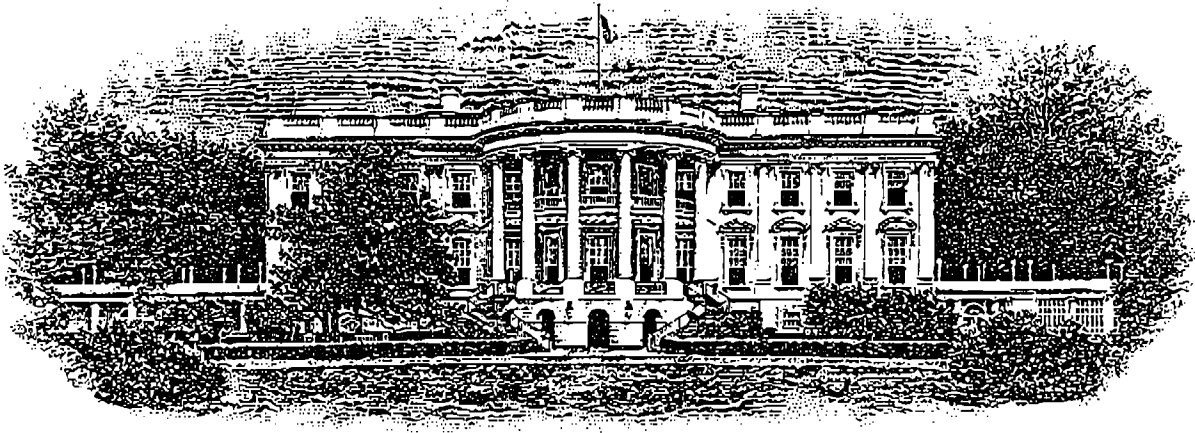


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THE WHITE HOUSE
WASHINGTON
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE CHIEF OF STAFF



Please Deliver To: Tom Freedman

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THE WHITE HOUSE

WASHINGTON

December 10, 1999

MEMORANDUM FOR JOHN PODESTA

MARIA ECHAVESTE
STEVE RICCHETTI
DOUG SOSNIK
GENE SPERLING
BRUCE REED
JACK LEW
SYLVIA MATHEWS
LORETTA UCELLI
TERRY EDMONDS

FROM: MARY BETH CAHILL 
SUBJECT: OPL State of the Union Outreach

With the President's upcoming State of the Union, January 27, 2000, OPL conducted a series of conference calls and meetings with the various constituencies to solicit their ideas. Outlined below are suggested ideas and themes from our outreach efforts.

Agriculture

- **Freedom to Farm Act.** The largest issue facing the agriculture community is the re-writing, reforming or abolishing the Freedom to Farm Act. The Administration should work to establish an alternative to Freedom to Farm and among other things an adequate safety net for farmers (i.e. increased funding for export programs, increased price supports for dairy products, etc.). The Administration should ensure farmers receive adequate coverage.

Civil Rights

- **Hate Crimes.** The Administration should continue to support and promote hate crimes legislation and enforcement. It is critical that the President continues to provide strong leadership and call on Congress to pass legislation. (i.e. Sen. Kennedy's Hate Crimes Prevention Act that would expand current law to include bias crimes based on gender, sexual orientation and disability). Inclusion of gender and disability in the Hate Crimes Statistics Act is key to this legislation.
- **Police Accountability and Racial Profiling.** The Administration should continue to support police accountability and racial Profiling Initiatives. Specifically the President should urge Congress to support H.R. 1443 - Traffic Stops Statistics Study Act (Driving while Black).
- **ENDA.** In 1999, the President asked Congress to "make the Employment and Non-Discrimination Act . . . the law of the land," he should continue to use the same rhetoric.

- **Census 2000.** The President should raise the importance of assuring that all communities are accurately counted in the upcoming Census 2000.
- **Renewing Democracy and Civic Engagement.** In the last several years the Asian Pacific American (APA) community has felt disenfranchised from the democratic process. The APA Community feels that it is very important for the President to make a statement on the importance of participation of all segments of society in the democratic process. In this context they also raised the need to reduce the backlog and time that it takes to become a citizen. The community would like to see the President recognize a prominent Asian Pacific American elected official such as Gov. Gary Locke (D-WA) to demonstrate that Asian Pacific Americans are welcome and can be successful in government and elective politics.

Education

- **Violence in schools.** The President should call for a bi-partisan effort to identify programs such as his mentoring program, youth safe havens and other programs with continued commitment to inner cities/urban areas as the New Markets Initiative is promoting. Organizations also raised the growing concerns of parents and children's fears about going to school.
- **Core Education Programs.** The President should emphasize the need to help all children achieve academic success and addressing the needs of a diverse student body – no child should be left behind. This should include a focus on core federal education programs such as HEAP, Title I, and other specialized programs such as bilingual education or special education. There is a strong sense that this Administration has not committed enough resources to core programs, and the constituencies would like to see increases in these programs.
- **Historically Black Colleges and Universities.** Organizations would like to see the President and the Administration support a program for more federal funding from DOD, CIA, NSA, DIA, and other agencies to Historically Black Colleges and Universities (HBCU's) doctoral education programs in the science and technology field.

Health Care

- **Strengthen Medicare and Social Security.** The President should restate his commitment to strengthening Medicare and Social Security. It is important that he notes the importance of these programs for America's mothers and grandmothers. He should restate his commitment to lifting older women, who live alone, out of poverty. "It is our duty in these strong economic times to lift those less fortunate, such as older women living alone."
- **Social Security Reform.** Women organizations would like the Administration to support reforms in Social Security that:
 - Include an increase in the widow's benefit to 75% of the couple's joint benefit, up from the present 50%;
 - Ensure that widows are not penalized by their husband's decision to retire early;
 - Increase divorced women's espousal benefit to 75%;

- Provide a family service credit to the lower earner (or single parent), for the years that children are under 6, at a maximum value up to \$5,000; and
- Protect women from lower SS benefits by providing two "drop out" years for each child to the lower earner (or single parent) that would not count against their lifetime average.
- **Older Americans Act Reauthorization.** The Older Americans Act has not been reauthorized since 1994 when the Republicans came into Congress. Early in 2000, the President should call for the convening of a meeting with key congressional players on the Act as a sign of visible support.

