

PHOTOCOPY
PRESERVATION

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Name	Date
Auna Richter	11/18/99

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PHOTOCOPY
 PRESERVATION

November 5, 1998

Excellent!

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan
Sally Katzen

SUBJECT: State of the Union/Budget Ideas

This memorandum provides a brief description of new ideas we are considering for the State of the Union. Most of these ideas involve increased spending, and you will have to make choices among them as you consider the FY 2000 budget. Options relating to Social Security are not included in this memo.

HEALTH CARE (DPC/NEC as specified below)

1. Long-Term Care Initiative. This package could include: (1) a tax credit of up to \$1,000 for people with three or more limitations in activities of daily living (ADL) or their caregivers, at a cost of about \$6 billion over 5 years; (2) a plan for OPM to offer federal employees a choice of high-quality private long-term care insurance policies at lower-than-market prices; (3) a family caregiver support program, costing about \$500 to \$750 million over five years, that would provide grants to states for "one-stop shops" to assist families who care for severely impaired elderly relatives through counseling, training, and respite services; and (4) a nursing home quality initiative, costing about \$500 to \$750 million over five years, that would include new enforcement provisions (e.g., increased penalties), new funds for surveys of repeat offenders and improved surveyor training, and perhaps a new commission to oversee HCFA's nursing home enforcement efforts and to investigate other kinds of facilities where health care is offered (e.g., assisted living facilities). (DPC/NEC) (Cost: — June 1999)

2. Disability Proposals. This package could include: (1) the Jeffords-Kennedy Work Incentives Improvement Act, which enables people with disabilities to go back to work by giving them an option to buy into Medicaid and Medicare, at a cost of about \$1.2 billion over 5 years; (2) a tax credit of \$1,000 to \$5,000 for working people with disabilities to assist them in paying for the costs associated with employment, at a cost of about \$1 to 2 billion over 5 years; (3) a proposal, costing \$50 million over five years, to promote the deinstitutionalization of Medicaid beneficiaries by developing viable community-based care alternatives for people residing in nursing homes after a "date certain"; and (4) a proposal to make Medigap supplemental insurance more accessible to people with disabilities. Other non-health related proposals focusing on disabilities include: a new competitive grant program, developed by your disabilities task force, to increase the employment rate of adults with disabilities, and efforts to ensure that new technologies are designed so as to be accessible to people with disabilities. (DPC/NEC) COST :

9. ~~10~~ **Prescription drug coverage for Medicare beneficiaries.** We are considering a variety of

proposals to address the lack of coverage for prescription drugs in Medicare, including a means-tested Medicaid option, an approach that would apply only in managed care, a traditional benefit for all beneficiaries, and an unsubsidized purchasing mechanism that uses Medicare's size as leverage for drug discounts for beneficiaries. If desirable, a proposal could be included in the budget or coordinated with the March release of the Medicare Commission's recommendations. The cost varies significantly depending on the proposal, ranging from \$1 to 20 billion a year. (DPC/NEC)

7. ~~A~~. Protecting beneficiaries from HMO withdrawals from Medicare. This year, a number of HMOs pulled out of Medicare with only a few months notice, leaving 50,000 beneficiaries with no plan options in their areas. You announced that the Administration would develop legislation to prevent this behavior in the future, and we are currently reviewing the best approaches. (DPC/NEC)

8. ~~B~~. Redesigning and increasing enrollment in Medicare's premium assistance program. Over 3 million low-income Medicare beneficiaries are eligible but do not receive Medicaid coverage of their Medicare premiums and cost sharing. Many more may not get enough assistance through a new provision that is supposed to help higher income beneficiaries. We are developing a range of proposals, costing up to \$500 million over five years, to use Social Security Offices to educate beneficiaries about this program, reduce administrative complexity for states and give them incentives to engage in more aggressive outreach efforts. (DPC/NEC)

3. ~~C~~. Health Insurance Coverage Expansions. We could propose again, in somewhat new and improved forms: (1) an initiative to encourage small businesses to form purchasing cooperatives for health insurance, costing about \$50 to 100 million over 5 years; (2) proposals to improve outreach for children's health insurance; and (3) a proposal, more limited than last year's, to provide a Medicare buy-in for certain people ages 55 to 65, benefiting about 30,000 people and costing \$500 million over 5 years. (DPC/NEC)

4. ~~D~~. Biomedical Research. The scientific community is poised to make revolutionary advances in the treatment of diseases. We should again propose an increased investment in biomedical research -- perhaps (depending on how we treat tobacco money in the budget) between \$500 million and \$1 billion. (DPC)

5. ~~E~~. Antibiotics (Super Bug) Initiative. Resistance to antibiotics is becoming a public health crisis, causing prolonged illnesses and even death. A new initiative, costing about \$25 million each year, could address this problem through: (1) a major outreach and education campaign involving hospitals, health professionals, and managed care organizations; and (2) new research and surveillance efforts to understand where and why antibiotic resistance occurs and to develop effective responses. (DPC)

6. ~~F~~. Bioterrorism Initiative. This initiative, costing \$100-300 million each year, would: (1) train epidemic intelligence officers who can coordinate with state health departments to identify and

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I LIKE THIS!

respond to attacks; (2) develop a mass casualty emergency response system that includes primary care, emergency transportation, and decontamination abilities; (3) create and maintain a stockpile of pharmaceuticals; and (4) improve research to develop new vaccines and antibiotics to be used in the event of attack. (DPC)

10. Disease Initiatives. We are working on several initiatives designed to combat particular diseases. These initiatives, which you could choose to do ~~single~~^{separately} or in combination, are: (1) an asthma initiative, which will curb recent steep increases in asthma cases especially among young children, by disseminating new treatment guidelines to ~~State~~ and local public health programs and encouraging them to work with schools, child care organizations, businesses, and other community organizations; (2) a mental illness initiative that will accompany a Surgeon General's report on this subject (and perhaps a White House Conference recommended by Mrs. Gore) and will include public-private partnerships to improve access to prevention and treatment, reforms in federal health programs to improve delivery of mental health services, and funding increases in the mental health block grant; and (3) a heart disease initiative, which could include: a new partnership with aging networks to evaluate and improve nutrition; efforts to measure successful prevention approaches and replicate them nationwide; and the creation of a network of educators, churches, and community-based organizations to launch a nationwide awareness campaign. In each of these initiatives, the public health efforts described above would supplement NIH funding of research projects. The estimated cost of these initiatives is \$50 million for asthma, \$100 million for mental illness, and \$20 million for heart disease. (DPC)

11. Emergency Medical Services in Rural Areas. The presence of viable emergency systems is critical for residents in rural areas, because of the high rates of injury associated with jobs in these areas and the long distances to health providers. This proposal, costing about \$50 million, would provide funds to States and local communities to improve access to 911 services or alternative emergency systems. It also would fund programs to help rural communities train local citizens in CPR and first responder techniques and to recruit and retain emergency personnel. (DPC)

12. Food Safety. We are working on a food safety initiative that will highlight safety standards and enforcement. Included in this initiative are: (1) a repackaged and somewhat modified legislative proposal giving the FDA and USDA additional enforcement powers (e.g., mandatory recalls and civil penalties); (2) additional food-specific regulations and/or guidelines (e.g., for certain fruits and vegetables); and (3) more extensive adoption of our model codes for restaurants and food service workers. In addition, we will focus on improving coordination with state and local agencies that regulate food safety in order to develop a wholly integrated national inspection system. (DPC)

TOBACCO (DPC)

1. State Menu. Our best vehicle for enacting tobacco legislation next year will be a legislative waiver of federal Medicaid claims to the states' expected \$200 billion settlement with the

tobacco companies. We will seek bipartisan agreement on a menu of uses for the federal share of state money, with tobacco control and child care as our top priorities. We will try to use this measure as a vehicle for other key elements of our tobacco policy, such as FDA jurisdiction and warning labels. ~~(Cost: In the end, this may be the way to get Congress to pay for child care, but we do not recommend using this as the child care offset in our budget.)~~

2. Price Increase. One of the most difficult budget decisions will be whether to assume a tobacco tax increase in our budget request, and if so, what to do with the money. Proponents argue that a substantial price increase is an essential part of our efforts to reduce youth smoking, and we need the money to pay for new initiatives. Others argue that once again using tobacco as a honeypot will hurt our ability to pass tobacco legislation and undermine the credibility of our entire budget, since a big tax hike is unlikely to pass. If we do assume tobacco revenue, the candidates for it include: (1) assistance to tobacco farmers (about \$1 billion a year); (2) the long-term care tax credit (about \$1 billion a year); (3) other tax cuts, such as a child care / stay-at-home tax credit and/or a reduction in the marriage penalty; (4) NIH research; (5) public health programs; and (6) the Medicare trust fund and/or a new prescription drug benefit for Medicare beneficiaries.

EDUCATION (DPC/NEC as specified)

1. Ending Social Promotion. Last year's budget proposal included \$300 million for Education Opportunity Zones in districts that agreed to remove bad teachers, turn around failing schools, and end social promotions. The proposal required authorization, which Congress will never give us. For next year, we recommend a simpler approach that uses existing authority and focuses entirely on ending social promotion. We would like to expand our after-school program from \$200 million to \$700 million and give a disproportionate share of this money to districts that end social promotion. These school districts could use the money (as Chicago does) to provide extra help after school and mandatory summer school for students who need it. (Cost: \$200 million above FY99 budget.) (DPC)

2. Teacher Quality and Recruitment. Now that we're on track to begin hiring 100,000 new teachers to reduce class size, we have an even greater responsibility to help communities attract talented new teachers to the profession. We envision a five-part strategy on teacher quality and recruitment: (1) a \$100 million increase in the teacher recruitment scholarships we enacted this year in the Higher Education Act, which would put us on course to attract 60,000 new teachers at high-need schools over the next five years; (2) a \$60 million initiative -- modeled after the successful Troops-to-Teachers program -- that would help states expand alternative certification routes and attract talented people from other professions, such as military personnel and employees in firms being downsized; (3) a nationwide crackdown on teacher education schools, including new regulations authorized by the Higher Education Act to require report cards for education schools; (4) a \$50 million increase in the Eisenhower program to send secondary school teachers who teach outside their field back to college to take additional courses in the subjects they're teaching, coupled with a new requirement that new secondary teachers pass

competency tests in a subject before they can teach it; and (5) a high-profile effort to help states make the most of the 15 percent set-aside for teacher quality in the recently passed class size legislation. (Cost: about \$210 million above FY99 budget). We are also exploring a politically interesting counter to private school choice: vouchers for private school teachers -- i.e., an incentive program to encourage private school teachers to teach in public schools. (DPC)

3. Work-Site Schools. One of the most promising new education ideas sprouting up around the country is the creation of public schools located at work sites, designed primarily to serve employees' children. School districts provide the teachers and curriculum; companies provide facilities and upkeep. These schools-at-work serve a host of objectives at once, by (1) providing new facilities at no cost to the district, (2) increasing parental involvement in the schools and parental satisfaction in the workplace; (3) reducing employee turnover and absenteeism; and (4) increasing school diversity, because work sites are more diverse than residential neighborhoods. We propose a \$50 million increase in an existing magnet school program to provide grants to 50 communities to launch work-site schools. We also are working with Treasury to develop a tax credit for businesses that start on-site schools, similar to the Kohl business tax credit for on-site child care that is already in our budget. (Cost: \$50 million for start-up grants. No estimate yet for tax credit, but it will be very small.) (DPC)

4. Expanding public school choice. As support grows for private school vouchers, we must continue our efforts to expand choices within the public schools. Charter schools are one answer, and we recommend a \$20 million increase, to \$120 million, to keep us on track to 3,000 charter schools by 2002. Work-site schools are another. We also recommend increased funding for (1) an existing grant program that helps urban and suburban school districts reduce racial isolation by forming interdistrict magnet programs; and (2) magnet schools on university campuses, especially in urban areas. (Cost: \$25 million for 10 interdistrict magnet programs; \$15 million for 10 university-based schools.) (DPC)

5. School leadership academies. Research has shown that an effective principal is the single most important indicator of school success, yet little has been done at the national or state level to improve the management skills of principals. We propose a small initiative to create school leadership academies that would provide training in management, teacher evaluation, school discipline, and other areas to elementary school principals in high-poverty districts. (Cost: \$50 million) (DPC)

6. Class size. To stay on course to reach 100,000 new teachers in seven years, we will ask for \$1.3 billion in the FY2000 budget. We are planning an ambitious rollout of the class size initiative over the next year, as we award first-year funding, issue guidance to local districts on how the program works, and so on. We also will press Congress to restore the local matching requirement and strengthen the provisions to require competency testing of new teachers. (DPC)

7. School safety -- see CRIME section

FAMILIES AND CHILDREN (DPC)

1. Expansion of the Child Care and Development Block Grant (old policy). We propose to expand the Child Care and Development Block Grant as we did in the FY 1999 Budget. The block grant is the primary federal child care subsidy program, helping low-income working families to pay for child care. Currently, between one and two million children are served by the program, leaving roughly nine million children who are eligible but unserved. This proposal would cost at least \$7.5 billion over five years.

2. Tax Relief for Parents, Including Parents who Stay at Home. We are considering replacing our last year's proposal to expand the Child and Dependent Care Tax Credit with a new proposal to benefit all parents, including those who stay home. This change will address the criticism that our child care initiative did little for stay-at-home parents. We are reviewing proposals to (1) double the child tax credit to \$1,000 per child for all children under the age of four, at a cost of about \$12 billion over five years, or (2) increase the standard deduction for each child under the age of three by \$1,000, at a cost of about \$3 billion over five years. Each of these proposals can be dialed up or down by adjusting either the age threshold or the dollar amount.

Why drop the 3rd idea, of making DCTC available to stay at homes?

3. Tax Credit for Businesses Providing Child Care. We could again propose to provide a tax credit to businesses that provide child care services for their employees. The credit, which covers 25% of qualified costs but may not exceed \$150,000 per year, costs \$500 million over 5 years. To further build on this concept, we also propose to provide tax credits to businesses that provide on-site schools (see education section).

4. Parent Paid Leave Plan. Many workers cannot afford to take unpaid leave following the birth or adoption of a child, even though they have access to an unpaid leave policy through FMLA or voluntary employer benefit plans. To address this problem, we are considering a proposal to provide eligible parents who already have access to unpaid leave with partial wage replacement for a set period of time. The cost of the program, which would be administered through the Unemployment Insurance System, varies according to the selected eligibility criteria. If we choose, for example, to give \$200 per week for four weeks to new parents with median income (about \$37,000) or below, the cost will be about \$875 million for FY 2000 (including start-up and administrative expenses).

5. FMLA Expansion to Businesses with 25 Workers (old but unarticulated policy). Under current law, workers are eligible for FMLA coverage only if they work at a business with 50 or more employees and if they have worked at least twelve months and 1,250 hours for the employer. In your last State of the Union, you called for covering more workers under the FMLA, but did not fully articulate how you would do so. We could now advance a specific proposal to lower the FMLA threshold to 25 or more workers, which would expand coverage for up to ten million more American workers.

6. Parent Education and Support Fund. We are considering proposals to create a competitive

grant program administered by HHS to fund parent education and support programs, including home visitation programs and “second chance maternity homes” to support teen mothers and teach parenting skills. This fund could cost about \$500 million over five years.

SERVICE (DPC)

1. AmeriCorps Seniors. In the wake of John Glenn’s return to space, we have an opportunity to give other senior citizens a mission. We propose adding \$25 million to the current AmeriCorps program to create a senior corps of 10,000 volunteers to serve as tutors and mentors and in afterschool programs. We would build on a successful demonstration program that recruits seniors to serve 15-20 hours per week over a fixed period of time in schools and other community centers. In exchange, seniors would be eligible for small incentives, including awards to participate in senior learning programs. By inspiring responsibility among seniors, this initiative would provide an ideal complement to Social Security reform. John Glenn has expressed some interest in playing a role in AmeriCorps now that he’s retired. We could invite him back to the State of the Union and place him in charge of a national effort to inspire seniors to serve. (Cost: \$25 million)

2. Expand AmeriCorps. We propose expanding the AmeriCorps program from its current level of 50,000 members per year to approximately 70,000 per year, with the goal of reaching 100,000 per year by the end of this Administration. These additional members could be targeted to serve primarily in after-school and summer school programs. (Cost: \$75 million)

3. Expand Service Component of Work-Study Program. Nearly 1 million students now receive federal work-study funding. Despite our efforts, colleges and universities are required to use only 7 percent of their work-study money for students employed in community service. The higher education lobby would object, but we could propose a substantial increase in that requirement -- e.g., phasing it up to 25 percent over the next 3 years.

COMMUNITY EMPOWERMENT (DPC/NEC for all)

1. CDFI Tax Credit. We are looking at a proposal to extend tax incentives to encourage investment in CDFIs, which would leverage additional private investment in distressed areas and stimulate the economic revitalization of those areas. Under the proposal, \$100 million in non-refundable tax credits would be made available to the CDFI Fund to allocate among equity investors in qualified CDFIs using a competitive process.

