

MEMORANDUM FOR DISTRIBUTION

FROM: STACIE SPECTOR
RE: APPROPRIATIONS BACKGROUND PAPER
DATE: SEPTEMBER 8, 1998

Attached, please find background paper drafted for the appropriations bills moving through Congress generated by DPC, OMB, and OPL. As additional information and paper is approved, I will circulate it.

Should you have any questions, please contact me or Joe Fanaroff, who can be reached at 6-5688.

President Clinton's Fall Agenda Highlights: Saving Social Security First, Protecting Patient Rights, Investing in Education and the Environment, Stabilizing International Financial System

September 3, 1998

President Clinton's economic strategy of fiscal discipline, strategic investments in our people, and opening markets abroad has helped create the strongest economy in a generation and will deliver the first budget surplus in three decades. Now is a time to build on our success and there is much work for Congress to do in the weeks before adjournment. President Clinton, working with the Congress, is determined to:

- ✓ **Save Social Security First** --The President will fight any attempt to break the budget rules and drain the surplus. His commitment is unwavering: every penny of any future surplus must be reserved until a bipartisan plan to save Social Security is enacted.
- ✓ **Pass a Patients' Bill of Rights** --The President will work to pass a strong enforceable patients' bill of rights to give Americans the protections they deserve.
- ✓ **Invest in Education** --The President will work to strengthen public schools through higher standards, expanded opportunities, increased accountability, school modernization and smaller classes, and greater access to technology.
- ✓ **Invest in a Cleaner Environment** -- President Clinton will push his significant new investments to curb water pollution, clean up toxic dumps, protect precious lands, and combat global warming.
- ✓ **Stabilize the International Financial System** --The President will work to provide the International Monetary Fund (IMF) the resources it needs to protect the international financial system --and therefore the United States economy.

Save Social Security First

Fiscal discipline has helped create the strongest economy in a generation. In 1992, the deficit stood at a record \$290 billion and was projected by CBO to exceed \$350 billion this year. The President's 1993 Economic Plan helped cut the deficit, lowered interest rates, spurred business investment, and strengthened the economy. With last year's bipartisan Balanced Budget, the President finished the job of balancing the budget and this year we will record the first budget surplus in 29 years. With our fiscal house in order, we must use our solid fiscal footing to face the next major fiscal

January, President Clinton proposed that every penny of the surplus be reserved to "Save Social Security First."

Building on his tax cutting record, the President has called on Congress to pass targeted tax relief --to spur school modernization, help families better afford child-care, help clean the environment, expand pension coverage, and develop low-income housing. The President insists that every tax cut and new spending program meet the budget rules and be fully paid for. He will strongly oppose any proposal that breaks the budget rules and drains the surplus. As the President has said:

"I believe we should tell our children and our grandchildren that we think enough of them and their future that we're going to resist spending a penny of the surplus on things that I would very much like to spend it on --or you would --until we have met our basic obligation to our future, passing a bipartisan plan to save Social Security" [July 22, 1998, Signing of the Internal Revenue Service Restructuring and Reform Act]

Pass A Patients' Bill of Rights

President Clinton calls on the Congress to pass a strong, enforceable patients' bill of rights that assures Americans the quality health care they need. This bill should include important patient protections such as:

- ✓ **Assuring direct access to specialists.**
- ✓ **Real emergency room protections.**
- ✓ **Continuity of care provisions that protect patients from abrupt changes in treatment.**
- ✓ **A fair, timely, and independent appeals process for patient grievances.**
- ✓ **Enforcement provisions to make these rights real.**

The President has urged the Senate Leadership to make passing the patients' bill of rights the first order of business this fall. The Republicans have proposed legislation that would be more loophole than law. Their proposals cover too few people; provide too few patient protections; and contain unnecessary and irrelevant provisions that undermine the chances for a bipartisan agreement on a patients' bill of rights. For example, these proposals would let HMOs, not informed health professionals, define medical necessity and would fail to guarantee direct access to specialists.

The President is working to implement patients' bill of rights in health plans under Federal jurisdiction. In February, the President issued an Executive Memorandum directing all Federal health plans to come into compliance with the patients' bill of rights. In response to this directive, for example:

- ✓ Department of Health and Human Services has extended the patients' bill of rights to the 40 million Americans who receive Medicare.
- ✓ Department of Veterans' Affairs has begun to put in place a new, rapid appeals process for its 3 million beneficiaries. The Department of Defense issued a directive to all military bases throughout the world, extending patient protections to 8 million servicemen and women and

their families.

