rollovers into their plans.

- **Expanded IRAs and New Small Business 401(k) Plan Will Increase Portability:** Expanded IRAs and the new small business 401(k) plan are both fully portable.

- **Ensures that Workers Receive Benefits After They Change Jobs or the Employer Folds:** Ensures workers get the benefits they earned, even if they have long since left the job or the employer is no longer in business, by using the PBGC as a clearinghouse for terminated plans.

- **Secures Portability for Veterans:** Changes tax rules to ensure that veterans who serve their nation are not penalized and can continue their pension coverage when they return from service.

- **Guarantees Benefits for Workers on the Move:** Reduces the vesting period from 10 to 5 years for multiemployer plans -- which cover union workers such as construction workers who frequently change jobs -- to ensure they don't lose their benefits if they've worked for 5 years.

4. Enhances Pension Protection and Security: The President's proposal enacted in 1994 has reduced pension underfunding for the first time in a decade, protecting the benefits of 40 million workers and retirees in traditional pension plans. In 1995, the Labor Department launched an initiative to protect savings in 401(k) plans from misuse, recovering over $7 million for approximately 9,000 workers.

- **Requires Prompt Action on Misuse of Funds:** Requires plan administrators and accountants to report promptly serious misuse of pension funds, with fines of up to $100,000.

- **Protects Government Employees' Savings from Orange County-Style Fiascos:** Requires state and local government pension plans be held in trust so that employees do not lose their savings if the government declares bankruptcy, as Orange County recently did.

- **Strengthens Protection of 9 Million Union Workers' Savings:** Doubles the maximum level of annual benefits guaranteed under multiemployer plans from $5,850 per worker -- the level set in 1980 -- to $12,870 per worker.

5. Prevents Pension Raiding: In the 1980s, companies raided more than $20 billion from over 2,000 pension plans covering 2.5 million workers and retirees. Legislation in 1990 curbed pension raiding by imposing a stiff excise tax of up to 50% on these pension reversions.

- **Oppose Proposals that Allow Corporate Pension Raids:** The Administration will continue to oppose any legislation that encourages pension reversions, such as the one in the GOP budget.

- **Report on Pension Reversions:** To ensure that current rules continue to prevent the abuse common in the 1980s, requires the Labor Department to report regularly on activity in this area.

PRESIDENT CLINTON'S RETIREMENT SAVINGS AND SECURITY ACT: *EXPANDING PENSION COVERAGE*

Millions of Americans Do Not Have a Pension Plan and Are Worried About Retirement. Even with Social Security, a couple earning $50,000 a year needs to have saved about $225,000 by retirement to maintain their standard of living over a 25-year retirement. Yet 51 million workers are not covered by an employer pension plan and millions are not saving on their own.

- **Half Do Not Have a Pension.** 48% of private sector workers -- 51 million Americans -- are *not* covered by an employer-provided retirement plan. Even fewer workers in small businesses are covered. Three-quarters of workers in small businesses with fewer than 100 employees are not covered by an employer retirement plan.

- **Wary of Contributing to an IRA.** Many Americans are not currently eligible for tax-deductible IRAs, and many of those who are eligible are reluctant to make contributions because they may need the funds to pay for their children's education, to buy their first home, or to support their family if they lose their job and can't find a new one.

The President's Proposal Would Expand Coverage and Empower Workers to Save for Retirement.

1. **Creates a Small Business "401(k)" Retirement Plan To Expand Pension Coverage For Up To 10 Million Workers In Small Businesses.** The complexity and cost of traditional retirement plans discourages many small businesses from providing their workers with pensions. Even those existing plans designed for small business -- SEPs and SARSEP -- are complicated, and don't give low- and moderate-income workers adequate incentives to save for their retirement. As a result, only 1 of every 4 workers at a small business with under 100 employees is covered by an employer retirement plan. By contrast, 3 out of every 4 workers in firms with 1,000 or more employees are covered.