2. Microcredit Initiative. We are working to identify means to increase support for microenterprise finance, both domestically and internationally. We are examining whether to build on Senators Kennedy’s and Domenici’s PRIME legislation which would provide technical assistance to microenterprise. We are also looking at increased funding for CDFI initiatives specifically targeted to microenterprise, and CRA and other regulatory reform designed to enhance bank lending to microenterprise funds. On the international side, we are looking at

whether we can increase microenterprise funding through USAID or MDBs, especially to countries hardest hit by the financial crisis. *cost?*

3. Clean Water, Parks, and Communities Bonds. We are examining three proposals to encourage "green" infrastructure projects. The first model uses the same financing mechanism as your school construction proposal for a menu of projects: protecting and improving water quality; cleanup of contaminated sediments; waterfront reclamation and revitalization; stormwater runoff control; purchasing of green spaces to prevent sprawl; park enhancements and revitalization, and brownfields cleanup. The second model, which provides a smaller incentive than the first model, would create new tax-exempt bond authority for these state and local areas to invest in clean water, parks, and communities. The advantage of this model is that it builds on the current system of bond finance. The final model would allocate tax credits (like the Low-Income Housing Tax Credit) to states and local areas to provide to the developers of these green infrastructure projects. *cost?*

4. Employment Tax Credits. The Work Opportunity Tax Credit and the Welfare-To-Work Tax Credit encourage employers to hire and retain members of certain economically disadvantaged targeted groups. Both credits will expire on June 30, 1999. Under this proposal the two credits would be made permanent. *cost?*

5. Re-Develop 10,000 Abandoned Buildings. Abandoned buildings are a symbol of urban blight, and an action plan to turn this around will be a powerful signal of change. We are examining different proposals to help re-develop 10,000 abandoned buildings, combining several existing programs or providing grants or tax incentives to spur private-sector redevelopment of these sites. *cost?*

6. Low-Income Housing Tax Credit and Regional Affordable Housing Initiative. Last year, you proposed a 40-percent expansion of the Low-Income Housing Tax Credit to spur the private sector to develop more affordable rental housing for low-income Americans. We recommend that you again ask Congress to take this action, which would restore the value of the credit to its 1986 level and help develop an additional 150,000-180,000 affordable housing units over the next five years. This proposal would cost \$1.6 billion over five years. At the same time, you could propose a Regional Affordable Housing Initiative to increase the availability of affordable housing in areas with high growth in low-skilled jobs and inadequate supplies of housing for low-income workers. This proposal could be funded through HUD's HOME program and would cost \$125 million over five years.

7. Homeownership Tax Credit. We are examining two kinds of tax credits to promote homeownership among lower-income families, who generally do not benefit from the mortgage interest deduction. The first proposal would use the model of the Low-Income Housing Tax Credit to create a Low-Income Homeownership Tax Credit. Under this proposal, low-income families would receive a low- or zero-interest second mortgage, which would reduce their upfront costs (e.g., downpayment and closing costs) and investors would receive tax credits in

return. The second proposal is a \$5,000 tax credit for first-time homebuyers in Empowerment Zones or Enterprise Communities.

8. Housing for the Elderly Initiative. This proposal is designed to improve housing for elderly people and thereby provide an alternative to nursing home care. In addition to providing capital to improve and modify such housing to meet the needs of elderly residents, the initiative would provide housing vouchers for low income elderly who live in housing developed through the Low-Income Housing Tax Credit. Because the tax credit helps subsidize rent, this proposal would allow us to leverage our resources and provide more vouchers to the poor elderly.

9. Incremental Tenant-based Section 8 Vouchers. To build on our success in this past year's budget, we recommend seeking an additional 50,000 welfare-to-work housing vouchers and another 25,000 vouchers to meet the needs of the homeless, including elderly homeless and homeless veterans.

CRIME (DPC)

1. Crime Bill II. The 1994 Crime Act will expire at the end of the FY 2000 budget cycle, guaranteeing that the next Congress will consider major crime legislation. We recommend that you get a jump on this debate by using your State of the Union and FY 2000 budget to challenge Congress to pass a new crime bill that builds on the core elements of the successful 1994 Act -- more police, ^{smarter} ~~tougher~~ punishment, and ^{more} ~~better~~ prevention. Most of the money required is already built into future budgets; continuation of the COPS program, however, will require new funds totaling about \$1 billion. We believe that a new Crime Act should include the following elements:

- **Community-Oriented Policing and Prosecution Services (COPPS).** Your pledge to help fund 100,000 more police is likely to be fulfilled before the end of next summer. A new COPPS initiative (note the extra "P" for "Prosecution"), costing about \$1.4 billion in the first year, could include funds to: (1) hire, redeploy, and retain an estimated 7,500 more police each year; (2) provide modern technology and equipment and support training in modern policing techniques, with a special emphasis on "hot spots" technology; (3) hire, train, and equip prosecutors to join local police in fighting crime on a more community-based, pro-active basis; and (4) support partnerships between law enforcement and community-based groups to prevent crime in their areas.
- **A new focus on probation supervision and coerced abstinence.** The punishment title of the crime bill now focuses largely on prison construction; we recommend shifting the focus to a new "Certainty of Punishment" initiative that will support the expanded use of probation supervision and of drug testing and treatment.
- **Gun initiatives.** A new crime bill should include your longstanding firearms priorities -- juvenile Brady, Brady II, federal CAP legislation and child safety locks. It also could

include new proposals to: (1) close the loophole that exempts many firearms sales at gun shows and flea markets from Brady background checks; (2) expand the Youth Crime Gun Interdiction Initiative (YCGII) -- to trace all crime guns and investigate gun traffickers -- to an additional 20-40 cities; and (3) assemble gun strike forces -- teams of federal prosecutors and ATF agents, acting with local law enforcement -- to target cities with high levels of gun violence and crack down on gun traffickers.

- **Values-based crime prevention initiative.** In addition to other crime bill prevention programs, we could invest in promoting values-based crime and violence prevention efforts, such as those of Rev. Eugene Rivers. Funds from this program would go to comprehensive prevention programs run by faith-based and other institutions seeking to instill and reinforce common sense values in troubled youth.

2. Safe, Disciplined, and Drug-Free Schools. At the White House Conference on School Safety, you announced that you would overhaul and strengthen the Safe and Drug-Free Schools Program. Under this proposed reform, funds will be appropriately targeted to schools with serious drug and crime problems, and schools will have to adopt rigorous, comprehensive school safety plans that include: tough but fair discipline policies, such as zero tolerance for guns and drugs; safe passage to and from schools; effective drug and violence policies and programs; annual school safety and drug use report cards; links to after school programs; efforts to involve parents; and crisis management plans. We also could include in this package (1) funds for states that adopt a policy of drug testing first-time applicants for drivers' licenses and (2) funds for school districts that adopt a policy of drug testing middle and high school students with parental consent. We believe that these reforms will require up to \$450 million in new funding in FY 2000.

3. Parity for Substance Abuse Treatment. Appropriate substance abuse treatment remains unavailable to nearly half of the people who need it. To help fill this treatment gap, we could propose legislation to encourage parity between substance abuse treatment and other medical benefits. Similar to the Mental Health Parity Act signed into law in 1996, a current draft of this legislation would prohibit health care plans that provide a substance abuse benefit from setting annual or lifetime dollar limits on this benefit at a lower level than those for other medical and surgical benefits. At the same time, we would have to ensure that federal health programs provide parity between substance abuse treatment and other medical benefits; we are still exploring the cost of any necessary reforms to these programs.

4. Binge Drinking. We are working on a number of proposals regarding alcohol abuse, including (1) promoting a voluntary code for alcohol advertisements directed toward minors; (2) banning alcohol billboards near schools; (3) discouraging alcohol advertising on youth-oriented web sites; (4) and funding educational efforts about the dangers of alcohol consumption.

~~SUPPORT ENFORCEMENT~~
WELFARE REFORM AND CHILD WELFARE (DPC)

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1. Reauthorize the Welfare-to-Work Program. Congress authorized the Welfare-to-Work Program for only two years; if we wish to continue our current investment in the hardest-to-employ, we will have to propose a reauthorization of about \$1.5 billion annually. Within this funding level, we propose several set-asides, totaling \$500 million, for the following specific purposes: (1) work-based English-language literacy projects for immigrants and others; (2) work-based substance abuse testing and treatment programs; (3) employment services for welfare recipients with disabilities; and (4) a work-based program to promote responsible fatherhood, including efforts to increase low-income fathers' employment and earnings and ensure that they provide financial and other support to their children.

2. Child Support. One initiative, costing just a few million dollars each year, would increase the prosecution of egregious child support violators by establishing multi-agency teams, working with state and local law enforcement, to identify, analyze, and investigate cases for prosecution. A pilot project of this kind is already under way in five states; this proposal would put these units in place all across the nation within the next several years. A second initiative would seek legislation to exclude doctors and other health care providers who are delinquent in child support from the Medicare program or from programs offering health professional loans.

5. Welfare-to-Work Housing Vouchers and Tax Credit -- see COMMUNITY EMPOWERMENT Section

3. Children "Aging Out" of Foster Care. Each year, nearly 20,000 18-year-olds "age out" of the public child welfare system. Federal financial support for these young people ends just at the time they are making the critical transition to adulthood. Areas for increased investment for these young adults include: (1) expanding the independent living program, which provides services to foster care children in this age group; (2) expanding the transitional living program, a competitive grant program that funds community-based organizations that provide services to this population, including housing support; and (3) giving states the option of using Federal Medicaid dollars to provide health care coverage for this population. (Cost: roughly \$150 million each year)

4. Adoption Registry. We are working on plans to create an Internet-based adoption registry of foster care children waiting to be adopted, so that prospective adoptive parents can learn about these waiting children. Funding this registry would require very small increase in HHS's Adoption Opportunities Grant Program.

MOVE
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FAMILY
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PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
January 19, 1999

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests,
my fellow Americans:

[Let me begin by saluting the new Speaker of the House. On the day he assumed the Speakership, Denny Hastert told this chamber that "solutions to problems cannot be found in a pool of bitterness." He's right. We must rise above rancor, put progress ahead of partisanship, and focus on the people's business. We should heed the words of Thomas Jefferson, who in 1801 asked a bitter and divided Congress to restore "that harmony and affection without which liberty and even life itself are but dreary things." The times in which we live are anything but dreary. They are exciting, and challenging. Outside these walls, in schools, businesses and churches, across our nation, Americans of different backgrounds and beliefs are working together to meet those challenges. They have a right to demand no less of us.]

I have the honor tonight of reporting to you on the State of our Union, at the threshold of the 21st Century. This new century will be a time of unimaginable progress for our nation--of vast new economic opportunities, stunning scientific discoveries, remarkable advances in the health and happiness of our people--advances we are already beginning to see. If we act now and act together, we can meet the great challenges and seize the even greater opportunities of this bold new era. We can build an America in the 21st Century that is stronger than any nation the world has ever known.

The century we are leaving has been called the American century. Our nation won two world wars and a long Cold War against tyranny. We overcame economic Depression and lifted millions into the world's greatest middle class. We wiped discrimination from the books and began to purge it from our hearts. America has been tested by tremendous adversity, and each time has triumphed, becoming stronger, freer, more prosperous, and more indispensable to the world.

Six years ago, we faced a new challenge. America had lost its footing in the strong headwinds of economic change. The federal budget deficit, painful symbol of political gridlock, was nearly \$300 billion and rising. The standard of living was stagnant for working families. Crime, welfare, drug use seemed destined to worsen forever. Citizens of other nations saw the United States as another one of history's great powers facing inevitable decline.

But we Americans did not believe that. When I assumed the Presidency six years ago tomorrow, I told our nation that "there is nothing wrong with America that cannot be cured by what is right with America." I believed then -- and I believe still -- that if we offered opportunity to all, demanded responsibility from all, and built a community of all, "We, the people" could renew our nation.

And so we have. For six years, with energy, daring and drive, we

have risen to the challenge of change. Our people have proven that even the optimists can't do justice to America.

With more than 17 million new jobs, wages rising at twice the rate of inflation, the lowest inflation in a quarter century, the highest homeownership ever, cutting edge new industries, we have created a new economy. The peacetime unemployment rate is the lowest since 1957. And here's one for the record books: our peacetime economic expansion is now the longest in history.

Tonight, I stand before you the first president in three decades to report that the budget is not just balanced, but in surplus.

Tonight, I stand before you to report that crime and welfare are at their lowest point in a quarter century.

Tonight, I stand before you to report that the environment is the cleanest in a quarter century, and that we have cut pollution from factories in half -- even as our economy has boomed.

Tonight, I stand before you to report that America stands strong ? a force for peace in lands torn by ancient hatreds, bringing reconciliation to Northern Ireland, to Bosnia, to the Middle East. And every American should be proud that our fighting men and women have struck hard at an arsenal of terror in the hands of a dictator ? and have done so without losing a single American life.

In all this, we are ^{making} ~~renewing~~ government ^{work} ~~so once~~ again ^{as} ~~it is~~ a progressive instrument of the common good. We have discarded the old assumptions that we must either seek to dam up the currents of economic change -- or tell our people to sink or swim on their own. America needs a progressive government -- a modern government that ^{lives} within its means ? a flexible, creative government driven not by ^{extremist} ~~rigid~~ ideology, but by ideas that work. We are building a 21st Century government for a 21st Century America.

Perhaps most important of all, we have proved again to ourselves and the world that when America faces a challenge, we meet it. This young nation, born in revolution and renewed in each generation, once again is building a new America for a new time. At the time of the first State of the Union Address, President Washington said that succeeding generations must carry forward ?the sacred fire of liberty? which is ?finally staked on the experiment entrusted in the hands of the American people.? My fellow Americans, at the end of one American century and the dawn of another, that sacred fire burns brightly. The State of our Union is strong.

At a time like this, it would be easy, and understandable, for a nation to sit back and savor its success. But we cannot allow the hum of our prosperity to lull us into complacency. New times pose new perils even as they open wide new vistas of opportunity.

Yes, America is working again. But we have not yet met the long-term challenges our people face in the 21st Century. We can build an even stronger economy for the 21st Century -- with a secure retirement system, strong and modern schools, and opportunity spreading throughout the nation. We can build strong families for the 21st Century, with health care and child care. We can build strong communities for the 21st Century, pressing

?

our fight against crime and [weaving strong new threads of community.] We can -- and we must -- exert American leadership for peace and security in a world of new threats.

There will never be a better time to meet these challenges than now -- now, with our budget in surplus, our economy growing, and above all, our confidence rising. Here is what we must do.

BUILDING A 21ST CENTURY ECONOMY

Fiscal discipline/Social Security

We begin by building an economy for the 21st Century. From biotech to aerospace, from autos to software, it is no accident that America leads the new economy. Its qualities -- innovation, ambition, flexibility, teamwork -- are at the core of the American character. We have created an American economic renaissance.

When I took office, the budget deficit for this year was projected to be \$400 billion. Today, we have a \$70 billion surplus. The federal government is the smallest since -- well, since John Glenn first orbited the Earth. Thanks to the pioneering leadership of Vice President Gore, we have reinvented our government, in partnership with federal workers, doing more with less. [Tonight we commit: we will further reduce the size of the federal workforce by [75,000] this year.]

Like a hard pressed family that comes into money, it is tempting to splurge. But the right thing to do, the responsible thing to do, is to invest for the future -- especially when we know that retirement is ahead. So I will resist any ^{new} tax cuts or spending programs, no matter how appealing, that put at risk our ability to use the surplus for America's long-term, pressing needs.

Our new fiscal discipline gives us an unsurpassed opportunity to address our greatest new challenge: the aging of America.

Though our nation is young -- boundless in its energies, uncontained by convention, impatient in the pursuit of progress -- our people are aging. With the number of elderly Americans set to double, the Baby Boom will soon become a Senior Boom.

Early in this century, to be old meant to be poor. When President Franklin Roosevelt created Social Security, thousands wrote to thank him, in the words of one woman, for eliminating the "stark terror of penniless, helpless old age." Even today, without Social Security, half of our elderly would plunge into poverty.

Today, Social Security is strong. But soon it will face a crisis. By 2032 it will not be able to pay out the full benefits our parents depend upon to live.

Last year, from this podium, I said we should set aside the surplus until we save Social Security first. I thank the Congress for passing a bipartisan balanced budget that achieved that end. Now we must use it to save Social Security.

Here's how. Not by drastic cuts in benefits. Not by raising payroll

Time-consuming
stuff - This is
educational

Put my team
care here too
47 mins
SS
officer
LTC

Then go to
edu/children

tax rates. We must modernize Social Security so that it continues to provide a rock solid guarantee of support for future generations.

If we want Social Security to work for the long term, then it should invest wisely the way any private or state government pension would ? indeed, the way any family would. I propose that we invest half the budget surplus to save Social Security. ~~[We can get a higher return if we invest a fraction in the private sector.]~~ If we do this, we can extend the life of Social Security for 50 years. To save Social Security for 75 years, we will have to make difficult but achievable savings -- and if we work together, across party lines in the coming months, I know we can.

Why 75 yrs?

[Let me make clear my belief that it would be a mistake to drain resources from Social Security in the name of saving it. The payroll tax paid by every American worker should pay for Social Security, period. I do not believe we should divert any of your Social Security payroll tax to any new or untested account that could put basic social security benefits at risk.]

all this is
with some
time -
paint a picture
same report
on Medicare

And as we save Social Security, we cannot shrink from our obligation to save Medicare. I propose that ? after we save Social Security ? we use one out of every five dollars in the surplus toward saving Medicare. If we did nothing more than this, we would extend the life of Medicare for at least 15 years. But if we do more -- if we take strong steps and take seriously the work of the bipartisan panel chaired by Senator John Breaux and Rep. Bill Thomas that will report in March -- we can both extend the life and improve the quality of Medicare.

risky

explain -
has about 10
yrs - need 20
to stabilize

As important as Social Security is, President Roosevelt and all his successors realized that private savings and pensions were vital to the retirement security of our people. But today, tens of millions of Americans have few savings and no pension. So we must do more to help all people, beginning in their first days in the workforce, to save, to invest, and to create wealth. So I propose to create a new universal pension, to be invested as each worker sees fit, in which the national government will augment the savings of individuals. If we do this, we can make more Americans participants in the creation of wealth -- give more Americans a stake in our prosperity -- and give more people the ability to live and retire in dignity.

Communist
working.
Boris if delicate
20% group,
we know
him for 10.
Can do better
than that.