- ✓ Department of Labor is requiring plans it oversees to have an improved internal appeals process.

Invest in Education

President Clinton is working to strengthen public education by raising standards, increasing accountability and expanding public school choice, including charter schools, and to prepare students for the 21st Century through increased investments in public schools, expanded awareness of and access to higher education, and training to ensure success in the workplace.

- **Strengthening Public Education.** President Clinton will fight for full funding for programs and new initiatives that will help all children reach challenging academic standards, strengthen accountability, provide access to technology, improve the quality of teaching, expand Head Start and after school programs, and make our schools safe and drug free.
- **Modernizing Our Schools.** The President is calling for federal tax credits to help renovate, modernize, and build over 5,000 public schools nationwide.
- **Reduce Class Size.** The President will press Congress to enact his proposal to reduce class size to a national average of 18 in grades 1-3, by helping local schools hire 100,000 well-prepared teachers.
- **Expanding Investments In Youth Education And Training.** One of the President's top priorities is fighting efforts by Congress to eliminate both the Summer Jobs Program, which provides jobs to roughly 530,000 disadvantaged young people, and the new Youth Opportunity Area Initiative, which would help provide job training and help finding jobs for up to 50,000 youth in the poorest communities nationwide.
- **Passage Of The Higher Education Act, With The High Hopes Mentoring Initiative and Teacher Recruitment.** President Clinton urges Congress to pass the reauthorization of the Higher Education Act, to reduce interest rates on student loans; extend the Pell Grant and Federal Work-Study programs; enact his High Hopes program to establish college-school partnerships in order to spark young people's interest in college and provide them with the mentoring and other support they need to prepare for college; and strengthen teacher training and recruitment programs.
- **Education Technology.** The President has made an unprecedented commitment to bringing technology into the classroom and called for technology training for teachers and expanded access for teachers and students to computers in the classroom; however, the House appropriations bill threatens these initiatives;
- **Strengthening And Expanding Charter Schools.** President Clinton will continue to work with Congress to pass bipartisan legislation to strengthen federal support for the growing charter

school movement.

- **Helping Every Eight-Year Old Learn To Read.** President Clinton will continue his work with Congress to enact a child literacy bill to ensure that children receive quality instruction from well-trained teachers and have opportunities to develop their reading skills with trained tutors after-school and on the weekend.
- **Voluntary National Standards and Tests.** President Clinton will continue to fight for voluntary national standards and tests in 4th grade reading and 8th grade math, to help students master the basic skills and to give parents, communities and educators accurate information on how well our students perform.

Invest in a Cleaner Environment

President Clinton is proposing significant new investments to curb water pollution, clean up toxic dumps, protect precious lands, and combat global warming. Yet the Republican Congress is not only failing to fully fund these priorities, but is launching a stealth attack on the environment with a host of legislative riders aimed at rolling back protections already in place.

- **Clean, Safe Water for America.** The President is proposing an additional \$2.3 billion over five years to help clean up the almost 40 percent of America's surveyed waterways still too polluted for fishing or swimming. Budget bills in the House and Senate fall well short of the President's request, denying communities and farmers vital help in curbing pollution.
- **Saving and Restoring Parks and Other Natural Treasures.** The President is proposing a 43 percent increase over five years to acquire scenic and historic lands, yet Congress is denying full funding. What's more, Congress is withholding 1998 appropriations that the President has allocated to protect over 100 sites in 35 states, including Civil War battlefields, critical winter range for Yellowstone bison, New Mexico's Baca Ranch, and completion of the Appalachian Trail.
- **Leading the Fight Against Global Warming.** The President's five-year \$6.3 billion package of tax incentives and research investment would reduce greenhouse gas pollution through energy efficiency and clean energy technologies. But Congress, ignoring the growing evidence of global warming, wants to cut these sensible, cost-effective programs.
- **Doubling the Pace of Toxic Cleanups.** The President is proposing an additional \$650 million in Fiscal Year 99 --a 40 percent increase --to accelerate Superfund cleanups with a goal of completing a total of 900 cleanups by 2001. By denying these funds, Congress threatens to delay cleanup at up to 171 sites.
- **Fighting Against Stealth Attacks on the Environment.** Some of the many anti-environmental riders would force overcutting of timber on national forests, cripple wildlife protection efforts, deny taxpayers a fair return from oil leasing on public lands, and allow a \$30 million road through an Alaska wildlife refuge. The President will not tolerate stealth tactics that do

unacceptable harm to the environment or threaten public health.