   The President's proposal, developed as part of Vice President Gore's Reinventing Government initiative, creates a new simple, voluntary "401(k)" retirement plan for small businesses with up to 100 employees, called the National Employee Savings Trust (NEST). This plan would make it easy for a small business to offer a generous retirement plan. *As many as 10 million small business workers could gain pension coverage under this plan:*

   - **One-Page Form.** This new small business 401(k) plan would cut through red tape with a simple, one-page form. It has no complicated employer filing, calculation or testing requirements. It also simplifies administration by allowing employers to deposit contributions for all employees in IRAs at a single financial institution, rather than having to send payments to many institutions.

JUL-30-96 09:49 FROM: ID:94567028 PAGE 2/2

Srs IB file

November 7, 1995

CORPORATION
FOR NATIONAL
SERVICE

The Honorable William F. Goodling, Chairman
Committee on Economic and Educational Opportunities
United States House of Representatives
2181 Rayburn HOB
Washington, DC 20515-6100

Dear ~~Mr.~~ Bill Chairman,

I am writing to express my concern about Title IV and related provisions in H.R. 2570, a bill to amend the Older Americans Act. As introduced, the bill would transfer the National Senior Service Corps programs -- the Retired and Senior Volunteer Program, the Foster Grandparents Program, and the Senior Companions Program -- from the Corporation for National Service to the Administration on Aging. It is my understanding that H.R. 2570 will be considered by the Subcommittee on Early Childhood, Youth and Families this Thursday. I urge you to remove Title IV from the bill at that time.

As the new Chief Executive Officer of the Corporation for National Service, I have already seen that the National Senior Service Corps programs work extremely well. They are a vital part of the national service network, which provides opportunities for persons of all ages to improve their communities by meeting real needs through a variety of service programs.

In addition, the missions of these programs are fundamentally at odds with that of the Administration on Aging. While the National Senior Service Corps involve productive, vibrant older persons as providers of service to people of all ages, the Administration on Aging focuses on providing care for frail, functionally and cognitively disabled elderly persons. The National Senior Service Corps is not a set of programs of service <u>for</u> the elderly, but rather programs in which active seniors <u>serve</u> all segments of their communities.

1201 New York Avenue, NW
Washington, DC 20525
Telephone 202-606-5000

The Honorable William F. Goodling
November 7, 1995
Page two

Keeping the National Senior Service Corps participants a part of the national service network enables cooperation among the generations, as we put human resources to work to address pressing social, educational, public safety and environmental problems facing neighborhoods in communities across America. Retaining the current system will ensure better service by and better services for seniors. This is why over a dozen advocates of community service and senior citizens programs, like Big Brothers/Big Sisters of America and the National Caucus of Black Aged Estates, have joined forces to oppose this transfer.

I look forward to meeting with you to find agreement on ways that national service programs can best meet the needs of our communities. It would be an auspicious start, I think, to work together to keep the National Senior Service Corps a part of the Corporation for National Service.

Thank you for your consideration.

Sincerely,

Harris Wofford
Chief Executive Officer

HW:sl

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary
Administration on Aging

Washington, D.C. 20201

JUL 10 1996

Eli J. Segal
Assistant to the President and Director
Corporation for National Service
Old Executive Office Building
Washington, D. C. 20500

Dear Eli:

I enjoyed our recent phone conversation and the opportunity to discuss our mutual efforts to strengthen our working partnership.

As you know, as part of REGO II, the White House has directed that the Administration on Aging explore possible ways to improve aging services. This effort includes looking at ways to enhance coordination of programs serving the aging among Cabinet agencies. The statutory authorities for the Older Americans Act and the Corporation's Senior Corps -- RSVP, Foster Grandparents, and Senior Companions -- both call for similar coordination, and as you know, our agencies have a long history of excellent collaborative efforts. The bi-monthly meetings of the National Core Group on Senior Volunteerism is a case in point.

Such collaboration effectively takes into consideration the differences in the missions and delivery systems of our respective agencies. The Older Americans Act programs give priority to the vulnerable elderly, particularly those who are low-income and minority, functionally and cognitively disabled, as well as the rural elderly. The mission of the Corporation for National Service is to provide opportunities for people of all ages to address the nation's education, human, public safety, and environmental needs. We have appreciated the benefits of your programs in unleashing the potential of the millions of healthy, active, older persons to serve children who are disadvantaged, counsel teenage parents, work on environmental education programs, organize neighborhood watch programs, and help meet the needs of frail and homebound elders.