International/Trade

- **HIV/AIDS in Africa.** The President should provide an update on the \$100 Million commitment to combat HIV/AIDS in Africa. He should also mention support for the AIDS Marshall Plan for Africa.
- **AGOA/CBI Bill.** If the AGOA/CBI Bill is passed (gets out of conference) by the time of the State of the Union he should mention the Administration's continued efforts and support for CBI and Africa Trade.
- **Third World Debt.** The Administrations should continue to help with the reduction of poverty and economic reform in Third World countries. The government should help to build capacity of non-profits for the reduction of Third World Debt.
- **Northern Ireland.** The President should highlight the Administration's hard work in ensuring the success of the Northern Ireland peace process. Organizations stressed that continued engagement is critical. In order to ensure the success of decommissioning, establishment of adequate and equitable policing and skills training for individuals leaving prison is necessary (as laid out in the Good Friday Agreement).
- **International Family Planning.** The President should mention the Administration's rejection of legislation that contains restrictions such as the Mexico City legislation. Additionally, the President should mention that funding for the United Nations Population Fund (UNFPA) should be continued.

Women Issues

- **Fair Pay/Wage Gap.** The President should reaffirm his endorsement of the Paycheck Fairness Act, which he announced last year, and urge Congress to work to strengthen wage discrimination laws and address the persistent wage gap between the earnings of men and women.
- **Domestic Violence.** The President should announce the Administration's support for the reauthorization of the Violence Against Women Act (VAWA).
- **Childcare.** The President should discuss the importance of proper funding of Childcare initiatives and the need to adequately compensate Childcare workers. Additionally, he should reaffirm the Administration's support to increase early childhood learning, healthy and safe care centers and programs that continue through the school years. Specifically,

increase funding for the Child Care and Development Block Grant and improve access to childcare for impoverished women through legislation such as the Welfare Tracking Act (H.R.3150).

- **NIH.** Organizations are concerned that funding for women's health research supported by the NIH is not keeping pace. The President should state his support of doubling the funding for the National Institutes of Health by the year 2003 and that we should have an expanded concept of women's health research - from prenatal development to the frail and elderly.
- **Women in Business.** To meet the Federal Government's 5% procurement goal for women-owned businesses, organizations would like the Administration's commitment to a more concerted government-wide, interagency initiative to meet this goal and to hold those agencies that do not meet the goal accountable.

Veterans

- **Filipino Veterans.** A major issue for veterans is the continuing support for benefits for Filipino Veterans who fought with the U.S. military during World War II. The Asian American community would like to see the President's budget include funding for benefits, particularly health benefits and would like to see the President mention the Filipino Veterans in the context of Veterans issues, or in the context of the contributions of Asian Pacific Americans to the United States.

December 12, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING
CHRIS JENNINGS

CC: JOHN PODESTA

SUBJ: HEALTH CARE IDEAS FOR STATE OF THE UNION/BUDGET

Strengthening and Modernizing Medicare

1. Plan To Strengthen and Modernize Medicare. Your plan from June will need to be modified since the re-estimate for the prescription drug benefit is considerably higher, savings on the new baseline are lower (as is the appetite for savings in Congress), and the April Trustees' report will likely show an improvement in Medicare solvency absent any actions. Changes to the plan are being considered (to be discussed in a separate memo).

2. Medicare Preventive Benefit Authority. This proposal would allow HHS to add new preventive benefits to Medicare if their cost when fully implemented were less than a fixed dollar threshold (e.g., less than 0.1 percent of federal Medicare spending). It builds on the preventive initiative in the Medicare plan (which eliminates cost sharing for preventive services, authorizes additional studies and a smoking cessation demonstration). (Cost: not yet estimated).

3. Immunosuppressive Drug Extension Adjustment. Currently, Medicare pays for immunosuppressive drugs that prevent rejection of transplanted organs. This coverage extends for three years after the transplant. The Balanced Budget Refinement Act added a flawed, dollar-limited 8-month extension on coverage of immunosuppressive drugs. This proposal would make the extension one year rather than 8 months, would remove the funding cap, and remove the time limit. (Cost: roughly \$100 million over 5 years).

4. Cancer Clinical Trials. This three-year demonstration would cover the patient care costs associated with certain clinical trials for Medicare beneficiaries. This proposal was in the President's FY 1999 and 2000 budgets, and has been a Vice Presidential priority. (Cost: \$750 million for 2002-04).

Improving Access to Affordable Health Insurance Coverage

5. Family Health Insurance Initiative. Over 85 percent of the parents of uninsured children in families with income below 200 percent of poverty are themselves uninsured. This option, included in the Gore health proposal, would provide states with the same incentives to cover parents as children under Medicaid and the Children's Health Insurance Program (CHIP). Specifically, a state could receive a higher federal matching rate for expanding coverage to the parents of children currently eligible for Medicaid or CHIP, if that state has expanded to 200 percent of poverty for children. This enhanced matching rate would be drawn from the CHIP allotments that would be increased to help pay for the entire family. States would cover the parents in the same program as their children. Since most uninsured children also have uninsured parents, this is an efficient way to bring down the numbers of the uninsured. It could also increase enrollment of children, since parents are more likely to enroll their children if they, too, can get health coverage. (Cost: from \$5 billion to \$18 billion over 5 years depending on who receives the enhanced match and whether the allotments are raised).

6. Medicaid Option to Cover Poor Adults. Currently, states can cover only adults who are parents through Medicaid. This policy would remove this "categorical" eligibility, replacing it with a straight income-related eligibility. This approach has been taken by several states through Medicaid 1115 waivers, and fully moves Medicaid to an income-related – rather than welfare-related – health insurance program. HHS has developed this as a possible alternative to the parents' initiative. (Cost is unknown, but likely less than the family initiative since there is no higher matching rate and states would prefer to expand to working parents than all poor adults).

7. Tax Credit for Individual Insurance To Address Current Tax Inequity. Unlike employees who work at firms that provide coverage, workers who have no access to employer-based insurance and who buy it for themselves receive absolutely no tax subsidy. To address this inequity, this policy (supported by the Vice President) would give people without access to employer-based insurance a tax credit, equal to 25 percent of the cost of coverage and similar in value to the 100 percent tax deduction employers now receive, for purchasing individual insurance. This credit could only be used for qualified individual insurance plans or Medicare, Medicaid, or CHIP buy-in options. Because the credit is relatively small, it likely would not have an adverse incentive impact on employers now offering to drop coverage. But while it would be popular, it would not be expected to increase take-up in coverage for the currently uninsured. (Cost still being estimated but about \$15 over 5 years, \$35 over 10 years).