Stabilize the International Financial System

Driven by a return to fiscal strength, the United States' economy is the strongest it has been in a generation. Unemployment and inflation are at their lowest levels in decades. Some other nations around the world, however, are experiencing major economic upheaval and this has already hurt our exports and farmers. A strong International Monetary Fund is a stabilizing force in the world economy and is vital to protect the international financial system -- and therefore the U.S. economy -- against the risk of new, escalating, or spreading crises. The Senate has wisely provided full funding for the IMF, but the House has failed to include any such funding. President Clinton will fight for full funding for the IMF to help keep

Following President Clinton's Lead Senate Rejects Extreme House Republican Labor-HHS Bill

September 1, 1998

Last year, President Clinton delivered a bipartisan balanced budget that made critical investments in our children, including the largest investment in children's health since Medicaid was created and tax credits to make college more affordable. Building on that success, the President has proposed important investments to prepare our children for the 21st century. Instead of continuing to move forward on a bipartisan path, House Republicans chose an extreme approach, eliminating energy assistance for low-income families and the summer jobs program. President Clinton has repeatedly criticized the House bill and rallied bipartisan opposition.

A step forward -- Senate joins President Clinton and rejects House bill:

- **Funds Low-Income Home Energy Assistance (LIHEAP).** The House bill eliminates LIHEAP, denying more than five million low-income families assistance to pay for home heating and cooling costs. The Senate bill funds the President's budget request to help these families.
- **Funds the Summer Jobs Program,** which provides about one in five of the jobs for African American 16-17 year olds. Unlike the House, which eliminated this successful program, the Senate included the President's request that rewards hard work and provides valuable work experience to over one-half million low-income youth.
- **Supports Goals 2000.** To move forward on raising academic standards, the President proposed a \$10 million increase for Goals 2000. The Senate funded half of that increase, in stark contrast to the \$255 million or 51% cut in the House bill, which would have adversely affected 6,000 schools serving over 3 million students.
- **Supports effort against child labor.** Unlike the House, which provided just \$6 million, the Senate fully funds the President's request for \$30 million for the International Program for the Elimination of Child Labor (IPEC), a proven model for eliminating forced, indentured, abusive, and hazardous labor for children around the world.

Progress in some other key areas, but not in others. More work needs to be done:

- **Supports Title I (Education for the Disadvantaged).** The House bill cuts the President's Request for Title I by \$392 million, denying additional help to nearly 520,000 students in high-poverty communities. The Senate bill adds \$301 million over FY 1998, but remains \$91 million below the President's budget.
- **Provides partial funding to prepare disadvantaged children for college.** By denying all of the President's request of \$140 million for the High Hopes program, the House bill denies more than one million at-risk middle school students (over five years) the mentoring and tutoring needed to raise education expectations and eliminate barriers to college. In contrast, the Senate provides \$75 million, roughly half of the President's request.
- **A start on education technology.** The House bill cuts investments in education technology, denying funding to 400 school districts nationwide to provide students and teachers with access to computers. The Senate bill adds \$39 million over FY98, but remains \$98 million below the President's budget.

- **Insufficient funds for after-school programs.** The House bill reduces the President's request for the 21st Century Community Learning Centers program by \$140 million, denying approximately 425,000 school-age children participation in before- and after-school programs. The Senate provided \$15 million more than the House but it is still \$125 million below the President's requested investment.
- **Does not fully fund out-of-school youth initiative.** The House bill provided no funding, denying training and job finding help for up to 50,000 youth each year in the poorest communities. The Senate provided \$125 million in FY99 funding, but this is still \$125 million below the President's budget. For FY00, the Senate provided the President's full \$250 million request.
- **Falls short on Hispanic education initiative.** The President's Budget proposed funding increases of \$212 million for a series of programs to enhance the educational achievement of Hispanic Americans. The House bill reduces this request by more than \$90 million, with significant decreases in the request for Adult Education, Bilingual Education, Hispanic Serving Institutions, and Comprehensive School Reform Demonstrations. The Senate bill reduces the President's request by \$170 million, with significant decreases in the programs above as well as for Migrant Education and TRIO programs.
- **Fails to fund reading initiative.** The Senate bill denies \$260 million for the America Reads Challenge, denying funding to schools and communities to improve reading programs and provide tutors.
- **Takes a step backwards on key health efforts.** The Senate bill would have a devastating effect on the ability of the Health Care Financing Administration to manage the Medicare, Medicaid and Children's Health Insurance programs. Further, the Senate bill undermines the President's efforts to improve the public health by under funding the President's requests for demonstrations to improve racial health disparities, substance abuse treatment programs, health professions assistance grants, and disease prevention activities at the Centers for Disease Control and Prevention.
- **Falls short on charter schools.** The Senate bill provides only \$80 million for the charter schools program, \$20 million short of the \$100 million in the President's Balanced Budget proposal. The President has set a goal of 3,000 public charter schools--public schools which are started by teachers and parents, freed from bureaucratic regulations, and remain open only as long as they produce results.
- **Retreats from National Standards and Tests.** Both the House and Senate bills contain riders that would stop progress on the development and implementation of voluntary national tests in reading and math, denying parents, students and teachers the help they need to meet high standards, and important information on student and school performance.