~~We should set aside 85%.~~
Preparing for the aging of America will consume 85% of the budget surplus. And it will be a wise investment. If we can save Social Security, if we can strengthen Medicare, if we can spur savings with a new universal pension, we will have done more than make sure the older years of Americans will be more secure. We will make certain that the retirement of my generation never undermines the standard of living of our children and their ability to raise our grandchildren. None of us wants that. And we ought to do it right now, this year, with no excuses.

Wait for report.
Then need to
get bipart
SD to them/
with across
party lines

There are other steps that we must take to prepare for an aging America.

Today, millions of working families are caring for elderly relatives and even neighbors, often at great cost to their families. It is [the cycle of life] -- a vital and sacred compact among generations -- and one we should recognize and reward as a nation.

Why not
use 90%?
Three dH
Thump -
Paint 3
Pic lines

That is why in my balanced budget I will propose a long-term care tax credit -- \$1,000 for people with long-term care needs or for the families that shelter them. It would help offset the direct costs of long-term care, like home health visits and adult day care, as well as the indirect costs, like the unpaid leave some family members take from work. The care they provide is invaluable; but we can show we value it very much indeed.

[Elderly housing
Intergenerational centers]

Education

In the new economy, opportunity for our people will depend on their creativity, their knowledge, and their skills. In the 20th Century we built a system of public schools that lifted millions into the middle class. Now we must build public school system for the 21st Century.

With easier student loans, more Pell grants for deserving students, 1 million new work study jobs, education IRAs, and the HOPE scholarship that nearly 6 million Americans received this year, today we can say what we could not say six years ago: Every high school graduate in America, regardless of income, can afford to go to college.

When it comes to renewing our public schools, we have made steady progress: Nearly every state has imposed tougher academic goals. Thousands of schools have cracked down on drugs and gangs, and students who were once literally killing each other over jackets and sneakers are now wearing school uniforms. We are teaching values and finding a proper place for religious faith in our public schools.

All these efforts and more have begun to bear fruit. But while our fourth graders outperform their peers in other developed countries in math and science achievement, our twelfth graders rank at the bottom. Clearly, American students start out strong, but the system fails them. We must do better.

Last year, we reached across party lines on behalf of our children and began to hire 100,000 new teachers to reduce class size in the early grades. I ask this Congress to renew our commitment to hire 100,000 new teachers to bring more discipline, more attention, more learning to every young child.

Over a million classrooms remain cut off from the technology that all children will need in the 21st Century. This year, over \$1 billion will become available to wire all our classrooms. By linking schools to the Internet, we link our children to the future. I ask every school in every community in America to do its part.

I ask the Congress to fund a Digital Library that will put online state of the art math and science curriculum, the treasures of the Smithsonian, and up to 400,000 of the greatest books in human history. Imagine what our children can accomplish when they enter a library as vast as their imaginations. We can put that library within the reach of every child.

And once again I ask the Congress to help communities modernize or build 5000 new schools and replace trailers with clean and well-equipped

Passionate + strong -
but not
hyperbolic

not all happy talk
perplexing
two lines

Original
this part
a picture

need more
to support
some of
little ones
stuff we're
trying to do
made a commitment
we've got to
be better

Signature
7/2 to 7/27
SR
2nd body
classrooms

Last time
passed up
great of...

1000's
etc.

Paint letter
Pichon time

too weak

Spelling
in standard
used example
Chicago?

1-40-200-
600
This will work
in the
learning

1000
7-20-2000
35,000

Our children cannot learn 21st Century skills in 19th Century schools.

Above all, we must set in motion a revolution of rising expectations. Tonight, I ask you to join me in a drive to reform and renew every public school in America. Each year the national government invests over \$13 billion in our public schools. I believe we should only invest in what works. I propose that every school in every community receiving federal help for their schools take the following steps.

1 problem -
don't know
how relates to
nat'l test/steps

Finally
First, schools must end social promotion. ~~Every spring, one in five public school students moves from grade to grade even though their own teachers say they haven't mastered the basics.~~ And each year, hundreds of thousand of young people graduate from high school without the skills they need to balance a checkbook or fill out a job application.

Too many

Simply, this practice must stop. From now on, students simply will not be able to graduate if they have not mastered the basics. When we advance a student who can't do the work, we do that student no favors. And we send the message to all students that performance and effort don't matter.

It would be wrong to mark these students as failures when our schools have failed them. If we are going to hold students to high academic standards, we must give them the help they need to meet those standards. So my new balanced budget triples the funding for academically-enriched summer school and after school programs. We can keep one million students learning in the hours after regular school lets out, when working parents aren't home and juvenile crime soars. Our children should learn their lessons in a classroom, not on the streets.

First, ~~Second~~, states and school districts must identify their worst-performing schools, and do everything possible to turn them around. My balanced budget includes \$200 million to help communities turn around failing schools. If that means bringing in new principals, fresh resources, and better-trained teachers, so be it. ~~We shouldn't send students to schools that don't work.~~

Toughen

2nd
Third, teachers must be qualified to teach ? and teach well. In one state last year, sixty percent of teachers failed a basic competency test. States and school districts should require competency tests for incoming teachers, and swift but fair procedures for removing those who cannot do the job. A teacher who cannot teach has no business shaping young minds.

Teachers are great etc.

We as a nation must do more to get better trained teachers into our poorest neighborhoods. We must recruit teachers for the inner city, for Indian reservations, and for communities where we must give our children every chance to learn their way out of poverty.

Too negative?

Need
teacher
evaluation
initiative

3rd
Fourth, we must empower parents by giving them better information about their schools. In most communities, it is easier to get information on the quality of local restaurants than the quality of local public schools. Schools issue report cards on students. I believe every school district should issue report cards on schools.

1090 - for school - need more
This is bullshit - more

We must also give parents more choice within the public school system, with 3000 innovative, independent charter schools by the Year 2000, and with new public school choices tailored to the way families work and live

2000
all future is satisfactory or improved job

*need better
public
charter
schools*

today -- including new public schools located at workplaces, so that harried working parents can spend more time with their children and get more involved in their schools.

[national tests]

[Anecdote -- Jenner Elementary School in Cabrini Green, which I visited. Test scores at Jenner have doubled on a percentage basis in just one year.] [possible person in First Lady's Box]

Investing in people

To build a 21st Century economy, we must do more to make sure that opportunity reaches into every home and prosperity extends into every corner of every community.

Already, by expanding the Earned Income Tax Credit, we have helped [x] million work their way up from poverty. In this time of prosperity, a family that is working should not be poor. We should raise the minimum wage.

In the information age, there is not so much an income gap as a skills gap. This past year I was proud to sign bipartisan legislation to transform our worker training system. With a simple voucher, Americans can now choose the skills they need. Now we must build upon that momentum -- with a national campaign to improve adult literacy, with new online learning, with a new drive to ensure that every American who needs cutting edge training gets it.

*no picture
no specifics -
say where
the problem is.*

Already, new empowerment zones, community banks, and a surge in investment by private banks have brought [\$x] trillion into our inner cities and poor rural areas. Tonight I propose the next stage of our urban opportunity strategy. More capital into our inner cities. A new American Private Investment Corporation to make loan guarantees for investment in our untapped domestic markets. Tax credits for new investments.

*little
can't
tell what
this is*

We must work to make sure that prosperity reaches rural America, where our values take root. Even in these good times, too many farmers are struggling. We must work together to improve the farm safety net.

*what's our
proposal?*

And we must make sure that the new technologies that are transforming the marketplace truly serve our people.

To help families with the dizzying choices in the financial marketplace, my administration will propose a new law to help consumers protect their investments, combat fraud, and make smart choices. To make sure that competition and innovation thrive, we will continue to enforce the antitrust laws. To spur the high tech industries that account for one third of our growth, my administration will propose \$3 billion in basic computer research -- so that [x].

To make certain that we reap the rewards and minimize the disruptions of these new technologies, we are working around the clock to prepare for the so called ?millennium computer bug.? As you know, many computers and machines will have difficulty processing the year 2000. I believe that the national government will be ready. Every business, every city and county, every university in this country and around the world is at risk. But if

we work hard and work together, the millennium bug need not delay a single essential service for even a single day.

International economy

And it is more clear than ever that our prosperity at home is linked to the prosperity of the world. Our nation benefits greatly from the free flow of goods and capital and the new lines of commerce and communication that link us together with other nations. Until recently, a full one third of our economic growth has come from trade. But over the past year and a half, financial turmoil around the world has put that growth at risk.

Our nation has no choice but to lead -- to spur global growth, to stabilize the global economy and keep the world trading system open, free, and fair. The turmoil is not over; and we may yet feel its full impact within our own borders. But because America led and America acted, the world economy is much more sound than it would have been. I thank lawmakers of both parties for your support.

[international financial architecture -- taming boom & bust/putting a human face on global economy]

We must do more to help American manufacturers whose exports have been hit hard by economic turmoil abroad -- and who face a flood of inexpensive imports from abroad. I ask the Congress to provide \$100 million to spur American manufacturing exports abroad. Let's be clear: If steel is being unfairly dumped in our country we must be willing to enforce our trade laws to protect our workers and communities. But we would be very unwise to erect protectionist walls that could start a chain reaction and plunge the world into recession.

For too long, trade has divided Americans, across lines of party and philosophy and economic station. We must find a new approach to trade ? the common ground on which business and labor and government can stand. This common approach must be the basis of legislation giving the President traditional trade authority.

Tonight I propose to launch new trade negotiations to open markets to our goods and services ? a new round of negotiations in the World Trade Organization to expand our exports of farm products, services and manufactures -- trade with Africa -- a Free Trade Area of the Americas -- trade with the Central American nations devastated by the recent hurricane.

In all these, we must press for trade that is more open and more free. [But we must also press for trade that promotes the dignity of work and the rights of workers.] We must insist that international trade organizations be open to the sunlight of public scrutiny. We must insist that trade rules never be used as a pretext to destroy environmental protections. We must never let vigorous international economic competition become a race to the bottom among nations.

[And we must act, once and for all, to end the most exploitative trade practices of all. I will sign a new international agreement to ban child labor everywhere in the world.]

BUILDING STRONG FAMILIES FOR THE 21st CENTURY

In the 20th Century, the American family was transformed as we adapted to new workplaces and new ways. Now, we must strengthen the American family for the challenges of the 21st Century: A commercial culture that too often undermines our efforts to instill strong values in our children. Growing demands and expectations in the workplace. The cost and quality of health care.

No government can raise or love a child. Mothers and fathers do. But government can empower parents with the tools they need to meet their most vital responsibilities.

Tobacco - Don't Start w/ Kids.

Strong families start with healthy children.

As is now well known, our children are the target of a massive media campaign to hook them on cigarettes ? a product that will kill them. A secret tobacco industry document calls young people ?replacement smokers.? They are not the future of the tobacco industry; they are the future of our nation. And we must act to protect them.

I ask this Congress to resist the awesome power of the tobacco lobby and pass comprehensive, bipartisan legislation that will raise the price of cigarettes, protect farmers, and give us the tools to protect our children from tobacco.

The tobacco industry and its deceptions have imposed a cost not just on our families. Illness due to smoking -- from cancer to emphysema -- costs Medicare [X billion] a year. Taxpayers should not be left holding the bag. Already, state governments have recovered [x] billion dollars for taxpayers for state health care costs.

Tonight, I am directing the Department of Justice to prepare and bring a lawsuit against the tobacco companies for the costs to Medicare of smoking.

Any funds we recover from these tobacco companies will help strengthen and reform Medicare. And these funds could be used to extend health care, including a new Medicare prescription drug benefit.

We know that tobacco is not the only product that can bring early death to our children. Each year, on too many dark roads, drunk drivers kill nearly 3000 children. I ask the Congress to write tough new blood alcohol standards into law to protect every American, on every roadway.

Child Care

Strong families depend on strong parents.

We must do more to help the millions of working American parents who give their all every day to succeed at home and at work.

I ask the Congress once again to enact a comprehensive plan to make quality child care more affordable, more accessible, and more enriching than ever. Our plan ? with tax cuts for working families, child care subsidies for small business, high standards and training for child care providers ? is fully paid for in our balanced budget. It will pay off in

greater peace of mind for working parents, and better care for our children.

A child care plan that is in balance with our values will also help mothers who choose to stay at home with their children, giving up income while they do. Our child care plan includes a new tax credit to help those stay-at-home mothers. No job is more important than the job of raising our children.

I was proud that the Family Medical Leave Act was the first bill I signed into law. Since then, it has helped nearly 20 million American workers to care for a new baby or an ailing relative without risking their jobs. [Companies say it has reduced absenteeism, improved morale, and actually increased productivity. ck] We should build on that success, and guarantee Family Leave to 10 million more Americans who work for smaller companies.

And parents who work to support their families should never, ever be discriminated against in the workplace. I will send legislation to Congress that prohibits companies from refusing to hire or promote workers simply because they have children. We should not punish parents who fulfill their most important responsibility -- we should honor them.

[Next Fall], the First Lady and I will host a White House Conference to examine the changing relationship between the workplace and family life, and find new ways to balance work and family as we approach the new millennium. [Reference to Mrs. Clinton]

Health care

The United States has the world's most advanced medical care -- and we must continue our commitment to cutting edge research and pathbreaking innovation.

In just the past six years, medical researchers introduced the first effective drugs to treat HIV. They have begun testing the first drugs to prevent or reduce risk of cancer. They have discovered the process of aging itself? raising the prospect of new treatments to prevent or delay the infirmities of old age, from Parkinsons to Alzheimers to arthritis.

My balanced budget will keep us on track to increase the budget for the National Institutes of Health by fifty percent. We know now we will entirely eradicate polio from the earth by the end of next year. By voting to fund scientific research, you will commit our nation to finding a cure for cancer and HIV early in the new century.

But as our sophisticated medicine races ahead, we cannot let our health care system lag behind.

Since 1990, the number of people in managed care plans has doubled. And as we all know, managed care has transformed medicine in America -- driving down costs, but threatening to drive down quality as well.

Here's a true story told to us by an emergency room physician from Dearborn, Michigan. A patient was rushed into the emergency room; he had died. The doctor managed to resuscitate the patient, and he recovered.

common
health
chrs? try
to make you
a real, deal
unus q. y
then p. will
to be able
to get h. care
NOT just E.R.
done.
Bayer looking at
can health chrs
a bill to pay basis
long-term project

But the man's health plan said they would not pay. Being dead, apparently, was not "an emergency"!

Our health care bill of rights says: Every American should have the right to the best care, not just the cheapest. The right to see a specialist. The right to continuity of care. The right to emergency care.

Within my power as President, I have acted, extending these rights to the 85 million Americans served by Medicare, Medicaid, and other federal health plans. But only Congress can extend this Patient's Bill of Rights to all Americans, and again I ask Congress to do so, on a bipartisan basis, early this year.

Step by step, we must also extend health insurance to every American. We should give people 55 and older the chance to buy in to Medicare. We should make it easier for small businesses to offer health insurance to their employees. We should pass the bipartisan legislation, introduced by Senators Kennedy and Jeffords, to allow people with disabilities to buy Medicaid health insurance when they return to work.

And as more of our medical records are stored electronically, the threats to privacy increase. If Congress does not act this year, as provided by law, I will act -- issuing an executive order to protect the privacy of medical records online.

[mental health -- Mrs. Gore]

Welfare to work

→ SHOULD WE WRITE?

A STRONG AMERICA IN A NEW WORLD

[we are working with the NSC on this section]

21st CENTURY COMMUNITIES

In the 20th Century, the ties that bind us together too often have been frayed by the force of change. In the 21st Century, we have no choice but to restore those threads of community.

Strong communities are safe communities.

Six years ago, our country was at peace, but too many of our communities were at war. Gangs and drug dealers controlled entire neighborhoods where even police officers weren't safe to walk the streets. Too many families lived in fear. And too many children did not believe they would live to see the ripe old age of 20.

Then the national government said that we would no longer stand on the sidelines -- we would go to the frontlines and help communities take back our streets from crime. In 1994, we enacted a comprehensive crime bill,

based on what law enforcement and community leaders alike told us they needed. More police on the beat. Fewer guns in the hands of criminals. Tougher punishment. Better prevention. And the results have been nothing short of remarkable.

Today, crime is declining dramatically, dropping a record seven years in a row. Violent crime is at its lowest since [TK]. Murder is at its lowest rate since 1962. Across the country, from Oakland to Chicago to Boston, in cities large and small, communities once ravaged by crime are coming back to life. But you and I know that crime is still a dangerous fact of life in too many neighborhoods. That is why we must build on our success of the past six years and decisively break the cycle of violence in America.

Tonight I propose a crime bill for the 21st Century to press our growing advantages against the criminals, so we can deploy the latest tools, technologies and tactics in the fight against crime. We know what works -- and now we must put that knowledge to work.

This year, we will reach our goal of putting 100,000 community police officers -- under budget and a full year ahead of schedule. Now we must put more police on the street ... hire 2000 prosecutors ... and give law enforcement the high technology tools they need to fight crime, modernizing the dragnet with the technology of the Internet.

We must sever the deadly connection between crime and drugs, and doing more to get drugs off the street.

The men and women in our nation's prisons are doing time for different reasons, but the overwhelming majority -- a full 80 percent -- have one thing in common: a drug problem. Once they return to the streets, only 1 percent are ever drug tested, and as a result, most return to drugs -- and to crime -- and to prison. It is a destructive cycle? a cycle we can break.

My balanced budget strengthens support for drug testing and treatment for prisoners, parolees and probationers. To prisoners in every state, we want to send a message: If you stay on drugs, you must stay behind bars. To probationers and parolees, we want to send a message: If you want to keep your freedom, you have to keep free of drugs.

Next, we know that one of the greatest factors in the declining rates of murder and violent crimes have been the declining numbers of guns on our streets. The Brady Bill into law -- and it has been an unqualified success. Since it took effect, 250,000 felons, fugitives and stalkers have tried to buy guns have been turned away empty handed. That's enough guns to overflow the floor of this chamber. Who knows how many lives have been saved?