8. Encouraging Small Businesses To Offer Health Insurance. Workers in small businesses are more likely to be uninsured. This initiative would encourage small businesses to offer health insurance through: (1) a new tax credit for small businesses who join coalitions; (2) tax-exempt status for foundation contributions to create coalitions; and (3) technical assistance. It would be different from last year's proposal because the credit would be increased to 25 percent of the employer contribution, and all firms (not just those that previously did not offer coverage) would be eligible for the credit. (Cost still being estimated, but about \$1 billion over 5 years, \$2.5 billion over 10).

9. Medicare Buy-In for Certain 55 to 65 Year Olds. The fastest growing group of uninsured are those ages 55 to 65. Between 1997 and 1998, the proportion of people in this age group who were uninsured increased by 5 percent, from 14.3 to 15.0 percent. All of this increase occurred

among people above poverty, with a dramatic jump for those with income between 300 and 400 percent of poverty. This initiative expands the health options available for older Americans by: enabling Americans aged 62 to 65 to buy into Medicare; providing a similar Medicare buy-in for vulnerable displaced workers ages 55 and older; and providing COBRA to Americans ages 55 and older whose companies reneged on their commitment to provide retiree health benefits. This proposal was in the last two budgets. (Cost: \$1.8 billion over 5 years, \$2.9 billion over 10).

10. Medicaid Coverage for Certain Women with Breast Cancer. This proposal is the Breast and Cervical Cancer Prevention Act (HR 1070) that has 272 House cosponsors and passed unanimously by the House Commerce Committee (a Senate bill has not yet been marked up). It would give states the option to provide temporary Medicaid coverage to uninsured women who have learned that they have breast or cervical cancer through a CDC screening program. States would get the CHIP match rate for this group. It is important to note that most policy analysts think that covering selected disease categories and/or people participating in a particular program is a troubling precedent. However, if there are no coverage expansions for this group, it would hard not to include this initiative in our budget. (Cost: about \$300 million over 5 years).

*OMB
comment
line*

11. Ensuring that All Workers Paid by the Federal Government Have Access to Employer-Based Insurance. This policy would allow all types of temporary government employees to access the Federal Employees' Health Benefits Program. Currently, FEHBP serves only permanent federal employees. Cost estimate and more details pending.

12. Tax Credit for COBRA Continuation Coverage. Currently, employers must offer departing employees the option of buying into their health plan at a premium of 102 percent. Intended to ensure coverage during the transition to new jobs, this policy has proven unaffordable to some people and burdensome to employers. To address these concerns, our new proposal would provide a tax credit of 30 percent for this coverage to the employer whose employee takes this option. This subsidy would be split equally between reduced employer cost and lower premiums for participants (87 percent). Cost estimate pending.

Finishing the Job of Targeting and Enrolling Uninsured Children

13. Encouraging School-Based Outreach. Sites like schools and child care centers are natural places to reach out to uninsured children. To tap into these resources, this proposal would (1) allow school lunch application information to be shared with Medicaid and CHIP for outreach; (2) let enrollment in the school lunch program serve as a proxy for Medicaid or CHIP eligibility while formal applications are being processed; and (3) more broadly apply the presumptive eligibility option in Medicaid to homeless programs, TANF and CHIP eligibility workers, and others who are in a position to do preliminary assessments of children's eligibility for Medicaid or CHIP. (Cost: estimate pending – likely about \$1 billion over 5 years, nearly \$3 billion over 10 years).

M. Anthony

14. Ensuring Seamless Health Insurance Coverage for Children. To ensure that children do not fall through the cracks of different eligibility rules for Medicaid and CHIP, this proposal would require that states conform Medicaid eligibility for children to that of CHIP in the following respects: (1) assets tests; (2) mail-in application; (3) redetermination period; and (4)

eligibility to age 21. Thus, a state could not have simpler enrollment and redetermination processes for its CHIP program than it has for its Medicaid program. (Cost: pending – likely less than \$500 million over 5 years).

Long-Term Care

15. Long-Term Care Initiative. An initiative that has already been well received and has already begun to receive bipartisan support is the long-term care proposal. Last year, you proposed a major, seven-part initiative that would: (1) provide a \$1,000 tax credit for people with long-term care needs or their families to offset the costs of care; (2) create a new Family Caregivers Program that offers respite services, information, and other assistance; (3) offer private long-term care insurance to Federal employees; (4) improve nursing home quality; (5) expand Medicaid options for community-based services; (6) encourage assisted living facilities for Medicaid beneficiaries; and (7) conduct a \$10 million education campaign on long-term care for Medicare beneficiaries. (Cost: about \$6 billion over 5 years)

Discretionary Initiatives

16. Preventing Medical Errors. This initiative will develop new avenues for the prevention of medical errors. It will include the IOM's recommendation of \$35 million to establish a Center for Patient Safety at HHS and include new efforts to strengthen FDA's voluntary adverse event reporting system from health professionals and consumers, and implement new requirements for the naming, labeling, and packaging of drugs that are designed to prevent medical errors. FDA estimates that with adequate funding, it could reduce adverse events by 10 percent and save approximately 10,000 lives annually. This initiative could be combined with regulatory actions to ensure patient safety, including requiring hospitals participating in Medicare to implement error reduction programs. (Cost: \$60 million).

17. Internet Drug Sales. We would provide new funds for the investigation, identification, and prosecution of entities selling over the Internet unapproved new drugs, counterfeit drugs, prescription drugs without a valid prescription, expired or illegally diverted pharmaceuticals, and products based on fraudulent health claims. It would establish new certification requirements for all Internet pharmacy sites to ensure that they meet all state and federal requirements. It would create new civil money penalties of up to \$100,000 for dispensing without a valid prescription over the Internet or for selling drugs without federal certification; and provide FDA with new administrative subpoena authority to build a case against offenders. (Cost: \$11 million).

18. Preventing Breast and Prostate Cancer. This initiative will fully fund the National Environmental Health Laboratory, which evaluates the exposure of men, women, and children to toxic substances that cause cancer. Funds will also be used to assist state and local public health officials to ensure thorough investigation of cancer clusters and to rapidly evaluate the local impact of public health disasters, such as chemical spills and groundwater contamination. (Cost: \$20 million).