Our "Aging Network" of State and area agencies on aging, Tribal organizations and local service providers, maintain the delivery system for the aging services we support. The Corporation's Senior Corps programs are sponsored by a variety of community-based organizations, ranging from the American Red Cross, United Ways, Catholic Charities, Chambers of Commerce, Community Colleges, and the like, as well as a small percentage of our area agencies on aging. Our national collaboration has clearly fostered local coordination and communication.

I share your commitment and that of the President to the goals and mission of the Corporation for National Service. The Senior Corps programs are thriving as part of the national service family, and the advocacy and leadership you provide is unparalleled.

Secretary Shalala's letter to Congressman Goodling supporting the Senior Corps Programs remaining with the Corporation for National Service speaks for me as well. Secretary Shalala's letter referenced the significance of the overwhelming support of Resolution 20.1 -- "Acknowledging the Contribution of Older Volunteers" -- by delegates to the White House Conference on Aging. Resolution 20.1 was among the top ten resolutions receiving the most votes cast by delegates, of the fifty-one resolutions approved. Resolution 20.1 calls for the reauthorization of the National and Community Service Trust Act as a means of reaffirming the National Senior Corps Programs, charges the Corporation to take a leadership role in promoting volunteer service by older persons, and calls for a doubling of the Corporation's current Senior Corps Programs by the year 2000.

We at the Department of Health and Human Services and within the Administration on Aging support the content and spirit of Resolution 20.1 and look forward to our continuing discussions on ways to further involve national service participants of all ages in providing assistance to the needy elderly.

Sincerely,

Fernando M. Torres-Gil
Assistant Secretary for Aging

Testimony of Harris Wofford
Chief Executive Officer of the Corporation for National Service
Submitted to the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the United States Senate Committee on Appropriations

June 6, 1996

Mr. Chairman, Members of the Subcommittee, thank you for this opportunity to talk with you about the four national service programs authorized by the Domestic Volunteer Service Act. These programs, begun between 20 and 30 years ago, have been a part of the Corporation for National Service for almost two years. With their history of success and long tradition of service, these programs are more relevant today than ever in helping local communities solve serious social problems.

The programs to which I'm referring are the three programs of the National Senior Service Corps: the Retired and Senior Volunteer Program, or RSVP, the Foster Grandparent Program and the Senior Companion Program, and VISTA (Volunteers in Service to America.)

The total budget request from this Subcommittee for programs authorized under the Domestic Volunteer Service Act is $226,109,000. These funds would provide program support for 3,642 members of VISTA and approximately 500,000 participants in the National Senior Service Corps – including approximately 462,000 participants in the Retired and Senior Volunteer Program, approximately 24,400 Foster Grandparents, and approximately 12,800 Senior Companions. (The other programs of the Corporation for National Service, including AmeriCorps grants, the National Civilian Community Corps, and Learn and Serve America, are funded through the Subcommittee on VA, HUD, and Independent Agencies.)

In FY 1997, VISTA members will serve in 772 projects focusing on a broad range of community development activities, including neighborhood revitalization, microenterprise development, community development credit unions, creation of opportunities for job development and job placement, and other activities designed to generate income and investment in low-income communities and foster "welfare to work" efforts among low-income individuals. VISTA projects will also provide opportunities for disadvantaged youths in a wide range of developmental activities.

The participants in the National Senior Service Corps are a vital and growing resource. In FY 1997, Senior Corps participants will build homes, immunize children, tutor, mentor, serve as Big Brothers and Big Sisters, and help troubled teens stay in school and frail seniors stay out of nursing homes. The benefits of the Senior Corps don't just accrue to those who are served – studies show that seniors who volunteer live longer, healthier, and more fulfilling lives. Recognizing all these benefits, the 1995 White House Conference on Aging charged the Corporation for National Service with doubling the number of seniors volunteers by the year 2000.

sought cost-share agreements that identify other sources of funding in order to expand the numbers of national service volunteers at their projects.

VISTA projects across the country have entered into cost-share agreements with us that provide member support costs, while the Corporation provides education awards and recruitment and training assistance. Right now, 80 local projects, with combined agreement amounts of $8.8 million, are supporting more than 800 VISTAs and the number is still growing. We will continue to develop community partnerships that depend upon active involvement of the private sector in VISTA projects.