Now the requirement for a waiting period for buying a handgun has expired. I ask the Congress to keep in place a law that has worked, and make a mandatory waiting period for buying a handgun once again the law of the land.

We can do more to take guns out of the hands of criminals. We should crack down on gun shows, where unscrupulous individuals slip through a loophole to buy guns. I call on Congress to pass legislation so that

VERY
WELL

every sale of every gun at every show is governed by the same law. No background check, no guns, no exceptions. And we should say: nobody but a gunrunner needs to buy more than one handgun a month.

Strong communities are built by people who have a stake in the American Dream.

Already, over seven million Americans in the past six years have bought their first home. Tonight, we launch a new drive to give every American in every community the pride that comes with owning a home. 100,000 new vouchers to help poor people move out of public housing.

Strong communities are livable communities.

A century ago, many Americans saw nature only as a resource to be exploited, an obstacle to be overcome. But President Theodore Roosevelt, our first conservationist president, led our nation toward the path of environmental stewardship. He defined his "great, central task" as "leaving this land even a better land for our descendants than it is for us." He set aside millions of acres of forest and mountains and valleys and canyons -- lands shaped by the hand of God over hundreds of millions of years -- so they could not be sacrificed for short-term gain.

This is the vision we are fulfilling today, with our work to protect California's ancient redwoods, Utah's stunning red-rock canyons, and Yellowstone, America's very first National Park. The air we breathe is healthier, the water we drink cleaner. The American bald eagle, the symbol of our national strength, is thriving once again. I am proud to announce this year we will remove the bald eagle from America's endangered species list. But for America to soar high and free throughout the new century, there are new environmental challenges we must come together to meet.

The most profound environmental challenge of the 21st Century is the threat of global warming. A few weeks ago, scientists confirmed that 1998 was the warmest year on record, topping the previous heat record, set just one year before. The extreme weather of the last year -- crippling ice storms and near-biblical floods, deadly heat waves and withering drought -- are but hint of what future generations will endure unless we act now.

Tonight, I pledge to work with Congress to enact a common-sense strategy: a clean air fund to help communities reduce both greenhouse pollution and smog; new research and development for clean, efficient energy sources; tax cuts for the purchase of energy-efficient cars, homes, and appliances; rewards for companies that take early, voluntary action to reduce their greenhouse pollution. And finally, we will continue our vigorous diplomatic efforts, at the highest levels, to ensure a truly global response to this global threat.

Another new environmental challenge is, quite literally, in our very backyards. At a time when so many more Americans are sharing in our prosperity, buying new homes, and living the American Dream, we must find new ways to keep our growing communities livable and green.

So tonight, Vice President Gore and I propose a \$TK initiative to help states and communities restore and expand city parks, preserve precious green spaces in our growing suburbs, and to keep prime farmland from being

paved over with parking lots. In so many ways, the most important park is the one near our house. We have proven at the national level that economic growth and environmental protection go hand in hand; we can prove this in communities across America as well.

PERORATION: THE MILLENNIUM

A century ago, not even the most farsighted American could imagine the progress this century would produce. Science fiction writers predicted that there would be space flight. But no one imagined that in 1999, the space shuttle would be commanded by a woman. Many hoped to end child labor and sweatshops. But no one imagined that the doors of college would be opened to the children of working people of every background and every race. Changes in technology were far easier to predict than the progress of the human spirit.

Who is to say what progress we will make in the years to come? Who is to say what frontiers of freedom and equality and tolerance will be opened? How wide will we trace the circle of opportunity?

One hundred years from now, an American President will stand where I stand tonight. The America that he or she will describe will be the America shaped by our hands. The story of the 21st Century will be a story first written by this, the last Congress of the 21st Century and the first Congress of the new millennium. President Lincoln told us: "We can succeed only by concert. It is not, can any of us imagine better?" but, "Can we all do better?" I have no doubt that if we stand together, if we rise to a higher purpose, then liberty's "sacred flame" will burn with a white heat -- our nation will be strong and secure -- and we will have fulfilled our most fundamental

America Reads

more eloquence
too much in shorthand - more
explanatory lines
more applause lines
too much triumphalism -
sotu99.4 long

Draft 1/11/99 noon

PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
January 19, 1999

winning in a line
be specific

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans:

Let me begin by saluting the new Speaker of the House. I look forward to working with you, as you said on the day you were sworn in, in a spirit of civility and bipartisanship. We should heed the words and honor the spirit of Thomas Jefferson, who in 1801 asked a divided Congress to restore "that harmony and affection without which liberty and even life itself are but dreary things." ^{By} Outside these walls, in schools, businesses and churches, across our nation, Americans of different backgrounds and beliefs are working together to meet our challenges. We can do that here -- and that is what we will do tonight.

Tonight, I have the honor and responsibility of reporting to you on the State of our Union, and to call on our nation to rise to this moment, to meet the great challenges and seize the even greater opportunities of a bold new era.

I have the privilege to report that we have created the longest peacetime economic expansion in American history -- with wages rising at twice the rate of inflation and nearly 18 million new jobs.

I stand before you to report that more Americans are living in their own homes than at

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any time in our history -- and that the peacetime unemployment rate is the lowest it has been since 1957.

I stand before you the first president in three decades to report not just that the budget is balanced, but that we have a \$70 billion surplus -- the highest in American history.

I stand before you to report that crime and welfare are at their lowest point in a quarter century.

I stand before you to report that the environment is the cleanest in a quarter century, and that we have cut pollution from factories in half -- even as our economy has boomed.

I stand before you to report that America stands strong -- a force for peace in lands torn by ancient hatreds, bringing reconciliation to Northern Ireland, to Bosnia, to the Middle East.

In the last days of what has been called the American Century, months before the new century, an era of new American progress has begun.

In all this, we are renewing government so once again it is a progressive instrument of the common good. We have discarded the old assumptions that we must either seek to dam up the currents of economic change -- or tell our people to sink or swim on their own. America needs a progressive government -- a modern government that lives within its means -- a flexible, creative

government driven not by rigid ideology, but by ideas that work. We are building a 21st Century government for a 21st Century America.

Perhaps most important of all, we have proved again to ourselves and the world that when America faces a challenge, we meet it. This young nation, born in revolution and renewed in each generation, once again is building a new America for a new time. At the time of the first State of the Union Address, President Washington said that succeeding generations must carry forward “the sacred fire of liberty” which is “finally staked on the experiment entrusted in the hands of the American people.” My fellow Americans, at the end of one American century and the dawn of another, that sacred fire burns brightly. The State of our Union is strong.

What will we make of this moment? This new century will be a time of unimaginable progress for our nation--of vast new economic opportunities, stunning scientific discoveries, remarkable advances in the health and happiness of our people--advances we are already beginning to see. Already, we look forward and see a brilliant future: a time when cancer is a thing of the past; when new technologies make it possible for parents to work closer to their children; when our victories over crime and drugs turn into a rout.

At a time like this, it would be easy, and understandable, for a nation to sit back and savor its success. But we cannot allow the hum of our prosperity to lull us into complacency. New times pose new perils even as they open wide new vistas of opportunity. Yes, America is working again. America is working again. But we have not yet met the long-term challenges

our people face in the 21st Century.

We can honor our parents and renew the compact among generations by building an even stronger retirement system. We can meet our duty to our children by building strong schools for the 21st Century. We can make opportunity real for every American and lift billions into a truly global middle class. We can conquer dread diseases, from cancer to alzheimers. We can strengthen the ties of family, giving parents health care and child care and help in facing their newest challenges. We can build strong communities for the 21st Century, pressing our fight against crime and weaving strong new threads of community. We can -- and we must -- exert American leadership for peace and security in a world of new threats. We must, out of our brilliant diversity, build One America.

There will never be a better time to meet these challenges than now -- now, with our budget surplus growing, now, with our economy expanding, and above all, now, with our confidence rising. Here is what we must do.

BUILDING A 21ST CENTURY ECONOMY

Fiscal discipline/Social Security

We begin by building an economy for the 21st Century. From biotech to aerospace, from autos to software, it is no accident that America leads the new economy. Its qualities -- innovation, ambition, flexibility, teamwork -- are at the core of the American character.

When I took office, the budget deficit for this year was projected to be \$400 billion. Today, we have a \$70 billion surplus. The federal government is the smallest since -- well, since John Glenn first orbited the Earth. Thanks to the pioneering leadership of Vice President Gore, we have reinvented our government, in partnership with federal workers, doing more with less. [Tonight we commit: we will further reduce the size of the federal workforce by [75,000] this year.]

When a hard-working family has an unexpected financial windfall, it is tempting to splurge. But the right thing to do, the responsible thing to do, is to invest for the future -- especially when we know that retirement is ahead. So I will resist any tax cuts or spending programs, no matter how appealing, until we have set aside the funds we need to address America's long-term, pressing needs.

Our fiscal discipline gives us an unsurpassed opportunity to address our greatest new challenge: the aging of America.

Though our nation is young -- boundless in its energies, uncontained by convention, impatient in the pursuit of progress -- our people are aging. With the number of elderly

Americans set to double by 2030, the Baby Boom will soon become a Senior Boom. This is a seismic demographic shift. I believe there are four things we must do to prepare our nation.

First and before all else, we must save Social Security. Early in this century, to be old meant to be poor. When President Franklin Roosevelt created Social Security, thousands wrote to thank him for eliminating what one woman called the "stark terror of penniless, helpless old age." Even now, without Social Security, half our nation's elderly would plunge into poverty.

Today, Social Security is strong. But it will soon face a crisis. By 2032 it will be unable to pay out the full benefits older Americans depend upon to live.

Last year, from this podium, I said we should set aside the surplus until we save Social Security. Working together, we have done so. Tonight, let us resolve to finish the job -- and invest the surplus to save Social Security.

Tonight, I propose that we invest half the budget surplus to save Social Security. We can get a higher return if we invest a portion in the private sector -- like any private or state government pension would, or, indeed, like any family would. If we take this step, we can save Social Security for 50 years. But we must aim higher. If we work together across party lines, as I know we can in the coming months, and make difficult but achievable choices, we can save Social Security for 75 years.

[Let me be clear. The best way for Social Security to remain, for the long-term, a rock-solid guarantee of support, is to invest its resources more wisely -- not to make drastic cuts in benefits; not to raise payroll tax rates; and not to drain resources from Social Security in the name of saving it. I do not believe we should devote a single dollar of the payroll paid by every American tax to any new or untested account that puts basic Social Security benefits at risk.]

Second, after we save Social Security, we must fulfill our obligation to save Medicare. I propose that we put one out of every five dollars in the surplus toward saving Medicare. If we did this and no more, we would extend the life of Medicare for at least 12 years. But if we do more -- if we take strong steps and take seriously the work of the bipartisan panel chaired by Senator John Breaux and Rep. Bill Thomas that will report in March -- then we can also improve the quality of Medicare as well.

Third, we must do more to help all Americans, from their first day on the job, to save, to invest, to create wealth. As President Roosevelt made plain, Social Security was only one pillar of support for older Americans; private savings and pensions were the others. But today, tens of millions of people retire with few savings and no pension. Even if we save Social Security, Americans living longer than ever simply must save more. That is why I am proposing a new universal pension -- personal savings, invested as each worker sees fit, augmented by the national government. By doing so we would give more Americans a greater stake in our prosperity. . . a greater hand in the creation of wealth. . . a greater chance to

retire in comfort, security, and dignity. I know we can agree: this is a future, a secure future, every hard-working American deserves.

Fourth, to better prepare for the Senior Boom, we must help Americans provide long-term care for aging and ailing loved ones. Today, millions of working people are caring for elderly relatives and even neighbors, often at great cost to their families. Caring for parents in their old age is the cycle of life -- a vital and sacred compact among generations -- and one we should recognize and reward as a nation. That is why, in my balanced budget, I will propose a long-term care tax credit of \$1,000 for people with long-term care needs or for the families that shelter them. The care these families provide is invaluable; but we can show we value it very much indeed.

There are other steps we must take to ready America for the retirement of the Baby Boom: [elderly housing; intergenerational centers].

Preparing for the aging of America means investing this fraction of our budget and 85 percent of our budget surplus. If we do so, we will be making a wise investment. If we make good use of our good fortune, the retirement of the old need not be a burden on the young. If we save Social Security. . . if we strengthen Medicare and long-term care. . . if we spur savings with a new universal pension. . . then we will have taken bold steps toward a better future. So we should take those steps now. This year. With no excuses.

Education

In the new economy, opportunity for our people will depend on their creativity, their knowledge, and their skills. In the 20th Century we built a system of public schools that lifted millions into the middle class. Now we must build public school system for the 21st Century.

With easier student loans, more Pell grants for deserving students, 1 million new work study jobs, education IRAs, and the HOPE scholarship that nearly 6 million Americans received this year, today we can say what we could not say six years ago: Every high school graduate in America, regardless of income, can afford to go to college.

When it comes to renewing our public schools, we have made steady progress: Nearly every state has imposed tougher academic goals. Thousands of schools have cracked down on drugs and gangs, and students who were once literally killing each other over jackets and sneakers are now wearing school uniforms. We are teaching values and finding a proper place for religious faith in our public schools.

All these efforts and more have begun to bear fruit. But while our fourth graders outperform their peers in other developed countries in math and science achievement, our twelfth graders rank at the bottom. Clearly, American students start out strong, but the system fails them. We must do better.

Last year, we reached across party lines on behalf of our children and began to hire 100,000 new teachers to reduce class size in the early grades. I ask this Congress to renew our commitment to hire 100,000 new teachers to bring more discipline, more attention, more learning to every young child.

Over a million classrooms remain cut off from the technology that all children will need in the 21st Century. This year, we will make [over \$1] billion available to wire all our classrooms. By linking schools to the Internet, we link our children to the future. I ask every school in every community in America to do its part.

I ask the Congress to fund a Digital Library that will put online state of the art math and science curriculum, the treasures of the Smithsonian, and up to 400,000 of the greatest books in human history. Imagine what our children can accomplish when they enter a library as vast as their imaginations. We can put that library within the reach of every child.

And once again I ask the Congress to help communities modernize or build 5000 new schools and replace trailers with clean and well-equipped classrooms. Our children cannot learn 21st Century skills in 19th Century schools.

Above all, we must set in motion a revolution of rising expectations. Tonight, I ask you to join me in a drive to reform and renew every public school in America. Each year the national government invests over \$13 billion And in our public schools. I believe we should only invest

in what works. I propose that every school in every community receiving federal help for their schools take the following steps.

First, schools must end social promotion. Every spring, one in five public school students moves from grade to grade even though their own teachers say they haven't mastered the basics. And each year, hundreds of thousand of young people graduate from high school without the skills they need to balance a checkbook or fill out a job application. Simply, this practice must stop. From now on, students simply will not be able to graduate if they have not mastered the basics.

If we are going to hold students to high academic standards, we must give them the help they need to meet those standards. So my new balanced budget triples the funding for academically-enriched summer school and after school programs. We can keep one million students learning in the hours after regular school lets out, when working parents aren't home and juvenile crime soars. Our children should learn their lessons in a classroom, not on the streets.

Second, states and school districts must identify their worst-performing schools, and do everything possible to turn them around. My balanced budget includes \$200 million to help communities turn around failing schools. If that means bringing in new principals, fresh resources, and better-trained teachers, so be it.

Third, teachers must be qualified to teach – and teach well. In one state last year, sixty percent of teachers failed a basic competency test. States and school districts should require competency tests for incoming teachers, and swift but fair procedures for removing those who cannot do the job. A teacher who cannot teach has no business being in the classroom.

We as a nation must do more to get better trained teachers into our poorest neighborhoods. We must recruit teachers for the inner city, for Indian reservations, and for communities where we must give our children every chance to learn their way out of poverty.

Fourth, we must empower parents by giving them better information about their schools. In most communities, it is easier to get information on the quality of local restaurants than the quality of local public schools. Schools issue report cards on students. I believe every school district should issue report cards on schools.

We must also give parents more choice within the public school system, with 3000 innovative, independent charter schools by the Year 2000, and with new public school choices tailored to the way families work and live today -- including new public schools located at workplaces, so that harried working parents can spend more time with their children and get more involved in their schools.

[national tests]

[Anecdote -- Jenner Elementary School in Cabrini Green, which I visited. Test scores at Jenner have doubled on a percentage basis in just one year.] [possible person in First Lady's Box]

Investing in people

To build a 21st Century economy, we must do more to make sure that opportunity reaches into every home and prosperity extends into every corner of every community.

Already, by expanding the Earned Income Tax Credit, we have helped [x] million work their way up from poverty. In this time of prosperity, a family that is working should not be poor. We should raise the minimum wage.

In the information age, here is not so much an income gap as a skills gap. This past year I was proud to sign bipartisan legislation to transform our worker training system. With a simple voucher, Americans can now choose the skills they need. Now we must build upon that momentum -- with a national campaign to improve adult literacy, with new online learning, with a new drive to ensure that every American who needs cutting edge training gets it.

Already, new empowerment zones, community banks, and a surge in investment by private banks have brought [\$x] trillion into our inner cities and poor rural areas. Tonight I propose the next stage of our urban opportunity strategy. More capital into our inner cities. A

new American Private Investment Corporation to make loan guarantees for investment in our untapped domestic markets. Tax credits for new investments. Already, over seven million Americans in the past six years have bought their first home. An initiative to give every American in every community the pride that comes with owning a home. 100,000 new vouchers to help poor people move out of public housing.

We must work to make sure that prosperity reaches rural America, where our values take root. Even in these good times, too many farmers are struggling. We must work together to improve the farm safety net.

And we must make sure that the new technologies that are transforming the marketplace truly serve our people.