APPENDIX
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PRESIDENT CLINTON AND VICE PRESIDENT GORE
SUPPORTING A STRONG AND FAIR IMMIGRATION SYSTEM
September 4, 1998

This Administration is proud of the significant progress that we have made toward improving the Nation's immigration system. Over the last five years, the INS has worked hard to curtail illegal immigration through tougher border control, reform of a badly abused asylum system, and the removal of record numbers of criminal and other illegal aliens. The agency has also worked to redesign and strengthen the naturalization process.

The President and Vice President have put forward a budget for FY 1999 that strengthens enforcement efforts both along the Southwest border and in the interior and continues to improve the naturalization system through programmatic reforms and increased investments. The Congress should heed the President's call for new and increased investment in the following:

Improving the Naturalization Process

The President's FY 1999 budget recommends \$827 million in funding from the Examination Fee Account and \$486 million from the User Fee Account dedicated to providing immigration benefit and inspection services. A recent estimate of INS fee receipts has resulted in a significant reduction in anticipated fee revenue to support the Examination Fee Account and insufficient resources to address the citizenship application backlog.

As a result, the Administration is seeking an infusion of \$171 million in new resources into the fee account to support naturalization activities. This additional money is necessary for the INS to begin to reduce the citizenship application backlog and achieve a reduction in the current 18 to 24 month wait-time, to an acceptable wait-time of 6 to 8 months in FY 2000. **The approval of this reprogramming is necessary for the INS to be able to effectively reduce the backlog of naturalization applications and improve customer service.**

The **Senate bill** transfers \$166 million in funding out of the fee accounts to fund Border Patrol and other discretionary account activities. Funding discretionary activities out of the fee account drains already scarce resources, thereby severely hindering the INS's ability to improve the naturalization process and reduce the backlog.

Enhancing Enforcement at the Border

The President's FY 1999 budget request includes \$225 million to enhance border management. The **House bill** provides \$156 million less than the President's request; the **Senate bill** provides \$344 million less than the request, including a \$93 million reduction in base funding. Both the Senate and the House mark are insufficient to support the Administration's bi-partisan comprehensive border enforcement strategy. Enhancements are particularly needed in the following areas:

- **Increasing Detention Space**

Because additional detention resources are critical to backup Border Patrol apprehensions by allowing the INS to properly detain and remove those here illegally, the President's FY 99 budget requests \$143 million for detention.

The House bill provides \$78 million less than the President's request; the Senate provides \$126 million less.

- **Enhancing Technology on the Border**

Improved technology is key to a more efficient border enforcement system.

The President's budget requests a \$15 million enhancement to fund the creation of a camera technology system that is a cost effective method of monitoring vast sections of the border and ensuring the most effective use of limited Border Patrol resources. **Neither the House nor the Senate provides the \$15 million request for border management technology.**

- **Strengthening Interior Enforcement**

The President's interior enforcement strategy complements INS's border control strategy by establishing a focused initiative to apprehend those who remain illegally in the United States. **Both House and Senate CJS**

Appropriations bills fail to provide more than \$6 million in requested enhancements for interior enforcement.

Improving and Centralizing INS Records

The President's FY 1999 budget includes \$8.5 million to support continued efforts to centralize and improve the integrity of INS records. Records clean-up and centralization will lead to increased data integrity, which will in turn lead to more rapid and accurate verification and renewed confidence in INS records. **Neither the House nor the Senate provides the INS with this \$8.5 million enhancement.**

**PRESIDENT CLINTON AND VICE PRESIDENT GORE
FIGHTING FOR SAFE NEIGHBORHOODS
September 4, 1998**

Since taking office, President Clinton has put into place a crime-fighting strategy that gives communities the tools they need to keep their neighborhoods safe. Crime rates have fallen for five years in a row, to their lowest levels in a generation. President Clinton has proposed important investments to continue this success -- more police our streets, anti-drug initiatives for offenders and schools, and efforts to keep guns out of the hands of criminals. While Congress has funded much of the President's strategy, the current Senate Commerce, Justice, State appropriations bill falls short, and even reverses course, on key anti-drug and crime fighting efforts by:

Undermining the Brady Law. The President strongly opposes efforts to undermine Brady background checks which have successfully halted a quarter of a million handgun sales to felons, fugitives, and stalkers. The Senate bill would undermine implementation of the National Instant Check System by prohibiting the FBI from charging gun dealers the same fee for Brady background checks it charges others such as day care providers -- forcing the FBI to either forego processing millions of checks or to transfer resources from other crime-fighting efforts.