19. Improving Nursing Home Quality. This initiative provides mandatory and discretionary funds to HCFA to help States strengthen nursing home enforcement tools and increase federal

oversight of nursing home quality and safety standards. Funding will be provided for new enforcement provisions and increased surveys of repeat offenders and improve surveyor training. (Cost: \$31 million).

20. Education Funds for Children's Hospitals. This initiative provides freestanding children's hospitals with federal financing to provide direct graduate medical education associated with the provision of care to Medicaid patients. While some states have funded GME through Medicaid, most of those programs are ending as states move to Medicaid managed care. There is a legitimate equity argument here, as these hospitals shoulder much of the burden of training the nation's pediatricians and pediatric subspecialists. (Cost: \$104 million).

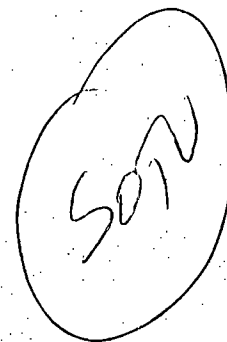
21. Addressing Mental Illness. This proposal will increase funding for treatment for the severely mentally ill and establish a new local mental health enhancement program that would provide new prevention, early intervention, and treatment services for Americans with less severe mental illnesses. (Cost: \$100 million).

22. HIV and AIDS. This initiative would increase our current proposed investment in the Ryan White program and the AIDS Drug Assistance Program (ADAP), which provide critical services for people with HIV/AIDS. In addition, it would establish a strategic plan designed to reduce new HIV infections by 50 percent in three years. The new prevention initiative would: help 150,000 individuals not aware of their infection learn of their status and find prevention counseling and treatment services; expand community prevention planning, with a special emphasis on racial and ethnic minorities, women, injection drug users and their partners, and young gay men; and build a data infrastructure to assist local public health officials in targeting their prevention efforts. The new investment in Ryan White and ADAP would shorten the waiting time needed to access the comprehensive range of drugs needed to effectively treat this disease. (Cost: \$100 million in FY '01).

23. Access for Uninsured Americans. This proposal would create a new grant program for community-based providers to develop comprehensive systems of care, develop linked financial and telecommunication systems, and fill the service gaps that exist in many communities, especially primary care, mental health, and substance abuse services. It would: hold providers accountable for health outcomes by helping them develop the systems to appropriately monitor and manage patient needs; preserve access to critical tertiary care services financial support to large public hospitals; and provide new services to the uninsured, including primary care, and mental health services. (Cost: \$100 million).

24. Investment in Biomedical Research. The potential breakthroughs in diagnoses, treatments and cures resulting from the nation's increasing investment in biomedical research are impressive. They include: decoding the complete gene sequence by the spring of 2000, developing new treatments to delay the onset of Parkinson's, Alzheimer's and cancer, and new interventions to prevent paralysis with spinal cord injuries. The Administration's last budget dedicated a \$360 million increase to the NIH, which is far short of the over \$2 billion that was included in the final budget. This has resulted in criticism from the scientific and patient advocacy communities. (Cost: \$500 million to \$1.5 billion).

25. Safeguards Against Scientific and Biomedical Abuses. This package addresses the perils of some of the new scientific breakthroughs of our day. These include inappropriate patenting and licensing of genetic material, the insufficient provision of protections to human subjects in clinical trials, and the continuing threat of bioterrorism. Under consideration are a host of initiatives to address these potential problems, including legislation to prohibit the use of genetic information in all health insurance policies and employment decisions.



Nonprofit Capacity Building Program

A draft proposal of the

National Council of Nonprofit Associations - NCNA

Committee Members:

Drew Hastings, Co-Chair, Delaware Association of Nonprofit Agencies

Florence Green, Co-Chair, California Association of Nonprofits

Nathan Woodliff-Stanley, Mississippi Center for Nonprofits

Peter Berns, Maryland Nonprofits

Melissa Flournoy, Louisiana Association of Nonprofits

Jon Pratt, Minnesota Council of Nonprofits

Hedy Helsell, Center for Nonprofit Management

Pamela Davis, National Insurance Alliance Council

Audrey Alvarado, National Council of Nonprofit Associations

September, 1999

Sep-27-99 02:37pm

From-DE ASSOCIATION OF NONPROFIT AGENCIES

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T-861 P.03/08 F-985

Preamble

Attached is a working draft of our proposal for the creation of a Nonprofit Capacity Building Program. Although this document has been reviewed by a number of state association executives, we recognize that this proposal requires additional editing, and that a detailed strategy in securing funding for this proposal needs to be developed. Due to the current political condition at the federal level, as well as other issues arising within the nonprofit sector, we respectfully request that NCNA's Board of Directors endorse this proposal, and place it among its primary strategic objectives.

Program Purpose

The Nonprofit Capacity Building Program (NCBP) will be established to provide training and management assistance for nonprofit and community-based organizations through development centers located nationwide.

This program would have a profound impact on improving the performance of the more than 1 million nonprofit institutions in United States. Among the key outcomes of this initiative:

- Provide organizations with the highest quality management and technical assistance services specifically designed for nonprofit executives, their boards, staffs and volunteers that meet their needs, resources and goals; and
- Bring about cost effective, sustainable changes that strengthen organizations and the services they can offer their clients.

This project will also directly impact economic revitalization efforts throughout country. More than just creating economic opportunities, the nonprofit sector works to protect the environment, preserve historic buildings and artifacts, document our history and culture, discover cures to disease, expand the educational knowledge of our children, and more. All these activities and more help to improve our nation's quality of life, enhance its business climate, and reduce the tax burden on our citizens.

Annual Federal Appropriation

Funding for NCBP is proposed to be at \$50 million per year for the first three years, with the expectation that the program's funding will be adjusted to account for inflation.

Existing Federal Initiatives

To place this program in some type of context, the program we seek to develop is similar to the National Endowment for the Arts' agreement programs for state arts agencies, and the Small Business Administration's Small Business Development Center projects.

To provide comparative benchmarks, we reviewed both of these programs in terms of federal allocations and number of organizations served in Delaware in FY97.