To help families with the dizzying choices in the financial marketplace, my administration will propose a new "financial right to know" law to help consumers protect their investments, combat fraud, and make smart choices. To make sure that competition and innovation thrive, my enforcement team will continue its prudent but aggressive record of enforcing our antitrust laws. To spur the high tech industries that account for one third of our growth, my administration will propose \$3 billion in basic computer research -- so that [x].

To make certain that we reap the rewards and minimize the disruptions of these new technologies, we are working around the clock to prepare for the so called 'millennium computer

bug.' As you know, many computers and machines will have difficulty processing the year 2000. I believe that the national government will be ready. Every business, every city and county, every university in this country and around the world is at risk. But if we work hard and work together, the millennium bug need not delay a single essential service for even a single day.

International economy

And it is more clear than ever that our prosperity at home is linked to the prosperity of the world. Our nation benefits greatly from the free flow of goods and capital and the new lines of commerce and communication that link us together with other nations. Until recently, a full one third of our economic growth has come from trade. But over the past year and a half, financial turmoil around the world has put that growth at risk.

Our nation has no choice but to lead -- to spur global growth, to stabilize the global economy and keep the world trading system open, free, and fair. The turmoil is not over; and we may yet feel its full impact within our own borders. But because America led and America acted, the world economy is much more sound than it would have been. I thank lawmakers of both parties for your support.

[international financial architecture -- taming boom & bust/putting a human face on global economy]

We must do more to help American manufacturers whose exports have been hit hard by economic turmoil abroad -- and who face a flood of inexpensive imports from abroad. I ask the Congress to provide \$100 million to spur American manufacturing exports abroad. We would be very unwise to erect protectionist walls that could start a chain reaction and plunge the world into recession. But let me be clear: where imports are unfairly surging into our nation, we will take action. I have made clear to the government of Japan that if they do not reduce their inexplicable surge of cheap steel imports into our country, I am ready to launch trade proceedings against Japan.

For too long, trade has divided Americans, across lines of party and philosophy and economic station. We must find a new approach to trade -- the common ground on which business and labor and government can stand. This common approach must be the basis of legislation giving the President traditional trade authority.

Tonight I propose to launch new trade negotiations to open markets to our goods and services -- a new round of negotiations in the World Trade Organization to expand our exports of farm products, services and manufactures -- trade with Africa -- a Free Trade Area of the Americas -- trade with the Central American nations devastated by the recent hurricane.

In all these, we must press for trade that is more open and more free. [But we must also press for trade that promotes the dignity of work and the rights of workers.] We must insist that international trade organizations be open to the sunlight of public scrutiny. We must insist that

trade rules never be used as a pretext to destroy environmental protections. We must never let vigorous international economic competition become a race to the bottom among nations.

[And we must act, once and for all, to end the most exploitative trade practices of all. I will sign a new international agreement to ban child labor everywhere in the world.]

BUILDING STRONG FAMILIES FOR THE 21st CENTURY

In the 20th Century, the American family was transformed as we adapted to new workplaces and new ways. Now, we must strengthen the American family for the challenges of the 21st Century: A commercial culture that too often undermines our efforts to instill strong values in our children. Growing demands and expectations in the workplace. The cost and quality of health care.

No government can raise or love a child. Mothers and fathers do. But government can empower parents with the tools they need to meet their most vital responsibilities.

Tobacco

Strong families start with healthy children.

As is now well known, our children are the target of a massive media campaign to hook

them on cigarettes – a product that will kill them. A secret tobacco industry document calls young people “replacement smokers.” They are not the future of the tobacco industry; they are the future of our nation. And we must act to protect them.

I ask this Congress to resist the awesome power of the tobacco lobby and pass comprehensive, bipartisan legislation that will raise the price of cigarettes, protect farmers, and give us the tools to protect our children from tobacco.

The tobacco industry and its deceptions have imposed a cost not just on our families. Illness due to smoking -- from cancer to emphysema -- costs Medicare [X billion] a year. Taxpayers should not be left holding the bag. Already, state governments have recovered [x] billion dollars for taxpayers for state health care costs.

Tonight, I am directing the Department of Justice to prepare and bring a lawsuit against the tobacco companies for the costs to Medicare of smoking.

Any funds we recover from these tobacco companies will help strengthen and reform Medicare. And these funds could be used to extend health care, including a new Medicare prescription drug benefit.

We know that tobacco is not the only product that can bring early death to our children. Each year, on too many dark roads, drunk drivers kill nearly 3000 children. I ask the Congress to

write tough new blood alcohol standards into law to protect every American, on every roadway.

Child Care

Strong families depend on strong parents.

We must do more to help the millions of working American parents who give their all every day to succeed at home and at work.

I ask the Congress once again to enact a comprehensive plan to make quality child care more affordable, more accessible, and more enriching than ever. Our plan – with tax cuts for working families, child care subsidies for small business, high standards and training for child care providers – is fully paid for in our balanced budget. It will pay off in greater peace of mind for working parents, and better care for our children.

A child care plan that is in balance with our values will also help mothers who choose to stay at home with their children, giving up income while they do. Our child care plan includes a new tax credit to help those stay-at-home mothers. No job is more important than the job of raising our children.

I was proud that the Family Medical Leave Act was the first bill I signed into law. Since then, it has helped nearly 20 million American workers to care for a new baby or an ailing

relative without risking their jobs. We should build on that success, and guarantee Family Leave to 10 million more Americans who work for smaller companies.

And parents who work to support their families should never, ever be discriminated against in the workplace. I will send legislation to Congress that prohibits companies from refusing to hire or promote workers simply because they have children. We should not punish parents who fulfill their most important responsibility -- we should honor them.

[Next Fall], the First Lady and I will host a White House Conference to examine the changing relationship between the workplace and family life, and find new ways to balance work and family as we approach the new millennium. [*Reference to Mrs. Clinton*]

Health care

The United States has the world's most advanced medical care -- and we must continue our commitment to cutting edge research and pathbreaking innovation.

In just the past six years, medical researchers introduced the first effective drugs to treat HIV. They have begun testing the first drugs to prevent or reduce risk of cancer. They have discovered the process of aging itself -- raising the prospect of new treatments to prevent or delay the infirmities of old age, from Parkinsons to Alzheimers to arthritis.

My balanced budget will keep us on track to increase the budget for the National Institutes of Health by fifty percent. We know now we will entirely eradicate polio from the earth by the end of next year. By voting to fund scientific research, you will commit our nation to finding a cure for cancer and HIV early in the new century.

But as our sophisticated medicine races ahead, we cannot let our health care system lag behind.

Since 1990, the number of people in managed care plans has doubled. And as we all know, managed care has transformed medicine in America -- driving down costs, but threatening to drive down quality as well.

Here's a true story told to us by an emergency room physician from Dearborn, Michigan. A patient was rushed into the emergency room; he had died. The doctor managed to resuscitate the patient, and he recovered. But the man's health plan said they would not pay. Being dead, apparently, was not "an emergency"!

Our health care bill of rights says: Every American should have the right to the best care, not just the cheapest. The right to see a specialist. The right to continuity of care. The right to emergency care.

Within my power as President, I have acted, extending these rights to the 85 million

Americans served by Medicare, Medicaid, and other federal health plans. But only Congress can extend this Patient's Bill of Rights to all Americans; and again I ask Congress to do so, on a bipartisan basis, early this year.

Step by step, we must also extend health insurance to every American. In 1997, we extended health insurance to up to 5 million children. Now, we should give people 55 and older the chance to buy in to Medicare. We should make it easier for small businesses to offer health insurance to their employees. We should pass the bipartisan legislation, introduced by Senators Kennedy and Jeffords, to allow people with disabilities to buy Medicaid health insurance when they return to work.

And as more of our medical records are stored electronically, the threats to privacy increase. If Congress does not act this year, as provided by law, I will act -- issuing an executive order to protect the privacy of medical records online.

[And we must step up our efforts to treat and prevent an illness faced by tens of millions of Americans -- mental illness. Mrs. Gore has led our efforts to fight the stigmas faced by the millions of Americans with mental illnesses and to improve their treatment and care. This year, we will host a [first-ever] White House Conference on Mental Health. No American should ever be afraid to recognize and treat this disease. No American should face an ugly stigma. And every American should have equal opportunity to thrive.]

Welfare to work

[to come]

A STRONG AMERICA IN A NEW WORLD

[we are working with the NSC on this section]

21st CENTURY COMMUNITIES

In the 20th Century, the ties that bind us together too often have been frayed by the force of change. In the 21st Century, we have no choice but to restore those threads of community.

Strong communities are safe communities.

Six years ago, our country was at peace, but too many of our communities were at war. Gangs and drug dealers controlled entire neighborhoods where even police officers weren't safe to walk the streets. Too many families lived in fear. And too many children did not believe they would live to see the age of 20.

Then the national government said that we would no longer stand on the sidelines. In 1994, we enacted a comprehensive crime bill, based on what law enforcement and community leaders alike told us they needed. More police on the beat. Fewer guns in the hands of criminals.

Tougher punishment. Better prevention. And the results have been nothing short of remarkable.

Today, crime is declining dramatically, dropping a record seven years in a row. Violent crime is at its lowest since [TK]. Murder is at its lowest rate since 1962. Across the country, from Oakland to Chicago to Boston, in cities large and small, communities once ravaged by crime are coming back to life. But you and I know that crime is still a dangerous fact of life in too many neighborhoods. That is why we must build on our success of the past six years and decisively break the cycle of violence in America.

Tonight I propose a crime bill for the 21st Century to press our growing advantages against the criminals, so we can deploy the latest tools, technologies and tactics in the fight against crime.

This year, we will reach our goal of putting 100,000 community police officers on our streets -- under budget and a full year ahead of schedule. Now we must put more police on the street ... hire 2000 prosecutors ... and give law enforcement the high technology tools they need to fight crime, modernizing the dragnet with the technology of the Internet.

We must sever the deadly connection between crime and drugs, and doing more to get drugs off the street. The men and women in our nation's prisons are doing time for many reasons, but 80% of them have one thing in common: a drug problem. Once they return to the streets, only 1 percent are ever drug tested, and as a result, most return to drugs -- and to crime --

and to prison. It is a destructive cycle – a cycle we can break.

My balanced budget strengthens support for drug testing and treatment for prisoners, parolees and probationers. To prisoners in every state, we want to send a message: If you stay on drugs, you must stay behind bars. To probationers and parolees, we want to send a message: If you want to keep your freedom, you have to keep free of drugs.

Next, we know that one of the greatest factors in the declining rates of murder and violent crimes have been the declining numbers of guns on our streets. The Brady Bill into law -- and it has been an unqualified success. Since it took effect, 250,000 felons, fugitives and stalkers have tried to buy guns have been turned away empty handed. That's enough guns to fill the floor of this chamber [and reach shoulder high]. Who knows how many lives have been saved?

Now the requirement for a waiting period for buying a handgun has expired. I ask the Congress to keep in place a law that has worked, and make a mandatory waiting period for buying a handgun once again the law of the land.

We can do more to take guns out of the hands of criminals. We should close the loophole that lets where unscrupulous individuals buy guns at gun shows. I call on Congress to pass legislation so that every sale of every gun at every show is governed by the same law. No background check, no guns, no exceptions. And we should say: nobody but a gunrunner needs to buy more than one handgun a month.

Strong communities are livable communities.

A century ago, many Americans saw nature only as a resource to be exploited, an obstacle to be overcome. But President Theodore Roosevelt defined our nation's "great, central task" as "leaving this land even a better land for our descendants than it is for us." He set aside millions of acres of natural treasures shaped by the hand of God over hundreds of millions of years -- so they could not be sacrificed for short term gain.

This is the vision we are fulfilling today, with our work to protect California's ancient redwoods, Utah's stunning red-rock canyons, and Yellowstone, America's very first National Park. The air we breathe is healthier, the water we drink cleaner. The American bald eagle, the symbol of our national strength, is thriving once again -- and this year, it will no longer be an endangered species. But for America to soar high and free throughout the new century, there are new environmental challenges we must come together to meet.

The most profound environmental challenge of the 21st Century is the threat of global warming. A few weeks ago, scientists confirmed that 1998 was the warmest year on record, topping the previous heat record, set just one year before. The extreme weather of the last year -- crippling ice storms and near-biblical floods, deadly heat waves and withering drought -- are but hint of what future generations will endure unless we act now.

Tonight, I pledge to work with Congress to enact a common-sense strategy: a clean air fund to help communities reduce both greenhouse pollution and smog; new research and development for clean energy sources; tax cuts for the purchase of energy-efficient cars, homes, and appliances; rewards for companies that take early, voluntary action to reduce their greenhouse pollution. And finally, we will continue our vigorous diplomatic efforts, at the highest levels, to ensure a truly global response to this global threat.

Another new environmental challenge is, quite literally, in our very backyards. At a time when so many more Americans are sharing in our prosperity, buying new homes, and living the American Dream, we must find new ways to keep our growing communities livable and green.

So tonight, Vice President Gore and I propose a \$TK initiative to help states and communities restore and expand city parks, preserve precious green spaces in our growing suburbs, and to keep prime farmland from being paved over with parking lots. In so many ways, the most important park is the one near our house. We have proven at the national level that economic growth and environmental protection go hand in hand; we can prove this in communities across America as well.

AmeriCorps

From our earliest days, America has been defined not by the power of our government but by the initiative of our people, striving not as isolated individuals, but as a community. As

Americans, we have a duty to give something back to our community and to each other.

I fought to create AmeriCorps, our national service program, to rekindle the spirit of service and to tap America's renewable resource: the idealism of young people. AmeriCorps members serve full time for a year, earning money for college by serving their community. They work with Habitat for Humanity to build low-income houses in Florida. They work with Catholic Charities to [x]. They work with [disaster reliefx].

In just three years, AmeriCorps has sunk its roots deep into our communities. I am pleased that it has earned such broad support across party lines. The young people of AmeriCorps come from all different backgrounds. But those differences seem unimportant when you are hauling sandbags in a floodplain or teaching a child to read.

Nothing in my time as President gives me greater pride than this: as of today, 100,000 young people now have served our nation through AmeriCorps -- more than served in the Peace Corps during its first two decades. Some of them are with us tonight, and we should thank them for their service.

I ask this Congress to thank these young as only you can: by increasing support for AmeriCorps. And to all the young people in America, I want you to know that you can make a difference in your community. Whether through AmeriCorps, your church, or other community organization, you have the power to make this world a better place. I challenge

you to use it.

Democracy

As we work to strengthen our communities, we must work to renew our democracy.

Our campaign finance system is broken -- our laws overwhelmed by an out of control fundraising arms race. We have a duty to make the Year 2000

Our elections, quite simply, cost too much. In the next election, if current trends continue, private interest will contribute [\$1 billion] to candidates and parties. Last year, a strong bipartisan majority in the House of Representatives passed strong campaign finance reform. But obstruction by a partisan minority blocked reform and preserved the status quo. I ask the House to pass reform quickly once again -- and I ask the Senate to say no to big money and yes to a strong democracy in the Year 2000.

[free TV]

[And we must recognize that far too few Americans vote. Americans will go around the world to fight for the right to vote -- but too often, we won't go across the street to exercise that right ourselves. [election reforms - to come]]

But the greatest opportunity facing our nation is also our oldest challenge: the challenge of building One America out of the most racially and ethnic diverse peoples on earth. What can we do to build one nation for the 21st Century?

For the past year and a half, our Initiative on Race has sought to bridge the divides between our people. We discovered that the will to bring our people together across all racial lines is thriving in America -- that thousands of ordinary citizens through their schools, their businesses, through the arts and media, are taking the lead. Whether it's giving children from across Chicago the chance to paint and draw side by side with professional artists, or bringing African American and Jewish teenagers in Washington, D.C. together on study tours of our country, Americans are lighting the way toward racial reconciliation. And I challenge more communities to follow their example.

But we must also recognize that there is much we can do as a nation to close the opportunity gaps that continue deepen the divides between the races. We must continue to revitalize our most troubled schools, to press forward in our fight for safe streets and safe neighborhoods, to work to bring the American Dream to every corner of America.

For generations, that American Dream has represented a fundamental compact among our people. We believe that all citizens should have the chance to rise as far as their God-given talents will take them. What counts is energy and talent and heart. No arbitrary distinctions should bar the way. So when we deny opportunity because of ancestry or

religion, race or gender, disability or sexual orientation, we break the compact. It is wrong. And it should be illegal. I call upon Congress to honor our most cherished principles and make the Employment Non-Discrimination Act the law of the land.

America has always been lifted up by our struggle to live closer to our ideals of freedom and equality. But too often, in too many places across America, too many Americans become victims of ignorance and intolerance, hate and violence.

[With us tonight are Judy and Dennis Shepard of Casper, Wyoming. Dennis is an oil rig inspector. Judy [stayed at home and raised two fine sons]. This fall, they were proud when their elder son Matthew enrolled in his Dad's alma mater, the University of Wyoming. But barely a few months into his freshman year, Matthew was beaten, tied to a fence, and left for dead on a deserted country road. He was killed, police say, because he was gay. My fellow Americans, this should never have happened to the Shepards and their son -- and it should never happen to any family in America.]

The American family cannot survive when we harbor hate and foster violence against those who are different, when any one of us refuses to acknowledge that each and every one of us are children of God. So I call on Congress to speak with one voice and pass the Hate Crimes Prevention Act this year. We must declare unequivocally that America values every one of our people; that we will never ever tolerate acts of violence and intolerance in this great land of freedom and equality.

But we have much more to do. The face and color of America is changing. The number of immigrants to our shores has tripled since 1970 and we are witnessing the largest wave of immigration since the turn of the last century. Today, one in ten people in America was born in another country; one in five schoolchildren come from immigrant families. By the end of next year, California will have no majority race.

I believe our newest immigrants are good for America. They are revitalizing our cities. They are energizing our culture. They are building our new economy. They are strengthening our ties to the global economy, just as earlier waves of immigrants settled the new frontier and powered the Industrial Revolution.

