

SOTU - NGA

PHOTOCOPY
PRESERVATION

SOTU -
N6A

- Intro
- Last year's budget, as you know, had many wins for states:
 - Educ: 100K teachers, double after-school, accountability and standards, Head Start
 - Health: Preserve SCHIP, Jeffords-Kennedy, increase Mental HBG
 - Families and Welfare: protect TANF funding, housing vouchers, increase SSBG, CDBG
 - Crime: COPS 50K, new technology and prosecutors
- This year, our view is lots of unfinished business (guns, hate crimes, min wage, SS). But for budget and SOTU, our aim is to lay out a wide-ranging agenda.
- That agenda will, like all 7 yrs, be grounded in opportunity and responsibility. At a time of unprecedented prosperity and social progress. Lay out litany (20 M new jobs, lowest unemployment in 30 yrs -- but also 7 yr decline in crime, welfare rolls lowest 30 yrs. Lots of new initiatives, an agenda of opp and resp, some of which you've heard about already:
 - At DLC 2 wks ago, EITC expansion, for instance, encapsulates the new bargain -- social contract -- we want to lay out.
 - Educ: more for class size, more to boost standards and turn around failing schools
 - Health: big coverage push, including SCHIP parents, tax credits for long-term care
 - Families and Comm: you can expect child care, livable comm, service, smart growth
 - Crime: enforcement (1000 prosecutors), COPS more \$
- Build on progress. We have a moment now -- you know this in your states. Question is what we do with it.

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Anna Richter

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Record Type: Record

To: Eric P. Liu/OPD/EOP@EOP

cc:

Subject: CDBG, SSBG and TANF

We're requesting \$4.9 billion for CDBG this year, \$100 million above the FY 2000 level.

On SSBG, The FY01 budget proposes to fund the program at \$1,775 million, an increase of \$75 million over the authorized level. Of this amount, \$25 million will be available to adult-supervised and supportive living arrangements, often called second chance homes, for unmarried teen parents and their children who cannot live at home or with other relatives.

TANF is authorized through 2002 and no FY 01 proposals are made to change the basic program. The TANF supplemental grants are proposed to be reduced to their FY 1998 levels, saving \$122 million in FY 2001, and \$240 million over five years.

BUDGET VICTORY -- A HUGE WIN FOR THE STATES

In addition to protecting fiscal discipline and paying down the debt, the final budget agreement and the signed appropriations bills include many provisions that will directly benefit the states. After intense negotiations with Congress, the final bills include an additional \$6 billion for crucial programs. The highlights for the states include:

Protecting Fiscal Discipline and Paying Down the Debt

Tax Cut Veto: In September, the President vetoed a 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--the first time since Andrew Jackson was President.

Education

More High-Quality Teachers With Smaller Class Sizes: 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: The final budget more than doubles the federal investment in after school and summer school 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: The final budget increases funding for the GEAR UP college preparation initiative for low-income students, from \$120 million in 1999 to \$200 million. GEAR UP supports 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.

Empowering Families and Communities

No Changes in Temporary Assistance for Needy Families: The final agreement rejected the House proposal to defer, rescind or cut TANF funding.

Increasing the Social Services Block Grants: The final bill provides \$1.775 billion for SSBGs, a \$75 million increase from the funding level in the Conference bill. The Administration had proposed \$2.38 billion for SSBGs.

Expanding Community Development Block Grants: The final VA/HUD bill contained \$4.8 billion for CDBGs, a \$50 million increase from FY 1999.

Preserving and Strengthening the Workforce Investment Act: The final bill includes no reductions in the WIA and increases funding for dislocated worker assistance by \$190 million.

CAIP Program: Even the Foreign Operations bill includes a win for the states: \$10 million for economic development in NAFTA-impacted communities under the Community Adjustment and Investment Program.

Fighting Crime, Drugs, and Guns

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.

Investing in a Cleaner Environment

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.

Addressing Health care

Preserving Medicaid: The final bill includes extension of the PRWORA Medicaid transition funding.

Preserving CHIP: The final bill contains no cuts, recissions or deferrals in the President's Children's Health Insurance Program.

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.

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.

Other Highlights

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.

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.

Much Work Still Left To Do

While the accomplishments reached in the budget negotiations are significant, there is still much work remaining for the future. President Clinton and Vice President Gore will repeat their call for Congress to take action on other matters of critical importance. These include:

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.

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.

Strengthening Social Security: The President has asked the Republicans to join him in using the benefits of fiscal discipline to extend the life of Social Security from 2034 to 2050.

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.

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.