Program	Tot. Fed. Appropriation	Delaware Appropriation	Agencies Served in DE
Nonprofit Capacity Building Program	\$50 million*	\$250,000 minimum	2,100
NEA/State Arts Agency Program	\$32 million	\$200,000 minimum	145
Small Business Development Center	\$57.5 million**	\$250,000 minimum	Unknown at this time

* Proposed federal appropriation.

** It should be noted that if you include federal appropriations for SCORE (Service Corps of Retired Executives), Business Information Centers, Enterprise Zone One-Stop Capital Shops, Minority Business Development and Woman-Owned Business Development the total federal support exceeds \$95 million for small business development in FY97.

Sep-27-99 02:37pm

From-DE ASSOCIATION OF NONPROFIT AGENCIES

+3027775386

T-861 P 03/08 F-895

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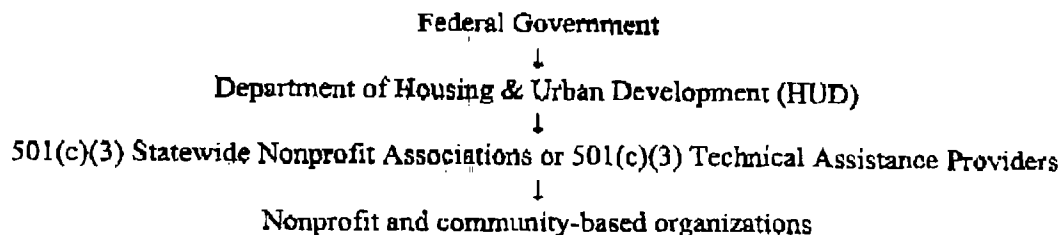
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Flow of Funds

It should be noted that a small portion of funds (\$3-5 million) would be available to National Service Organizations (see *National Service Organizations* below).

Eligibility

Eligible to apply are statewide nonprofit associations (SNAs) whose membership are open to all 501(c)(3) organizations, or other 501(c)(3) nonprofit technical assistance providers (NTAPs) which provide management assistance to nonprofit institutions on a state level, and organizations providing services at a national level to state associations (see the listing at the end of this program description).

To qualify for funds, an SNA must: be a 501(c)(3) tax-exempt organization; have its own board; open to serve all 501(c)(3) nonprofit organizations in the state in which it is located; demonstrate a level of experience and achievement in providing management assistance to nonprofit organizations.

Nonprofit organizations and individuals may apply to the SNA or NTAP for a subgrant, but may not apply directly to the Department of Housing & Urban Development for grant support under this program.

Uses of the Funds

Through the Nonprofit Capacity Building Program (NCBP), the Department of Housing & Urban Development (HUD) supports a nationwide network through which nonprofit organizations and emerging community-based institutions can obtain free consulting support and technical assistance.

The NCBP program has four main objectives:

- (a) to strengthen the capacity and effectiveness of the nonprofit community;
- (b) to increase community development;
- (c) to assist a wide range of nonprofit organizations regardless of their size and institutional development; and
- (d) to broaden the technical and management assistance delivery system to more nonprofit organizations.

Lead Organizations

In each state, there will be a lead organization (LO) that will sponsor the NCBP and manage the program. The lead organization will be responsible for coordinating program services offered to nonprofit organizations through a network of subcenters and satellite locations in each state. Each LO tailor its assistance to the local community and needs of individual clients. The LO must provide for inclusive planning, evaluation, the involvement of a broad range of nonprofits, fair decision-making, and efforts to encourage public awareness and appreciation of the impact and achievements of nonprofit institutions. At least 80 percent of the federal funds must be used to provide actual services to nonprofit organizations. Wherever possible, LOs will use volunteers and other low-cost resources.

Nonprofit Development Centers

Each Nonprofit Development Center (NDC) would have a director, staff members, volunteers and part-time personnel. Among those donating their services would include: qualified individuals recruited from

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professional and trade associations, the legal and accounting communities, academia, and Executive Service Corps. NDCs will also use paid consultants, management support organizations, and others from the public, private and nonprofit sectors to help clients who need specialized expertise.

Statewide Impact

LOs will be required to meet the following specific requirements:

1. locate subcenters so that they are as accessible as possible to nonprofit organizations throughout the state;
2. open all subcenters at least 40 hours per week, or during the normal business hours of its state or academic organizations, throughout the year;
3. develop working relationships with legal institutions, accounting firms, public relations community, professional associations, private consultants, and nonprofit groups; and
4. maintain a list of private consultants and technical assistance providers at each subcenter.

Anyone who is interested in starting a nonprofit for the first time, or improving or expanding an existing nonprofit organization, but who cannot afford the services of a private consultant, may receive services from either the LO or NDC.

NDCs will provide counseling, training, and technical assistance in all aspects of nonprofit management. These services may include, but are not limited to:

- assist nonprofit organizations with nonprofit start-up, budgeting and financial management, marketing, fundraising, board development, volunteer management, human resources, strategic planning, personnel management, and program evaluation.
- special NDC programs and community development activities include technical assistance, procurement assistance, and executive transition services.
- creating and maintaining a centralized access point of information and databases about nonprofit organizations.

NCBPs are permitted to charge clients a reasonable fee to cover the costs of training sponsored or co-sponsored by the NCBP, costs of services provided by or obtained from third parties, or the costs of providing specialized services. Reasonable fees may also be charged for counseling services.

NCBPs will also make special effort to reach emerging nonprofit organizations, and those located in empowerment zones and communities, and rural environments. Assistance will be provided to both current and potential nonprofit leaders.

Matching Funds

HUD will provide up to 50 percent of the operating funds for each state NCBP. Matching funds, either in the form of direct contributions or in-kind support, must be provided by one or more sponsors. Sponsors may include: state legislators; corporate grantmakers, private and community foundations; state and local chambers of commerce; local United Ways; public and private universities; vocational and technical schools; and community colleges. In addition, membership dues and earned income may be included among the matching fund totals.

Application Process

Cooperative agreement awards would be made for a period of one year; however, it would be assumed that HUD would typically renew existing recipient organizations. As a result, there would not be many opportunities to obtain new grant awards to operate an NCBP network. Renewal applications would have to contain any information required HUD.

Should HUD decline to renew an existing recipient, or should an existing recipient choose not to reapply for funding, HUD may accept applications from other organizations interested in becoming a new recipient in that area.