I know that the new accents and new faces have left some Americans feeling unsettled, fearful that the America they know and love is becoming a foreign land. That fear is understandable, but it is wrong. My fellow Americans, just look at our immigrants and you will see yourselves, your parents, your grandparents. In the Vietnamese child doing her homework in the family store, in the Russian father who works two jobs and still finds time to take his daughter to the library, you can see the hard work and striving for a better life that made America great, that will keep us great in the 21st Century.

We must say to our newest immigrants: You are welcome here, to share and enlarge the bounty of America. But you, too, must take responsibility -- to obey our laws, to learn English, to strive to enter the mainstream of American life and to make America's heroes your

own.

That is why in my balanced budget, I am proud to boost our efforts to teach our immigrants English, our customs and our system of government.

We must help them and all Americans understand the most basic American lesson of all: Whether your ancestors came here on slave ships or on the Mayflower, whether they landed on Ellis Island or Los Angeles International Airport, whether they arrived yesterday or have been here thousands of years, if you believe in the Declaration of Independence and the Constitution, if you accept the responsibilities as well as the rights embedded in them, then you are an American.

[White House Millennium Project]

PERORATION: THE MILLENNIUM

The changes we see and feel are new -- but they are as old as our nation.

Language to come re: looking forward to the 20th Century with confidence -- how our nation rose to the challenges of this century -- looking forward with confidence to the challenges of the new century

One hundred years from now, an American President will stand where I stand tonight. The America that he or she will describe will be the America shaped by our hands. The story of the 21st Century will be a story first written by this, the last Congress of the 21st Century and the first Congress of the new millennium. President Lincoln told us: "We can succeed only by concert. It is not, 'can any of us imagine better?' but, 'Can we all do better?'" I have no doubt that if we stand together, if we rise to a higher purpose, then liberty's "sacred flame" will burn with a white heat -- our nation will be strong and secure -- and we will have fulfilled our most fundamental duty to the generations to come.

**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
January 19, 1999**

Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans:

Tonight, I report to you on the State of the Union -- the last such message of the 20th Century. And tonight, on the threshold of a new century, I call our nation to action -- to meet the great challenges and seize the even greater opportunities of a bold new time. To build a modern retirement system ... a modern school system ... to build strong families and strong communities in the 21st Century.

The century we are leaving has been called the American century. In this time, our nation won two world wars and a long Cold War against tyranny. We overcame economic Depression and lifted millions into the world's greatest middle class. We broke the chains of legalized discrimination. America has been tested by tremendous adversity, and each time has triumphed, becoming stronger, freer, more prosperous, and more indispensable to the world.

Six years ago, we faced a different kind of challenge -- with the onrush of global economic competition, sweeping technological change, an ever-more-diverse America, and a chaotic post-Cold War world. We were failing to master this change. Our economy was

faltering. The standard of living for working families was stagnant. Crime, welfare, teen pregnancy, the decay of our great cities, all seemed destined to worsen forever. The federal budget deficit, painful symbol of political gridlock, was nearly \$300 billion and rising. The citizens of other nations saw the United States as another one of history's great powers facing inevitable decline.

But Americans did not believe that. When I assumed the Presidency six years ago tomorrow, I told our nation that "there is nothing wrong with America that cannot be cured by what is right with America." I believed then -- and I believe still -- that if we offered opportunity to all, demanded responsibility from all, and built a community of all, we could renew our nation.

And so we have. For six years, with energy and ambition, with daring and drive, our people have risen to the challenge of change. From one end of this nation to the other, citizens have rolled up their sleeves and worked hard to renew their neighborhoods, their businesses, their families, their communities, their country.

With more than 17 million new jobs, wages rising at twice the rate of inflation, the lowest unemployment and inflation in a quarter century, the highest homeownership ever, cutting edge new industries, we have created a new economy. It's now official: our peacetime economic expansion is now the longest in history.

Today, I stand before you the first president in three decades to report that the budget is not just balanced, but in surplus.

Today, I stand before you to report that crime and welfare are at their lowest point in a quarter century.

Today, I stand before you to report that the environment is the cleanest in a quarter century, and that we have cut pollution from factories in half -- even as our economy has boomed. For the first time in recorded history, the rate of cancer has fallen.

Today, America stands tall as the indispensable force for peace in the world, bringing reconciliation to lands torn by ancient hatreds -- from Northern Ireland to Bosnia to the Middle East. And every American should be proud that our fighting men and women have struck at an arsenal of weapons of terror in the hands of a dictator -- and doing so without a single loss of life.

Perhaps most important of all, we proved again to ourselves and the world that when America faces a challenge, we meet it. This nation of young men and women, born in revolution and renewed in each generation, once again is building a new America for a new time. President Washington at the time of the first State of the Union Address said that succeeding generations must carry forward "the sacred fire of liberty" which is "finally staked on the experiment

entrusted in the hands of the American people." My fellow Americans, at the end of one American century and the dawn of another, that fire, that sacred fire, burns brightly. The State of our Union is strong.

Our union is strong because our vision is clear.

We have moved past the sterile debates over the size and scope of government. America needs a progressive government, a modern government that is flexible, creative, and lives within its means -- that is driven not by rigid ideology, but by the ideas that work. We need a 21st Century government to meet 21st Century challenges.

We have moved beyond the old assumptions that government must either seek to dam up the currents of economic change -- or tell our people to sink or swim on their own. America needs a progressive government that harnesses the power of the global economy and gives people the tools to make the most of their own lives.

We have begun to shape a new America, drawing on our oldest traditions, calling on the vitality of new immigrants from around the world who have become Americans by sharing our ideals.

This is a time of unsurpassed prosperity. And it would be easy, and understandable, for a

nation to kick back, coast, relax. But these new times pose new perils even as they open wide new vistas of opportunity. Ultimately, the question we face is as old as our Republic. Can we – will we – use the prosperity we have created to meet the great new challenges of the 21st Century? Will we act now – as our parents did, time and again, throughout this century -- to strengthen this nation, so that the lives of our children and grandchildren will be even more prosperous, secure, and full of possibility than our own?

[Let me say something about the spirit in which we should approach this work. ...] [rise above rancor, civility, progress over partisanship] Now let's go to work.

Fiscal discipline/Social Security

Our fiscal discipline and growing economy have given us an unsurpassed opportunity to act to address our greatest new challenge: the aging of America.

In the past six years, we have freed up \$ billion for productive investment. And lower interest rates have put [\$ billion] in the pockets of working families. So we must hold fast to our fiscal discipline. I will resist any tax cuts or spending programs that put our balanced budget at risk.

Today, the federal government is the smallest since -- well, since John Glenn first orbited the Earth. Thanks to the pioneering leadership of Vice President Gore, we have reinvented our government, in partnership with federal workers, doing more with less. Tonight we commit: we will further reduce the size of the federal workforce by 100,000 this year.

This fiscal discipline has given us a rare and fleeting opportunity to build for tomorrow.

We must begin with the greatest demographic shift our nation has ever seen. America is and will forever remain a youthful nation -- boundless in its energies, uncontained by convention, impatient in the pursuit of progress. Though our nation is young, our people are aging. The Baby Boom will soon become a Senior Boom. Living longer is what I call a 'high class problem.' But we have no choice but to get ready.

Social Security is more than just a program, more than just a check in the mail. It reflects our deepest values as a nation: the duty we owe to one another. When President Roosevelt created Social Security, a widow wrote to him asking to be released from "the terror of penniless old age." Even today, without Social Security, half of our elderly would plunge into poverty.

Today, Social Security is strong. But soon it will face a looming demographic crisis. By 2030 it will not be able to pay out full benefits.

Last year, from this podium, I said we should set aside the surplus until we save Social Security first. I thank the Congress for passing a bipartisan balanced budget that invested in education, hired 100,000 new teachers, and above all, saved the surplus. Now we must use it to save Social Security.

Here's how.

[Social Security discussion, pending your decision]

[Medicare discussion, pending your decision]

There are many other ways to address the challenge of an aging America.

Today, millions of households are caring for elderly relatives and even neighbors, often at great cost to their families. Our parents worked and saved and sacrificed to care for us in our youth. Adult children are working and saving and sacrificing to care for their parents in old age. It is the cycle of life -- a vital and sacred compact among generations -- and one we should recognize and reward as a nation.

That is why in my balanced budget I will propose a long-term care tax credit -- \$1,000 for people with long-term care needs or for the families that shelter them. It would help offset the direct costs of long-term care, like home health visits and adult day care, as well as the indirect costs, like the unpaid leave some family members take from work. The care they provide is

invaluable; but we can show we value it very much indeed.

[elderly housing]

[intergenerational centers]

In new economy, opportunity for our people will depend on their creativity, their knowledge, and their skills. In the 20th Century we built a system of public schools that lifted millions into the middle class. Now we must build public school system for the 21st Century.

With easier student loans, more Pell grants for deserving students, 1 million new work study jobs, education IRAs, and the HOPE scholarship that nearly 6 million Americans received this year, today we can say what we could not say six years ago: Every high school graduate in America, regardless of income, can afford to go to college.

When it comes to renewing our public schools, we have made steady progress: Nearly every state has imposed tougher academic goals. Thousands of schools have cracked down on drugs and gangs, and students who were once literally killing each other over jackets and sneakers are now wearing school uniforms. We have found ways for values and religious faith to find their proper place in our public schools.

All these efforts and more have begun to bear fruit. SAT scores have climbed every year since 1993, and average math scores for have risen nation wide. But while our fourth graders outperform their peers in other developed countries in math and science achievement, our twelfth graders rank at the bottom. Clearly, American students start out smart, but the system fails them. We must do better.

Last year, we reached across party lines on behalf of our children and began to hire 100,000 new teachers to reduce class size in the early grades. I ask this Congress to renew that commitment until we achieve the goal of hiring 100,000 new teachers. Smaller classes will mean more discipline, more attention, more learning.

We are making progress towards connecting every school and classroom in America to the Internet by the year 2000, but we are not there yet. Over a million classrooms remain cut off from the technology that all children will need in the 21st Century. This year, over \$1 billion will become available to connect every classroom. I ask every school in every community in America to link our children to the future.

I ask the Congress to fund a Digital Library that will put online state of the art math and science curriculum, the treasures of the Smithsonian, and most important of all, will make available up to 400,000 books. Imagine what it will mean when we can put at the fingertips of every child in every community all the knowledge of human history.

And once again I ask the Congress to help communities modernize or build 5000 new schools. Our children deserve to learn in clean and well-equipped classrooms. Children who learn in trailers will trail behind. We cannot have 21st Century schools in 19th Century buildings.

All these steps will build the 21st Century schools our children need. But the most important thing we can do is to bring a revolution of rising expectations to our schools: higher standards, strict accountability.

Every spring, one in five public school students moves from grade to grade even though their own teachers say they haven't mastered the basics. That's nearly 10 million students each year, destined to fall further and further behind. And each year, hundreds of thousand of young people graduate high school without the skills they need to balance a checkbook or fill out a job application.

Tonight, I ask you to join me in launching a bold and concentrated drive to bring reform and renewal to every public school in America. Each year the federal government invests over \$13 billion in our public schools. I believe we can get a better return on that investment by demanding real accountability. I propose that every school in every community receiving federal help for their schools take the following steps.

First, schools must end social promotion. From now on, students simply will not be able to graduate if they have not mastered the basics. Advancing students who have not mastered the basics does great harm to those students and sends the message to all students that performance and effort don't matter.

It would be wrong to mark these students as failures when our schools have failed them. If we are going to hold students to high academic standards, we must give them the help they need to meet those standards. That is why my new balanced budget contains an additional \$400 million for academically-enriched summer school and after school programs. After school programs will keep students learning and off the street in the hours after regular school lets out, when juvenile crime soars and working parents are frantically struggling to get home. Our children should learn their lessons in a classroom, not on the streets.

Second, states and school districts must take responsibility to identify their worst-performing schools, and do everything possible to turn them around, as Chicago has done. If that means bringing in new principals, fresh resources, and better-trained teachers, so be it. My balanced budget includes \$200 million to help communities turn around failing schools.

Third, teachers must be qualified to teach. But today too many teachers simply aren't trained in the subjects they are teaching. In Massachusetts last year, sixty percent of teachers failed a basic competency test.. States and school districts should require competency tests for

incoming teachers, and swift but fair procedures for removing those who cannot do the job. A teacher who cannot teach has no business being in the classroom.

[teacher recruitment?]

Fourth, we must empower parents with more and better information about their local schools. It is usually easier to get information on the quality of local restaurants than the quality of local public schools. Schools issue report cards on students. I believe every school district should issue report cards on schools.

We must also give parents more choice within the public school system, with 3000 innovative, independent charter schools by the Year 2000, and with new public school choices tailored to the way families work and live today -- including new public schools located at workplaces, so that harried working parents can spend more time with their children and be more involved in their education.

[national tests]

[Anecdote -- Jenner Elementary School in Cabrini Green, which I visited. Test scores at Jenner have doubled on a percentage basis in just one year.]

In the information age, learning must continue throughout a lifetime. Today, there is not so much an income gap as a skills gap. This past year I was proud to sign bipartisan legislation to transform our worker training system. With a simple voucher, Americans can now choose the skills they need. Now we must build upon that momentum -- with a national campaign to improve adult literacy, with new online learning, with a new drive to ensure that every American who needs cutting edge training gets it.

[21st Century economy -- R&D, Y2K, financial consumer protections]

To build a 21st Century economy, we must do more to make sure that opportunity reaches into every home and prosperity extends into every corner of every community.

Already, by expanding the Earned Income Tax Credit, we have helped [x] million work their way up from poverty. In this time of prosperity, a family that is working should not be poor. We should raise the minimum wage.

Already, empowerment zones, a new network of community banks and lending institutions, and a dramatic increase in investment by private banks has brought [\$x] trillion into our inner cities and poor rural areas. Tonight I propose the next stage of our urban opportunity strategy. More capital into our inner cities. A new American Private Investment Corporation to make loan guarantees for investment in our untapped domestic markets. Tax credits for new

investments.

And we must work to make sure that prosperity reaches rural America. Family farms are where our values take root. But even in these good times, too many farmers are struggling. We must work together to improve the farm safety net.

Already, over seven million Americans in the past six years have bought their first home. Tonight, we launch a new drive to give every American in every community the pride that comes with owning a home. 100,000 new vouchers to help poor people move out of public housing. And I am pleased to announce that the nation's homebuilders have committed to build one million new homes in our cities by [x].

We can and must do all these things to widen the circle of opportunity at home. But we know that now and even more so in the years to come, the prosperity of our nation depends upon the prosperity of the world. Our nation has benefitted greatly from the free flow of goods and capital. Until recently, a full one third of our economic growth has come from trade. But over the past year and a half, financial turmoil around the world has put that growth at risk.

Our nation has no choice but to lead -- to spur global growth, to stabilize global economy and keep the world trading system open, free, and fair. The world economy is still in flux. But because America led and America acted, the world economy is much more sound than it would

have been. I thank lawmakers of both parties for your support.

[international financial architecture -- taming boom & bust/putting a human face on global economy]

For too long, trade has divided Americans, across lines of party and philosophy and economic station. We must find a new approach to trade – the common ground on which business and labor and government can stand. This common approach must be the basis of legislation giving the President traditional trade authority.

Tonight I propose to launch new trade negotiations to open markets to our goods and services – a new round of negotiations in the World Trade Organization to expand our exports of farm products, services and manufactures -- trade with Africa -- a Free Trade Area of the Americas -- trade with the Central American nations devastated by the recent hurricane.

In all these, we must press for trade that is more open and more free. [But we must also press for trade that promotes the dignity of work and the rights of workers.] We must insist that international trade organizations be open to the sunlight of public scrutiny. We must insist that trade rules never be used as a pretext to destroy environmental protections. We must never let vigorous international economic competition become a race to the bottom among nations.

And we must act, once and for all, to end the most exploitative trade practices of all. I will sign a new international agreement to ban child labor everywhere in the world.

We must do more to help American manufacturers, hit hard by economic turmoil abroad, as our trading partners are unable to buy our goods – and import cheaper goods into our markets at the same time. Tonight I propose an initiative to help American manufacturers in this difficult time. I ask the Congress to provide \$100 million to spur American exports abroad. Let's be clear: If steel is being unfairly dumped in our country we must be willing to enforce our trade laws to protect our workers and communities. But America must stand firm against a worldwide wave of protectionism that would put up walls and close down the opportunity, growth and freedom that comes from an open global economy and trading system.

[international financial architecture]

In the 20th Century, the American family underwent tremendous stress as it adapted to new ways, but survived and was transformed. Now, we must strengthen the American family for the challenges of the 21st Century.

Families today face more stresses than ever. A commercial culture that too often influences our children the wrong way. The pressures of work. Family breakup. Governments don't raise children; parents do. But we can help those parents every way we can.

Then we must act to give all our families access to a 21st Century health care system.

To do this, we must make certain that the rise of HMOs and managed care plans do not diminish quality as they decrease costs.

Here is a true story told to us by an emergency room physician from Dearborne, Michigan. A patient was rushed into the emergency room; he had died. The doctor managed to resuscitate him, and he revived. But the man's health plan said they would not pay, because they did not believe it was "an emergency" and the patient had not gotten prior approval from the health plan.

Our health care bill of rights says: Every American should have the right to the best care, not just the cheapest. The right to see a specialist. The right to continuity of care. The right to emergency care.

Within my power as President, I have acted, extending these rights to the 85 million Americans served by Medicare, Medicaid, and other federal health plans. But only Congress can extend this Patient's Bill of Rights to all Americans, and again I ask Congress to do so, on a bipartisan basis, early this year.

Step by step, we must also extend health insurance to every American. We should give people 55 and older the chance to buy in to Medicare. We should make it easier for small businesses to offer health insurance to their employees. We should pass the bipartisan legislation, introduced by Senators Kennedy and Jeffords, to allow people with disabilities to buy Medicaid health insurance when they return to work.