Almost 70 Senior Corps projects are non-federally funded. When added to matching non-federal funds at other Senior Corps projects, a total of 7,000 volunteer positions are paid with non-federal dollars. These financial commitments from state and local governments and organizations not only help stretch the impact of the federal dollar but also demonstrate that others recognize the effectiveness of the programs.

The Senior Corps will also strive to continue improving program quality when it holds a national training conference this summer for more than 1200 project directors. In conjunction with the conference, we will convene the National Leadership Forum on Senior Service, which will engage influential leaders in business, government, academia and major foundations, charities and unions in promoting and expanding the senior service movement. Through this forum, we plan to expand our base of support to encompass resources beyond those of the federal government.

As we move into the next century, the Corporation for National Service will continue to look for ways to increase personal responsibility, to develop cost-effective and market-driven approaches, and to seek community-based solutions.

The proposed transfer of the Senior Corps programs to the Administration on Aging

I'd like to call your attention to one issue regarding the programs of the Domestic Volunteer Service Act that may have profoundly negative implications for all the programs of the Corporation for National Service. The House-passed bill to reauthorize the Older Americans Act proposes to transfer the National Senior Service Corps Programs -- Foster Grandparents, Senior Companions, and RSVP -- from the Corporation to the Administration on Aging of the Department of Health and Human Services.

The Corporation is very much opposed to such a transfer for several reasons. The mission of the Corporation for National Service is to provide opportunities for persons of all ages and backgrounds to contribute to their communities through volunteer service. Our Senior Corps programs are the primary vehicle through which we recruit older Americans to serve their communities. Removing these programs from the Corporation family would profoundly and adversely impact our ability to engage America's 55-plus population in community service -- a population that approaches nearly 55 million people.

The missions of the Senior Corps programs are fundamentally at odds with that of the Administration on Aging. While the Senior Corps involves older persons as providers of service to people of all ages, the Administration on Aging focuses on providing care for frail, functionally and cognitively disabled elderly persons. The National Senior Service Corps is not a set of programs of service FOR the elderly, but rather programs in which active Americans 55 years of age and older serve all segments of their communities. This cross-generational focus of the Senior Corps Programs could be jeopardized if they are placed in a network of programs primarily concerned with service to the frail elderly population.

The sponsorship structure of the National Senior Service Corps programs would also be jeopardized by their transfer to the Administration on Aging. Senior Corps grantees include sponsors that range from United Ways, to Catholic Charities and Lutheran Social Services, to Chambers of Commerce, to Community Colleges and Universities, to the American Red Cross. Positioning the Senior Corps programs in an agency whose delivery system is Area Agencies on Aging would profoundly and adversely impact the nature of these programs, and severely limit their scope.

Corporation emphasizes cross-program collaborations. We have Senior Corps volunteers serving side-by-side with AmeriCorps members and Learn and Serve volunteers. Our ability to foster these intergenerational service teams would be adversely affected if the Senior Corps programs were separated from the Corporation family.

The transfer of the Senior Corps projects to the Administration on Aging is also opposed by Secretary of Health and Human Services Shalala, Health and Human Services' Assistant Secretary for Aging Fernando Torres-Gil, and the wider service community. Groups which have expressed their opposition include The National Association of Foster Grandparent Program Directors, The National Association of Senior Companion Project Directors, The National Association of RSVP Directors, The National and Community Service Coalition (which includes over 120 members ranging from the American Red Cross, to Big Brothers/Big Sisters, to Youth Service America, to the Points of Light Foundation), and Youth Volunteer Corps of America.

As you know, the Senate has not suggested such a transfer of the programs of the National Senior Service Corps to the Administration on Aging in its proposed reauthorization of the Older Americans Act. I urge you strongly to maintain your support of these programs as part of the Corporation for National Service, where they can continue to engage hundreds of thousands of older Americans in service meeting our communities' most pressing needs.

Conclusion

The examples above of the four national service programs authorized under the Domestic Volunteer service Act represent a tiny fraction of the overall accomplishments of these programs, but they provide a glimpse into the remarkable diversity, ingenuity and cost-effectiveness of national service.

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