The application must include a copy of the organization's 501(c)(3) tax-exempt confirmation letter, basic information about the provider, the geographic area to be served, sources of funding, long-range plans, proposed strategies and activities; partnerships; budget and personnel to be involved in operating the network. Other documentation as required by HUD must also be included.

Individuals and nonprofit organizations interested in receiving services may contact the appropriate subcenter at any time.

Selection Criteria

In reviewing NCBP proposals, HUD will consider:

1. the applicant's ability to contribute matching funds;
2. the quality of prior performance;
3. evaluation of accomplishments in relation to clearly defined objectives;
4. evidence of efforts to leverage resources and effectiveness through public and/or private partnerships;
5. consideration of opportunities to use new technology to better serve nonprofit organizations;
6. strategic partnerships with technical providers, consultants, and academic institutions.

HUD may choose to approve an applicant on a "conditional" basis. In such a case, the award will be for one or more specified periods of time up to one full budget period (one year). Within the allotted time, the provider must resolve the specific matter to HUD's satisfaction, or funding may be discontinued.

Appropriations

Range of Awards

Cooperative agreements are for a period of one year. Funds are distributed according to a population-based formula, except that each SNA will receive no less than \$250,000 each year, subject to the availability of appropriated funds.

National Service Organizations (NSOs)

HUD may also make a small portion of funds (\$2-3 million) available to support national services provided by membership organizations of SNAs and NTAPs. Funds may be used to provide leadership, training, planning, coordination and information services that improve accountability, and to help best practices and tools. In addition, NSOs will provide technical assistance to lead organizations in establishing and institutionalizing their programs.

Outcomes

The NCBP will have a profound impact on improving the performance of nonprofit institutions in the United States. This initiative will better equip nonprofit executives, board members, and community leaders with the knowledge and skills in management and governance to improve their organization's performance and service delivery. The NCBP will emphasize the importance of planning, strategic communications, alliances and restructuring, the use of evolving technologies, and evaluation and accountability with the nonprofits it works. Among the key objectives of this initiative:

- Provide nonprofit boards with the highest quality management and technical assistance services specifically designed to meet their needs, resources and goals; and

Sep-27-99 02:39pm

From-DE ASSOCIATION OF NONPROFIT AGENCIES

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T-861 P.07/08 F-995

- Bring about cost effective, sustainable changes that strengthen nonprofits, their boards, and the services they can offer their clients.
- Customized and convenient access to accurate and timely data and information for nonprofit organizations;
- The development, promotion and institutionalization of best practices and standards;
- Improved technology acquisition and application at organizationally appropriate level.

The ultimate results will be stronger, more effective nonprofits, and collectively, a stronger, more effective nonprofit sector.

Sep-27-99 02:39pm

From-DE ASSOCIATION OF NONPROFIT AGENCIES

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Glossary of Terms

LO = Lead Organization. This is the organization that will coordinate the program throughout the state. In the case of small states the LO and NDC will be the same entity. In the case of larger states, the LO will set up and/or contract with existing institutions to create NDCs throughout its state.

NDC = Nonprofit Development Center. The physical location where nonprofit management and technical assistance will originate.

NTAP = Nonprofit Technical Assistance Provider. A nonprofit institution providing management and/or technical assistance to nonprofits.

NSO = National Service Organization. Nonprofit organizations with a national mandate that provide management and/or technical assistance to nonprofits.

Working list of Potential Partners & Allies

Alliance for Justice

Alliance for Nonprofit Management

Aspen Institute

Council on Foundations

Grantmakers for Effective Organizations (co-chaired by Barbara Kibbe, Packard Foundation, and Maryanne Holohean, Meyer Foundation)

Independent Sector

National Center for Nonprofit Boards

National Center of Charitable Statistics

National Society of Fundraising Executives

OMB Watch

Points of Light Foundation

United Way of America

Please add additional organizations in the space below:

December 12, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING

CC: JOHN PODESTA

SUBJECT: THEMES AND PROPOSALS FOR THE STATE OF THE UNION

This memo outlines three things: first, the overarching theme we propose for the State of the Union; second, the "big ideas" initiative that should be the centerpiece of the speech and the budget; third, the eight signature policies that comprise the "big ideas" package.

I. THEME: RESPONSIBILITY FOR THE FUTURE

The theme we recommend for the State of the Union is "Responsibility for the Future." This theme brings together all the major elements of your agenda: strengthening Medicare and Social Security, and reducing the debt; investing in and reforming public education; bridging the digital divide; investing in scientific research; protecting the environment; promoting peace around the world; and closing the opportunity gap.

"Responsibility for the Future" reinforces both liberal convictions about equity (leave no one behind) and Third Way sensibilities about accountability (let no one fail to do his part). It is consistent with your longstanding theme of "responsibility, opportunity, and community," and sets forth a powerful message that will resound long after we're gone. The country has come a long way these seven years, enabling us to turn even more to challenges of the next generation.

II. BIG IDEA: CLOSING THE OPPORTUNITY GAP

We believe your "big idea" for the budget and the State of the Union should be a "Closing the Opportunity Gap" initiative. It is a package of eight signature proposals described in the next section, and would highlight three or four major budget pieces. We had considered other labels for this initiative ("Leaving No One Behind," "Every Child's Initiative," and "Education First") but advocate "Closing the Opportunity Gap" because it shows continuity with your core philosophy and values, suggests a sweeping challenge worthy of a sweeping response, and provides a framework that will energize the entire economic and domestic team, from Summers and Herman to Shalala, Riley, and Cuomo.

III. EIGHT SIGNATURE ELEMENTS OF “CLOSING THE OPPORTUNITY GAP”

Your final State of the Union should be more than a laundry list of worthy ideas (although we provide, for reference, such a list in three longer memos which are attached). Here, we outline a package of signature “Opportunity Gap” proposals. These proposals represent the core of your domestic vision; they are ambitious ideas that will stick in the public mind. They are bold enough to show that your imperative is action, and appealing enough to stand a chance of enactment this year. Together, they give purpose and principle to your final year’s agenda.

The “Opportunity Gap” initiative consists of eight proposals: 1) universal pre-school to give all poor children a smart start; 2) universal after-school to help kids meet high standards; 3) a plan to turn around every failing school over the next decade; 4) measures to bridge the digital divide; 5) a set of new steps to help low-income students get into college and complete a degree; 6) proposals to encourage absent fathers to take responsibility for the support and love they owe their children; 7) a new bargain of tax cuts and other measures to reward work and family; and 8) a major expansion of New Markets to help all communities share in economic prosperity.