And we must continue to invest in the medical research that has begun to flower into the greatest burst of innovation known to Man. In just the past six years, medical researchers introduced the first effective drugs to treat HIV. They have begun testing the first drugs to prevent or reduce risk of cancer. They have found a way to grow new blood vessels around a diseased heart. They have discovered the process of aging itself – raising the prospect of new treatments to prevent or delay the infirmities of old age, from Parkinsons to Alzheimers to arthritis.

My balanced budget will keep us on track to increase the budget for the National Institutes of Health by fifty percent. We know now we can entirely eradicate polio from the earth by the end of next year. by voting to fund scientific research, you will commit our nation to finding a cure for cancer and HIV early in the new century.

[privacy -- I will act]

[mental health -- Mrs. Gore]

Welfare to work

21st CENTURY COMMUNITIES

Crime

For decades it seemed as if crime – increasingly vicious, increasingly random -- was an ever-worsening threat to our domestic freedom. Six years ago, our country was at peace, but too many of our communities were at war. Gangs and drug dealers controlled entire neighborhoods where even police officers weren't safe to walk the streets. Too many families lived in fear. And too many children did not believe they would live to see the ripe old age of 20.

Then the national government said that we would no longer stand on the sidelines -- we would go to the frontlines and help communities take back our streets from crime. In 1994, we enacted a comprehensive crime bill, based on what law enforcement and community leaders alike told us they needed. Our strategy was simple -- more police on the beat and fewer guns in the hands of criminals, tougher punishment, better prevention -- and the results

have been nothing short of remarkable.

Today, crime is declining dramatically, dropping a record seven years in a row. Violent crime is at its lowest since [TK]. Murder is at its lowest rate since 1962. Across the country, from Oakland to Chicago to Boston, in cities large and small, communities once ravaged by crime are coming back to life.

But you and I know that crime is still a dangerous fact of life in too many neighborhoods. That is why we must build on our success of the past six years and decisively break the cycle of violence in America.

Tonight I propose a crime bill for the 21st Century to press our growing advantages against the criminals, so we can deploy the latest tools, technologies and tactics to the fight against crime. We know what works -- and now we must put that knowledge to work.

This year, we will reach our goal of putting 100,000 community police officers -- under budget and a full year ahead of schedule. Now we must give this new law enforcement brigade the support it needs, with a substantial new investment to put more police on the street ... to hire 2000 prosecutors ... and to give law enforcement the high technology tools they need to fight crime, so they can move from Dragnet to catching criminals on the Internet.

But to really prevent crime in the twenty-first century, we must address the cause of crime. And that means severing the deadly connection between crime and drugs, and doing more to get drugs off the street.

The men and women in our nation's prisons are doing time for different reasons, but the overwhelming majority -- a full 80 percent -- have one thing in common: a drug problem. Once they return to the streets, only 1 percent are ever drug tested, and as a result, most return to drugs. It's an ugly cycle of crime and drugs and prison -- a cycle we can and must break.

My balanced budget proposes \$100 million for drug testing and treatment for prisoners, parolees and probationers. If they test positive for drugs, they should be ready to face the consequences. We should say to every criminal in America: if you test positive for drugs, you are going back to prison.

Next, we know that one of the greatest factors in the declining rates of murder and violent crimes have been the declining numbers of guns on our streets. The Brady Bill into law -- and it has been an unqualified success. Since it took effect, 250,000 felons, fugitives and stalkers have tried to buy guns have been turned away empty handed. That's enough guns to overflow the floor of this chamber. Who knows how many lives have been saved.

Now the requirement for a waiting period for buying a handgun has expired. I ask the Congress to keep in place a law that has worked, and make a mandatory waiting period for buying a handgun once again the law of the land.

We can do more to take guns out of the hands of criminals. We should crack down on gun shows, where unscrupulous individuals slip through a loophole to buy guns. I call on Congress to pass legislation so that every sale of every gun at every show is governed by the same law. No background check, no guns, no exceptions. And we should say: nobody but a gunrunner needs to buy more than one handgun a month.

My friends, it is no mystery why the murder rate was so high in the 1980s. It was a simple equation: young men, with guns, involved with drugs, equaled murder. Law enforcement across America has focused on this phenomenon and begun to take back our streets. Now we can break the cycle of violence and drugs for good.

We must protect the environment for the 21st Century.

A century ago, President Theodore Roosevelt told our nation that no task is more important than "leaving this land even a better land for our descendants than it is for us." He set aside millions of acres of forest and mountains and valleys and canyons -- lands shaped by the

hand of God over hundreds of millions of years -- so they could not be sacrificed for short term gain.

This is the vision we are fulfilling yet today, with our work to protect California's ancient redwoods, Utah's stunning red-rock canyons, and our precious Yellowstone, America's very first National Park. The air we breathe is healthier, the water we drink cleaner. The American bald eagle, the symbol of our national strength, is thriving once again. I am very proud to announce that later this year we will officially remove the bald eagle from America's endangered species list. But for America to soar high and free throughout the new century, there are new environmental challenges we must come together to meet.

The most profound environmental challenge of the 21st Century is the quickening threat of global warming. A few days ago, scientists confirmed that 1998 was the warmest year on record, topping the previous heat record, set just one year before. The extreme weather of the last year -- crippling ice storms and biblical floods, deadly heat waves and withering drought -- are but a foretaste of what future generations will endure unless we act now.

Tonight, I call for several major new actions to advance our nation's aggressive, common-sense strategy: a clean air fund to help coal-burning factories to convert to cleaner fuel; new research and development to spawn clean, efficient energy sources; tax cuts for the purchase of energy-efficient cars, homes, and appliances; rewards for companies that take early,

voluntary action to reduce their greenhouse pollution. And finally, we will continue our vigorous diplomatic efforts, at the highest levels, to ensure a truly global response to this global threat.

Another new environmental challenge is, quite literally, in our very backyards. At a time when so many more Americans are sharing in our prosperity, buying new homes, and living the American Dream, we must find new ways to keep our growing communities livable and green.

So tonight, Vice President Gore and I propose a \$TK initiative to help states and communities restore and expand city parks, preserve precious green spaces in our growing suburbs, and to keep prime farmland from being paved over with parking lots. In so many ways, the most important park is the one near our house. We have proven at the national level that economic growth and environmental protection go hand in hand; we can prove this in communities across America as well.

Other community issues -- to come:

- One America
- Immigration
- ENDA
- Hate crimes

- Strengthening democracy
- Political reform
- Service - Americorps
- Millennium Project

A STRONG AMERICA IN A NEW WORLD

[Foreign policy section, to come]

Peroration on the meaning of the new millennium -- the need to face it with optimism

The strength of our union is measured not only in laws passed or speeches delivered. The real gauge of our progress is whether responsibility and mutual respect are on the rise. The real test of our resolve is whether parents can unlock their front doors with confidence and let their children play in front yards without fear. The real measure of our prosperity, in short, is not found in possessions, percentages, or profits alone, but in the potential of our people, in their dreams and hopes and ideas -- the things that are never counted on the balance sheet, but count for everything.

12/16

SOTU - Cheap ideas

→ E-Justice - enhanced penalties
for victims of a certain age.
- children - already in E-Justice package
- elderly (??)

Technology -
Newly:

1. Elder tech (downstream price)
show new techs (e.g. at DOD) VP: Moo translation
2. Y2K Corps - tech experts going to other countries - tech assistance
3. Crime tech
 - gun detectors (??)
 - plug in crime bill
 - laptops in cop cars
 - more crime reporting re school viol. (??)
 - crime mapping to public (??)
4. Disaster mitigation/planning - tech
5. Consumer - financial BOP consumer wh - 1st
wh of Fed
 - protect privacy in finan merger
 - ~~can~~ info re bank fees, ATM fees
 - prevent abuses in base-to-crm transactions
6. Spammy/cracking
FCC scheduled to act.
(could act next week) Patients Bill
of Rights
7. Health - medical records privacy
As of August - he can implement himself.
8. Health - genetic discrimination
9. Polio - eradication by end of Yr. 2000
10. Race - affirm action issues??
11. Gene - Require states to raise compulsory school age to 17 or 18
(probs on rural side)
12. Higher education - campaign

Car safety?

- car seats
- air bags

What?? - services??
reimbursement gvt??

13. Train America - Where First campaign

14. FMLA - under 25

15. Elderly transportation

16. Elder care - reduced rates for commuters

17. Yr of aviation - safety / competition / FAA reauthorization

Mandates

18. ^{Ag} Safety net. "Wash of state"

Environment

19. Climate ^{change} ~~act~~ - ^{early} to encourage action on emissions reduction
Lieberman / Clinton / Graham bill

20. Climate change - initiative to encourage state/local efforts
look to issue EOs to reduce fed. energy use.

21. Water quality - reauthorize + strengthen Clean Water Act

* 22. Endangered species - bald eagle delisted later in year.

23. Lands - wilderness design - bundle together + say should go this yr.
needs leg.

24. Nat forests - road building moratorium in forest areas -
come up w/ long-term review

25. Double # of green marine sanctuaries

Traffic / road rage?

ISFGA fund?

DB to take look.

OF legislative

HHS / DOT / AEP binge drinking ?? (see report)

Parity / drug treatment ??

Gun - 1 gun a month

"gun shows?"

"Offender accountability" / coerced destitution

Service - sr shift 100,000

Substance - suit

EMT - lots of shift. Teachers + school availability.

WR - new contracts / fed govt lines / WfW Part 10,000.

New child support #s - up 68%

w/ new initiative

WR to WfW program - Partners / substance abuse / language

Poverty rate - also ↓

Equal Pay

Anti-Smoking

Habeas Corpus

ENDA

Immigration - EOL / citizenship: Americanization

Interests of the people

check of the people

the people

the people

the people

the people

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fraud and other crime that preys on seniors, to provide housing and transportation for the elderly, and to strengthening pension protections and enhance pension portability.

Education -- teacher quality. The DPC believes that the most important and memorable new element to your education agenda should be a focus on teachers -- teacher training, teacher quality, teacher recruitment. This would build on the success this year of beginning to hire 100,000 new teachers (a proposal, it is worth noting, that gained more political traction than any previous education reform efforts).

The proposal being crafted will have several elements. Most noteworthy would be a new requirement, tied to federal aid, that new secondary teachers pass competency tests in a subject before they can teach it. In addition, we will mount a nationwide crackdown on teacher education schools, and move to reform teacher certification. These steps will be coupled with increased teacher recruitment scholarships, funds to help teachers go back to college when they teach outside their field. We can use the opportunity of the reauthorization of the ESEA to provide both "carrots" and "sticks" for a teacher quality initiative.

In addition, we will advance an expanded initiative on social promotion -- giving communities that end social promotion more money for after school and summer school, tutoring, and other means to help children live up to high standards. Finally, there would be an array of other education initiatives, including a focus on failing schools and a renewed call for school modernization.

Breaking the cycle of violent crime -- a Crime Bill II. The 1994 Crime Act will expire at the end of FY 2000. We recommend that you challenge Congress to pass a new crime bill that builds on the core elements of the successful 1994 Act -- more police, smarter punishment, and more prevention. We believe that a new Crime Act should include the following elements: First, it should hire more community police and community prosecutors, with an emphasis on technology and training. It should expand the use of probation supervision and drug testing and treatment for prisoners and parolees. It should press your longstanding firearms priorities (juvenile Brady, Brady II, federal CAP legislation and child safety locks), and crack down on gun crimes and gun traffickers. Finally, in addition to other crime bill prevention programs, we could invest in promoting values-based crime and violence prevention efforts.

International economics. Last year, you discussed the international financial crisis when it was in its relatively early stages. Given the continued financial turmoil, and its impact on our own economy, we believe that the speech should have a significant discussion of world economy and the need to strengthen the international financial architecture. The NEC will be working to flesh out what should be said in this area, as well as an ambitious trade agenda building on the goals you anticipated at the WTO speech in Geneva. This will be the first time a broad television audience has heard your new synthesis on trade.

Tobacco/prescription drugs for Medicare beneficiaries. Our best leverage over the tobacco industry is the prospect of a federal suit to recoup Medicare costs associated with

smoking. We could call on Congress to enact Senator Graham's legislation to authorize such a lawsuit (which would make the Justice Department more likely to bring it). At the same time, we could ask for funds for DOJ and HCFA to prepare a lawsuit against the tobacco industry. We could pledge that any proceeds from such a lawsuit would be used to provide a new prescription drug benefit to Medicare beneficiaries.

At the same time, you would once again push for the Patients' Bill of Rights, and could propose an array of expansions of coverage (including, possibly, a smaller version of the Medicare buy-in).

Workforce skills initiative -- closing the skills gap. With the long struggle for the GI Bill for Workers now successfully completed, you can more overtly address this remaining piece of your lifetime learning agenda. Under a proposal being developed by the NEC, every dislocated worker would get training within five years, every unemployed person would get some kind of reemployment services, and every worker would have access to one-stops. You could also advance an adult literacy initiative. You could also challenge American companies to train American workers first, before seeking to import foreign high-tech workers.

* * *

There are, of course, other significant policies being developed.

* Child care and after-school care will need to be revisited.

* **Environment** – EPA and CEQ are working on a quality-of-life based agenda that would help communities attain 'green spaces' such as parks and wilderness, and address uncontrolled development (the subject of 200 environmental ballot initiative victories this November), and initiatives to protect coastal and river areas. In addition, you can discuss next steps on climate change.

* **Consumer protection** – From a financial consumers bill of rights now being developed by the NEC, to an array of other consumer protections, you can propose a consumer protection agenda (this would be the first such explicit agenda in one of your State of the Union Addresses).

* **Strengthening democracy for the Year 2000** – In addition to campaign finance reform, we are developing new proposals to increase voting and enhance democratic participation, such as making Election Day a holiday.

* **An appeal for One America**, including an overt appeal against anti-immigrant sentiment (as you did powerfully at Portland State)

* **Medical research and medical ethics issues**

* **Y2K**

✓* The Millennium Project

Finally, we are working with the National Security Council on its proposals and outline.

THEMES & POLICIES
1999 STATE OF THE UNION

12/1/98

Strengthening the economy

Fiscal discipline
Social Security

Training
Minimum wage

International:
Trade package (including worker & environmental stuff from WTO?)
International financial architecture

The aging of America

Social Security
Medicare
elderly care tax credit
elder crime
elder housing
Senior Corps -- AmeriCorps
Intergenerational centers

Education

Social promotion
Teachers -- quality, hiring, recruitment
School modernization
Finish computers in classroom
Schools at workplace
Adult literacy
More on standards?

Health care

Patients' Bill of Rights
Tobacco

Quality of life

Environment:
"Green spaces" initiatives/sprawl
Rivers, lakes and streams initiative

Clean Water Act reauthorization
Possible clean car announcement

Crime

New crime bill
Juvenile crime
Drugs & prisons

Strengthening democracy for 2000

Election day a holiday
Campaign finance reform
Voting by mail?

Consumer protection

Financial consumer bill of rights
Cyberspace
Food safety
Other?

Future/millennium

Biomedical research

AMERICA'S BIG CHALLENGES
FOR THE 21ST CENTURY

*This is the skeletal outline you wrote out
on Air Force One, for your review*

December 3, 1998

1. The aging of America

Social Security
Medicare
Long term care
other elderly issues

JP: Repair farm
safety net

2. Strong children in the 21st Century

Education
After school
Tobacco

3. Strong families for the 21st Century

Child care
Health care

4. 21st Century Environment

POTUS - Put rural
stuff in here?

5. Opportunity in the 21st Century Economy

At home: Empowerment -- poor areas, training
Around the world: trade
finance

6. 21st Century Security

At home: Crime bill II
Around the world:
Readiness
Weapons of mass destruction
Land mines (?)
Value of engagement/foreign aid

Peace

7. 21st Century Community

At home: Millenium
One America -- incl. ENDA and hate crimes
AmeriCorps/service
America & the world: Immigration

School construction - !

EDUCATION OPTIONS

Health - two groups

1. SS-65

2. Young single
buy into Medicaid

I. ESEA REAUTHORIZATION

A. Possible New Conditions on Title I Funding

- easy stuff: send parents annual report cards, states list worst performing schools
- end social promotion and require summer-school/after-school programs
- require new teachers to pass basic skills test (and/or subject matter tests)
- establish a fair, timely process to fire burnt-out teachers
- phase out use of teachers aides
- phase out use of teachers on emergency certification and/or those teaching out of field
- provide public school choice
- shut down failing schools
- require national test

B. Possible Incentives & Sanctions

- bonuses for improved performance
- require states to pass laws giving them authority to take over failing schools/districts
- reduce funding for schools that don't improve performance

II. CLASS SIZE EXTENSION

- require all new teachers to pass basic skills test
- establish a fair, timely process to fire burnt-out teachers
- phase out use of teachers on emergency certification

III. BUDGET PROPOSALS

A. Teacher Quality and Recruitment

1. Troops (and midcareer professionals) to teachers -- \$60 million
2. Teacher Corps (Teach for America) -- TBD
3. More teacher scholarships -- \$100 million
4. Principal academies -- \$50 million

Master teacher program

B. End Social Promotion / Expand After-School Programs -- \$500 million increase replaces \$200 million from Education Opportunity Zones

C. Work-site schools -- \$20 million

- W/in charter school initiative

D. Second-chance schools -- \$50-100 million to establish schools for disruptive students in districts that adopt strict discipline codes (Kerry proposal)

E. AmeriCorps -- \$175 million

1. Senior Corps -- 40,000 seniors for after-school tutoring
2. 100,000 members a year by 2001
3. Work-study requirement -- 7% to 25% over 3 years

Something to get drop-outs back in?
lead to this ED init - spend any? That to try to get people back in

State of the Union

Preliminary discussion of the SOTU. Once again, the SOTU must serve as a vehicle for defining your governing principles, your progressive agenda, and the steps necessary to continue preparing America for the 21st Century. Given that this is an off-year with close to a working majority in the House for centrist proposals, this is perhaps a better year than 1997 for significant accomplishments. It is perhaps our most important remaining hour for communication to 80 million Americans.