Under funding testing and treatment of drug offenders. President Clinton is committed to promoting a policy of frequent drug testing, sanctions, and treatment for drug offenders in the criminal justice system. Despite its proven effectiveness in reducing recidivism and future drug use, both the Senate and House fail to fund the President's \$85 million drug testing and treatment initiative.

Undercutting progress on Methamphetamine. Leading the effort against the emerging drug methamphetamine, President Clinton fought for and signed into law strengthened penalties for meth trafficking and established new controls over precursor chemicals used to make meth. Hundreds of meth labs have been seized, and enforcement efforts have helped to curtail meth use. The Senate bill reverses course on these efforts by substantially weakening DEA's authority to prevent the diversion of precursor chemicals to meth traffickers.

**PRESIDENT CLINTON AND VICE PRESIDENT GOER
STRENGTHENING CIVIL RIGHTS ENFORCEMENT
September 4, 1998**

The Clinton Administration's Fiscal Year 1999 balanced budget contains \$602 million for civil rights enforcement agencies and offices -- an increase of \$86 million, or more than 16 percent, over last year's funding. This budget keeps the President's commitment to ensure equal opportunity for all Americans: that no one should be denied such essentials as a job, a home or a chance at an education because of the color of their skin, a disability, their gender or their religion. We must help these critical agencies obtain the resources and promote management reforms to allow civil rights agencies to do their jobs.

- **Equal Employment Opportunity Commission (EEOC)**

The Administration's 1999 budget contains \$279 million for the EEOC, or 15 percent more than the enacted 1998 budget. This \$37 million increase will go to reduce the average time it takes to resolve private sector complaints through a combination of investments in information technology, increased use of mediation, and increased staffing. **The House CJS bill includes only half the increase requested by the Administration; the Senate bill provides \$27 million less than the President's request.** These funds would be insufficient for the agency to meet its performance and backlog reduction goals over the next year.

- **Department of Housing and Urban Development (HUD)**

The Administration's budget proposes \$52 million, or an over 70 percent increase from last year, for HUD's efforts to reduce housing discrimination. This includes \$10 million for a targeted, audit-based enforcement initiative in 20 areas nationwide that will use paired testing, in which otherwise identical applicants of different races approach realtors or landlords, in order to detect and eliminate housing discrimination. **The Senate bill provides \$17 million less than the President's request; the House provides \$12 million less.** Though the House report states that \$7.5 million of the overall enhancement will go toward conducting the nation-wide audit, there is no mention of this program in the Senate. Overall, both houses provide insufficient funds to meet the Administration's fair housing goals.

- **Department of Justice, Civil Rights Division**

The President's 1999 budget includes \$72 million for the Civil Rights Division which is more than a 10 percent increase over the 1998 level of \$65 million. **The Senate CJS bill provides \$11 million less than the President's request for the Civil Rights Division; the House, \$6 million less.** This level of funding will not allow the Civil Rights Division to meet the challenges of enforcement of our civil rights laws

in the coming year, including expansion of investigation and prosecution of police misconduct and violations of the Americans with Disabilities Act.

- **Department of Labor, Office of Federal Contract Compliance Programs (OFCCP)**

The Administration's request of \$68 million for OFCCP includes funds to expand the Fair Enforcement Initiative and thereby increase federal contractor compliance with anti-discrimination laws. OFCCP will also modernize its computer systems in order to permit the agency to accept electronically submitted reports from contractors. The House mark provides the OFCCP with \$65 million -- **\$3 million less than the President's request.**

- **Department of Education, Office for Civil Rights**

The President's budget proposal of \$68 million provides an increase of \$6.5 million over the 1998 enacted budget to fund technology improvements to increase productivity and customer service. These additional funds will also enable the Department of Education to continue to invest sufficient resources in higher education desegregation reviews and to focus on building partnerships with States to address statewide compliance with civil rights laws. The House has appropriated \$62 million for civil rights enforcement at the Department of Education -- **\$6 million less than the President's request.**