1. Early Childhood/Universal Pre-School. With a significant down payment in the FY2001 budget, you can lay the groundwork for achieving a goal that you, the Vice President, and the First Lady have talked about for some time: *universal access to pre-school for every 4-year-old in America*. There are a number of ways to do this:

- *Dramatic increase in Head Start funding.* Could expand by \$1 billion over FY '00, to expand Head Start from 880,000 children to nearly 1,000,000 in FY '01. A path for future fund increases to make Head Start universal could also be established.
- *Early Childhood Learning Fund.* A dramatic increase in the Early Childhood Learning Fund combined with a path for future increases. Could expand to \$1 billion for FY 01 – a \$400 million increase – and aim for \$10-\$20 billion over 10 years.

2. Universal After-School. By doubling after-school funding in the FY 2001 budget (from \$453 million in FY 2000 to at least \$1 billion in FY 2001), you can meet an urgent goal, which is to *provide after-school and summer school to every student in a failing school*. You called on states and districts to end social promotion in this past year’s State of the Union; this initiative will enable you to say we’re giving them the resources to end social promotion the right way, and give every student in our worst schools the extra help they need. Over a ten year period, we can make after-school and summer school universal for every Title I school – and with a sliding scale for students above 200% of poverty, we could eventually make after-school available to every student. (Cost: \$20-30 billion over 10 years).

3. Turning Around Every Failing School. To close the opportunity gap, we must close the achievement gap by focusing our efforts on the worst-performing schools. With a series of accountability and performance initiatives in the FY 2001 budget (and the after-school pledge outlined above), you can credibly set forth an ambitious, defining goal for strengthening public education: *turning around or shutting down every failing school in America over the next decade*. In addition to doubling after-school funding, the key steps include: expanding your

accountability fund; reaching your goal of 3,000 charter schools before you leave office; funding a new performance bonus to reward states and school districts for increasing their percentage of qualified teachers, adopting statewide accountability systems and school report card; and requiring universal public school choice for students in failing schools. We could also reintroduce a version of education opportunity zones. (Cost: \$3-5 billion over 10 years).

4. Closing the Digital Divide. If we are to close the opportunity gap in the next century, we must do all we can to *address the emerging digital divide*. Key elements could include:

- *Community Technology Centers.* A more than four-fold increase in funding – from \$32.5 million in FY 2000 to \$132.5 million in FY 2001 – as part of a major challenge to have Internet centers in all poor communities. We could challenge the private sector to contribute hardware, software and man-hours – and possibly give them tax incentives to donate used equipment.
- *Develop Universal Internet Access.* Reserve a \$100 million fund for public-private partnerships to bring affordable Internet access to poor families.
- *Teacher Training for the Internet.* We could dedicate \$100 million – perhaps from the existing technology literacy challenge initiative – to ensure all new teachers, or all middle-school teachers, receive training in how to use computers as a learning device.
- *School Internet Modernization Fund.* A discretionary counterpart to our school construction proposal to modernize schools for new teachers and Internet access.

5. Closing the Opportunity Gap for College. This element would focus on different aspects of closing the opportunity gap for college: helping more students aspire to and prepare for college, continuing to make college more affordable, and starting to address America's quiet crisis of declining college completion rates.

- *Keeping Students on Track to College.* We could increase access for impoverished young people through Youth Opportunity Grants, TRIO, GEAR UP, and Youth Build, increasing funding to a total of \$500 million.
- *AP Courses Online.* Small and poor schools often lack the resources and teachers to offer challenging courses. This distance learning initiative aims to ensure that students in underserved areas get access to Advanced Placement and other high-quality academic courses and ESL programs online. Total funding for the initiative would be \$225 million, including \$50 million for grants, \$25 million for course development, and \$125 million in increases in existing programs.
- *Test Prep for Poor Kids.* This program would support partnerships among high schools, proven providers of college test prep courses (like Kaplan, Princeton Review), and community-based organizations to offer high-need students SAT/ACT preparation and other services related to college admissions. Grants of \$30 million would serve approximately 50,000 students.

- *Refundable Hope Scholarship and Pell Grant Increase.* Expanding the maximum Pell Grant from \$3,300 to \$3,500 would cost \$766 million in FY 2001. A complementary proposal would be to make the Hope Scholarship refundable.
- *Challenging Students to Complete College.* The above initiatives could also be organized to promote not just going to college, but also completing college. In addition, a new initiative of College Completion Challenge Grants would provide grants to deal with college completion with a comprehensive program including, pre-freshman summer programs, support services and increased grant aid to students.

6. Demanding Responsible Fatherhood. If we are going to close the opportunity gap, we must close the responsibility gap. Demanding and promoting responsible fatherhood is the critical next stage of welfare reform and one of the most important things we can do to reduce child poverty. Mothers should not bear the whole burden of welfare reform; *now we must make sure that every unemployed father who owes child support goes to work and provides that support.* To achieve this goal, we can: 1) focus the Welfare-to-Work program on putting low-income fathers to work, and propose that states use their welfare surpluses to require deadbeat fathers to work and pay the child support they owe; 2) propose new measures to collect more child support from parents who can afford to pay; 3) restore the child-support pass-through and revise outdated rules to ensure mothers and children receive more of the support the father pays; and 4) promote efforts to ensure fathers returning from prison become responsible fathers and responsible members of society. (Cost: \$100 million in discretionary costs in FY 2001 plus mandatory costs of \$1.2 billion over 5 years and \$2.6 billion over 10 years).

7. Rewarding Work and Family. You could propose *a new social contract for the working poor.* This element could be the organizing principle for further initiatives in housing, expanding health care coverage, and rewarding work through EITC expansion.

- *Expanding Housing Vouchers.* Expand to 100,000 housing vouchers in FY 2001, with a goal of 500,000 vouchers by the fifth year. With such a plan, you could realistically propose that within a decade, no poor family will be trapped in the projects. (Cost: \$3-6 billion over five years, \$10-15 billion over ten).
- *Expanding Health Coverage.*
 - *Extend CHIP to Parents.* Would provide states with the same incentives to cover parents as children under Medicaid and the Children's Health Insurance Program (CHIP). Costs range from \$5 to \$18 billion over 5 years.
 - *Outreach to Enroll Uninsured Children in Medicaid.* This could be done through school-based outreach at a cost of about \$3 billion over 10 years. Another idea would be to simplify and unify the eligibility rules for Medicaid and CHIP, at a cost that is likely to be less than \$500 million over 5 years.