Michael Waldman:

You will deliver this State of the Union at a turning point for the country and your Presidency. Expectations will be high, but the opportunity is also great. You continue to have strong support throughout the country. The Democratic Party's historically unprecedented midterm election victory has narrowed the partisan imbalance in Congress.

The country now, plainly, has embraced your political philosophy (which has spread not only to successful GOP governors but throughout the industrial world). (We will drum this point home in the DLC speech in December.)

So you can use this opportunity – the last before Election Year 2000 – to command the public's agenda as only a strong State of the Union Address can. We must show that the administration continues to be the source of new and innovative ideas to meet the nation's challenges.

The speech should once again broadly address strengthening the nation for the 21st Century. It should advance the progressive principles of a fiscally responsible but activist government.

For the first time in several years, concerns about the future strength of the economy have grown sufficiently to merit an "economic plan" – key fiscal and international moves along with domestic investment that will ensure the strength of our economy despite the overseas turmoil.

Advancements in Social Security, education, and healthcare, racial healing and engagement in the international economy all remain part of your brand of progressivism in this new era. We have to consider the measured role of tobacco and childcare initiatives, which affect the key suburban woman voter.

We should also use this address to confront the weaknesses of the Democrats – the areas of crime, military readiness, rural and senior voters. Defining an **anti-violence** and anti-crime program that starts with the issue of kids and guns and ends with the issue of eldercrime could be quite powerful.

Proposals

This is a testing of more of the proposals that the policy and other shops have put together. This adds new proposals from this week with old proposals from last week.

Crime

We need some proposals on eldercrime, as some ideas tested before were in the 90s.

I am going to tell you some things that President Clinton could introduce in the coming months. Please tell me if this proposal would make you much more favorable, somewhat more favorable, somewhat less favorable, or much less favorable towards President Clinton.	Much More Favorable	More Favorable	Same	More Unfavorable	Much More Unfavorable	Don't Know
Expanding anti-gang measures which include anti-truancy, school, violence and crime intervention; and after-school programs to keep kids off the streets.	60	85/13	99/1	62/34	90/8	95/4
Announcing the official implementation of the Brady National Instant Criminal Background Check System that will help keep guns out of the hands of criminals.	58	79/17	92/5	52/40	87/12	89/8
Announcing a program of 'no drugs, no guns' for felons convicted of violent crimes by requiring drug testing of parolees and prosecution of felons caught carrying guns	54	86/10	89/4	85/11	84/14	87/9
Announcing a criminal disarmament proposal which would establish zero tolerance for violent felons with guns to reduce the number of criminals who carry guns	51	86/13	89/6	85/13	81/18	86/12
Allocating 500 million dollars to provide police officers with the tools and equipment needed to be safe and effective, such as bullet-proof vests, radios, and laptops.	51	75/19	86/15	71/25	70/20	78/18
Promoting a new zero-tolerance for drug use plan aimed at keeping prisoners and parolees off drugs which will allow states to use up to 10 percent of their prison funds to drug test and treat prisoners and parolees.	45	74/22	82/14	63/34	78/18	79/16
Announcing plans to give more funds to hire new Alcohol, Tobacco and Firearm agents to investigate gun trafficking around the country.	37	68/28	84/12	35/55	76/23	79/18
Announcing a series of new grants to support values-based crime prevention efforts, underscoring the role that civic, community and faith based organizations can plan in reducing crime.	34	73/19	79/15	69/27	73/20	76/16
Announcing that the FBI Crime Report Data shows that crime has decreased dramatically under the Clinton administration.	32	61/24	87/4	37/38	57/30	71/18

Social Services: Welfare//Medicaid

	More Fav	Much Fav	More Fav	D	F	I	DxI
Announcing directives to crack down on food stamp fraud so individuals and retailers can not exploit the food stamp system	60	83/13	91/4	80/18	78/18	84/11	
Allowing people with HIV/AIDS and other disabling conditions, such as cancer and mental illness, to buy into Medicaid when they return to work	44	74/18	92/5	57/28	71/24	82/14	
Announcing a tax credit for people with disabilities returning to work or a program to help people with disabilities go back to work.	43	82/15	90/8	77/21	80/16	85/12	
Announcing the falling welfare role and rising work participation rates resulting from the welfare-to-work programs.	41	78/13	87/1	78/19	73/19	79/11	
Reaching out to low-income Medicare beneficiaries who are eligible to have their premiums covered by Medicaid	40	76/16	85/6	55/36	79/13	82/10	
Announcing a new program for welfare-to-work recipients to apply for 50,000 welfare-to-work housing vouchers.	33	59/34	77/17	47/47	52/43	62/31	

Education

The unfinished business of school modernization remains critical. Of these proposals, the idea of expanding worker training by formalizing them as a benefit with tax deductibility available to all workers has appeal.

	More Fav	Much Fav	More Fav	D	F	I	DxI
Worker Training: Requiring employers who get a tax break for training to provide training to all workers, not just to executives.	56	83/16	86/15	71/27	90/10	87/12	
Creating a rating system for public schools so schools know how they are doing and to encourage improvement of poorly rated schools	51	83/15	86/11	72/24	87/13	87/12	
Expanding the Americorps program to create a Senior corps of 10,000 Senior volunteers to serve as tutors and mentors and in after school programs	50	82/14	96/3	64/29	83/12	90/8	
Providing tax breaks to teachers to live and teach in low income areas	46	78/20	91/8	69/25	73/27	82/18	
Urging schools to make more of an effort to include parents and encourage their involvement with their child's education	42	84/9	96/0	60/28	97/3	96/1	
Requiring colleges and universities to use more of their federal work-study funding for students employed in community service	41	74/20	78/14	67/30	81/17	79/16	
Creating school leadership academies to train effective principals in areas such as management, teacher evaluation, and school discipline.	40	72/23	81/15	54/45	78/18	80/17	
Expanding the Americorps program from 50,000 to 70,000 members	39	74/	88/	49/	81/	84/	

per year to serve in after school and summer school programs		20	5	42	17	11
Signing an executive order prohibiting discrimination in education programs conducted by the federal government	37	71/ 17	83/ 2	43/ 44	80/ 12	82/ 7
Forgiving student loans for students who choose to become teachers	33	54/ 43	70/ 28	46/ 51	48/ 52	59/ 40

Families Agenda

	More Favorable	More Assistance	D	R	I	D+I
Passing the Enhancing Family Life Act that would include proposals related to families including expanding 'second chance' homes, promoting adoption, funding early learning programs and Parent Grants.	45	76/ 15	85/ 8	65/ 25	78/ 17	81/ 13
Announcing a proposal to expand the Child Care and Development Grant in order to provide Child Care for many of the 8.2 million children eligible for assistance not currently benefiting from this grant.	42	70/ 22	93/ 5	43/ 51	71/ 16	81/ 11
Announcing a proposal to provide a 1,000 dollar tax credit to people with long-term care needs or their care givers.	42	76/ 17	81/ 14	76/ 17	72/ 21	77/ 17
Making adoption easier by developing an internet-based national registry of children in foster care waiting to be adopted.	40	75/ 20	90/ 10	68/ 27	71/ 24	79/ 18
Providing eligible parents who already have access to unpaid leave following the birth or adoption of a child with partial wage replacement for a set period of time.	30	59/ 36	76/ 24	49/ 46	54/ 39	64/ 33

Healthcare

Need to revive the Medicare expansion – the next frontier is to do something about prescription drugs.

	More Favorable	More Assistance	D	R	I	D+I
Requiring Medicare to cover prescription drugs	61	88/ 11	98/ 3	80/ 17	88/ 10	92/ 7
Announcing support for a bill to provide health care services to individuals with disabilities that will help those individuals to become employed and independent.	54	85/ 12	91/ 5	79/ 19	86/ 14	88/ 10
Enabling more cancer patients to be included in cancer clinical trials by covering costs of experimental treatments	53	89/ 9	99/ 2	84/ 17	87/ 13	93/ 7
Providing better information to patients and doctors about the adverse effects some patients have to newly-approved medications	52	84/ 13	94/ 7	78/ 18	80/ 18	87/ 12
Improving the emergency medical services in rural areas since the	46	77/ 13	90/ 10	71/ 18	74/ 18	81/ 12

death rate from accidental injuries is over twice the rate for the largest city.		17	11	27	19	15
Announcing legislation that would prevent HMOs to pull out of Medicare without giving their beneficiaries notice	45	64/ 35	72/ 28	52/ 47	66/ 35	68/ 31
Increasing investment in biomedical research	35	72/ 21	75/ 15	67/ 28	72/ 19	73/ 17
Announcing an initiative to educate Americans about resistance to antibiotics and to prevent further public health problems	35	71/ 18	88/ 4	60/ 31	64/ 24	75/ 15
Announcing a mental illness initiative that will include a public-private partnership to improve access to prevention and treatment and delivery	34	76/ 15	88/ 9	61/ 27	79/ 11	83/ 10

Urban Agenda

	Mo-Fri	Mo-Fri	D	R	I	D-I
Creating a homeownership tax credit—which would reduce up-front costs for low-income and working class families to buy a home.	53	81/ 17	93/ 8	67/ 28	81/ 17	87/ 12
Giving a 5,000 dollar tax credit to low income first-time home buyers	50	78/ 16	92/ 5	70/ 25	75/ 18	83/ 11
Increasing housing construction for the elderly	47	84/ 13	98/ 2	74/ 22	81/ 17	89/ 10
Redeveloping 10,000 abandoned buildings in urban areas.	36	61/ 29	80/ 13	37/ 46	68/ 29	74/ 21
Designating 20 new Empowerment Zones which would give these distressed communities a mixture of tax incentives and grants to promote business development and job creation.	35	72/ 24	87/ 7	60/ 38	69/ 29	77/ 19
Allocating 10 million dollars for an advertising campaign on investment potential of inner cities that would seek to revitalize inner city business districts.	19	48/ 45	66/ 31	31/ 61	44/ 48	55/ 41

Miscellaneous

	Mo-Fri	Mo-Fri	D	R	I	D-I
Environment: Announcing an environmental plan that would finance a projects aimed at improving drinking water quality and revitalizing park areas.	45	78/ 19	92/ 7	63/ 30	78/ 19	84/ 13
Bioterrorism: Announcing a bioterrorism initiative that would increase training, knowledge and preparation against a chemical weapons attack	45	78/ 17	82/ 16	73/ 26	82/ 12	82/ 14
Environment: Creating a new tax-exempt bond for states and local areas more to invest in clean water, parks and communities.	44	79/ 17	91/ 7	62/ 32	83/ 14	86/ 10

Environment: Putting \$3 billion per year towards protecting and restoring America's wildlife habitats, scenic, recreation, natural and historic resources	44	73/ 22	72/ 24	72/ 17	72/ 26	72/ 24
Food Safety: Announcing a new 87 million dollar budget proposal to crackdown on food safety nationally.	32	64/ 31	84/ 15	51/ 46	59/ 38	71/ 27
Weather: Putting an emergency weather radio in every home that would switch itself on and broadcast emergency warnings whenever severe weather or other disasters loomed	19	44/ 51	56/ 39	40/ 59	36/ 59	45/ 50

THEMES & POLICIES
1999 STATE OF THE UNION
12/1/98

5 things

1. Social security
2. ~~X~~ Crime bill
3. ~~X~~ Long-term tax credit
4. ~~X~~ Teachers
5. ~~X~~ Tobacco medicare leg w/ drug benefit.
↓
Medicare reform

Strengthening the economy

Fiscal discipline
Social Security

Training
Minimum wage

International:
Trade package (including worker & environmental stuff from WTO?)
International financial architecture

The aging of America

Social Security
Medicare
elderly care tax credit
elder crime
elder housing
Senior Corps -- AmeriCorps
Intergenerational centers

Other tobacco
Patients
School construction
child care

Education

Social promotion
Teachers -- quality, hiring, recruitment
School modernization
Finish computers in classroom
Schools at workplace
Adult literacy
More on standards?

Class size

Health care

Patients' Bill of Rights
Tobacco

quality
coverage

Quality of life

Environment:
"Green spaces" initiatives/sprawl
Rivers, lakes and streams initiative

Clean Water Act reauthorization
Possible clean car announcement

Crime

New crime bill
Juvenile crime
Drugs & prisons

Strengthening democracy for 2000

Election day a holiday
Campaign finance reform
Voting by mail?

Consumer protection

Financial consumer bill of rights
Cyberspace
Food safety
Other?

Future/millennium

Biomedical research

MEMORANDUM

TO: Paul Begala
Sandy Berger
Sidney Blumenthal
George Frampton
Elena Kagan
Sally Katzen
Neal Lane
Jack Lew
Ann Lewis
Sylvia Mathews
Minyon Moore
Mark Penn
Bruce Reed
Doug Sosnick
Gene Sperling
Larry Stein
Todd Stern
Karen Tramontano
Melanne Verveer
Michael Waldman

CC: John D. Podesta
Stephanie Streett

FROM: Maria Echaveste

DATE: November 12, 1998

SUBJECT: State of the Union Timeline

Attached is the revised timeline for State of the Union preparation.

NOVEMBER

November 12	Submit Ideas Memo to POTUS
November 14	Receive Comments From POTUS
November 24	Meet with POTUS to Discuss Ideas Memo

DECEMBER

Week of Dec. 6	Meet with POTUS to Discuss Themes
Week of Dec. 20	Submit SOTU Book of Outside Contributions to POTUS Submit Outline to POTUS

JANUARY

January 6	Hold "Thinkers' Dinner" Complete First Draft
January 13/14	Review of Speech/Preparation
January 16	Preparation
January 17	Preparation
January 18	Preparation
January 20	State of the Union Address

cons pro - food safety - country of origin

and

80TH 1999

cattle diet
innoculation w/ food bacteria
HACCP - small plants?



Thomas L. Freedman
09/13/98 03:15:45 PM

comprehensive exit plan,
of new things?

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Mary L. Smith/OPD/EOP, Laura Emmett/WHO/EOP
Subject: Country of Origin and food safety

What is this?

Attached is a note on the status of food labeling.

In addition, I have given some more thought to the question Elena raised last week -- what should be our new program for food safety? For the past year we have emphasized the need for greater resources (the \$101 million Initiative) and an improved organization of agencies (the Research Institute and the Food Safety Council). Perhaps the next emphasis should be put on improving standards and enforcement. The elements to this could be, but not limited to, a.) trying to get states to adopt our food safety code; b.) pushing for USDA to be given recall authority for tainted food; and c.) some more food specific regulations (similar to juice) which we could explain is part of this yearlong effort. The idea would be that we would line up this third element of standards as the key part of the upcoming year, even as we move ahead on making sure we get sufficient resources and make sure the Council works. It would likely not be a significant cost in the budget. I plan on going ahead and sitting down with agency folks and pushing this idea and see what new major things they could add to such a standards package. I think it might be the germ of a good idea.

Country of origin labeling. What?

1. Recent events. Last week Secretary Glickman met with Senators Johnson, Craig, Burns, Baucus, and Dorgan (as well as staff from other offices, including Senator Daschle) to discuss the country of origin labeling amendment to the Ag Approps bill. In the meeting, Secretary Glickman made it clear that he was not present to give the Administration's position or support for the amendment but rather to provide technical assistance relative to concerns raised by the amendment. He also indicated that other agencies, such as USTR, DPC, OMB, State, FDA and Customs must be consulted on this issue.

2. What the Amendment does. The amendment as adopted would only apply to beef and lamb (not pork or poultry) and would require "imported" labeling rather than individual country of origin labeling, which is a legal problem relative to our trade agreements (and one of the areas in which the Senate will change). It would apply to muscle cuts as well as ground and processed products. The amendment would not allow cattle that are shipped into the U.S. in sealed trucks for slaughter to bear the U.S. label (which is allowed under current law). On the other hand, cattle that were fed at a U.S. feedyard for 1 week, for example, would be labeled U.S.

USDA also raised issues about providing for civil penalties for violations of the country of origin requirements if enacted. Currently, USDA can only impose criminal penalties (and the Admin. is seeking broader civil penalty authority via the Harkin bill). USDA also raised issues about providing USDA the authority to traceback product and expressed concerns that we did not want to divert

see above - what is this?

resources from food safety to implement and enforce this amendment. (informal agency estimates of about \$6.5 million for a study as well as rulemaking and enforcement)

An additional issue that was not raised in the meeting has to do with the timing of the amendment. As drafted, there are several different timeframes, with 4 months being the tightest, for promulgating rules. USDA intends to communicate to staff about the need for realistic timeframes for rulemaking.

3. Future in conference. It is unclear what will occur on this issue during conference. Ways and Means Chairman Archer has objected to this amendment (as well as the fruit and vegetable country of origin amendment), and Senate Ag Chair Lugar and House Ag. Chair Smith have also objected. Industry is strongly opposed, but the National Cattleman's Beef Association, National Farmers Union, and American Farm Bureau Federation strongly support. Consumer groups generally support country of origin labeling but do not view this as a high priority issue (they would support the traceback authority).

The bipartisan group of Senators with whom Secretary Glickman met indicated that they would fight strongly to include the amendment and also expressed interest in working to address some of the concerns about the amendment.

WR - ITEA/transportation
and
SOTU 1999

Andrea Kane

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: SOTU

I understand DOT may be putting in a request to have POTUS announce naming of the Access to Jobs grants for Rosa Parks and Delores Huerta in the SOTU, with them in the Gallery. Presumably this would be packaged with announcing proposal to fully fund the program (at \$150 million authorized level rather than the \$75 million guaranteed funding level).