- *Restore Option to Cover Legal Immigrants.* This proposal would restore state benefits for certain pregnant women, children, and SSI-recipient legal immigrants. The cost is about \$3 billion over 10 years.
- *Progressive Savings Accounts.*
- *Rewarding Work and Family Through the EITC and Child Care.*
 - *Making the EITC Even More Pro-Work.* The EITC could be expanded by (1) increasing the phaseout so that more families get the maximum amount; (2) lowering the phaseout rate so that marginal tax rates are reduced; and (3) easing the marriage penalty by making these phaseouts more favorable for married couples. The third component would cost \$11 billion over 10 years.
 - *EITC Increase for Three Children.* Alternately, the EITC could be expanded by raising the maximum EITC with families with three or more children (which would benefit all families with three children), at \$8 billion/10 years.
 - *Child Care Block Grant in Discretionary Budget.* We stand a better chance of increasing child care subsidies poor if we move it to the discretionary side.
 - *Making the Dependent Care Tax Credit Refundable.* Our child care tax package provides significant relief for families earning \$30-60,000. But working poor families who need help the most earn too little (under \$18,000) to be eligible. Making the DCTC refundable costs \$4 billion over 5 years.

8. New Markets Initiative and Empowerment Zones. Help include communities that have not fully shared in our prosperity by expanding the New Markets initiative and including empowerment zones within the initiative.

- *Expanded New Markets Tax Credit.* Double the new markets tax credit, costing \$4 billion over 10 years.
- *Expanded Empowerment Zones Credit.* The goal would be to increase existing incentives, include empowerment zones in the new markets framework, and compromise with Talent-Watts' American Community Renewal Act.
- *Expanded Low-Income Housing Tax Credit.* The FY 2000 budget proposed expanding the Low-Income Housing Tax Credit (LIHTC) from \$1.25 per capita to \$1.75 per capita at a cost of \$1.6 billion over 5 years. In light of housing shortages in many parts of the country, we may want to expand this credit even further.
- *Making Homeownership More Affordable.* A new homeownership tax credit could help boost homeownership rates for lower income families by subsidizing the interest rate for income-qualified, first-time homebuyers at 15 to 30 percent below conventional rates. The cost of this proposal could be scaled to the desired level.
- *Expanding Faith-Based Involvement.* Propose to allow federal substance abuse treatment, juvenile justice, and after-school funds to be used by faith-based organizations.

PRELIMINARY COST OF THE "CLOSING THE OPPORTUNITY GAP INITIATIVE"
(billions of dollars above passback)

	<u>FY 2001</u>	<u>2001-10</u>
Early Childhood / Universal Pre-School	0.8	30-40
Increase in Head Start	0.4	
Early Childhood Learning Fund	0.4	
Universal After-School for Poor Children	0.55	20-30
Turning Around Failing Schools	0.3	3-5
Closing the Digital Divide	0.77	10
Community Technology Centers	0.07	
Universal Internet Access	0.1	
Teacher Training for the Internet	0.1	
School Internet Modernization Fund	0.5	
Closing the Opportunity Gap for College	0.42	10
Keeping Students on Track to College	0.25	
Stanley Kaplan and AP Online for Poor Kids	0.07	
Refundable Hope Scholarship and Pell Grant Increase	??	
Challenging Students to Complete College	0.1	
Fathers Responsibility	0.25	5
Rewarding Work and Family	1	10-15
Expanding Housing Vouchers	0	
Expanding Health Coverage		
Extend CHIP to Parents	??	10-35
Outreach to Enroll Uninsured	0.2	??
Restore Benefits for Certain Legal Immigrants	??	3
Make the EITC More Pro-Work	??	??
EITC Increase for Three Children	??	8
Progressive Savings Account	??	??
Move CCDBG to Discretionary	0.8	
Making DCTC Refundable	??	8
New Markets Initiative and Empowerment Zones		
Expanded New Markets Tax Credit	??	4
Expanded Empowerment Zone Credit	??	??
Expanded Low-Income Housing Tax Credit	??	3.2+
Making Homeownership More Affordable	??	??
DISCRETIONARY TOTAL	4.09	88-113

\$1.5 Billion: Investment in 21st Century Initiative

21st Century Research Fund Accounts	FY1999	FY 2000 Final*	Change from FY 99		Passback	Proposed Addback	Initiatives
			Amount	Percent			
Total	33,332	39,915	6,583	19.8%	10,373	1,501	
NIH	15,612	17,865	2,253	14.4%	17,933	421 **	Biomedical Research/Vaccines
NSF	3,672	3,897	225	6.1%	3,912	420	IT; Nanotech; Envir Research
DOE	3,547	3,673	126	3.6%	4,050	100	IT; Nanotech; Climate/energy
NASA	4,996	4,885	-111	-2.2%	5,001	100	IT; Nanotech;
DOD	4,259	4,580	321	7.5%	4,072	300 ***	IT; Nanotech; CIP/WMD
USDA	1,536	1,575	39	2.5%	1,581	75	Climate/energy; food safety
DOC	827	831	4	0.5%	801	50	IT; Nanotech
DOI (USGS)	798	821	23	2.9%	829	33	Climate/energy
EPA	671	663	-8	-1.2%	759		Climate/energy
VA	316	320	4	1.3%	334	2	Biomedical research
Ed	210	235	25	11.9%	427		Education research
DOT	488	570	82	16.8%	779		Aviation Safety

numbers are in millions of dollars

*numbers reflect .38 percent cut

** NIH numbers represent an increase equal to the CPI (2.4%) plus \$60 M for Vaccine Initiative.
If NIH were to increase to the BRDPI (3.6%) an additional \$154 M to the proposed addback would be needed.

*** DOD numbers assume passback at FY 00 requested levels.

PASSBACK = \$563 M above FY 00 Enacted Levels
ADDBACK = \$1,500 M above FY 00 Enacted Levels

Sudden Infant Death Syndrome (SIDS) Reduction

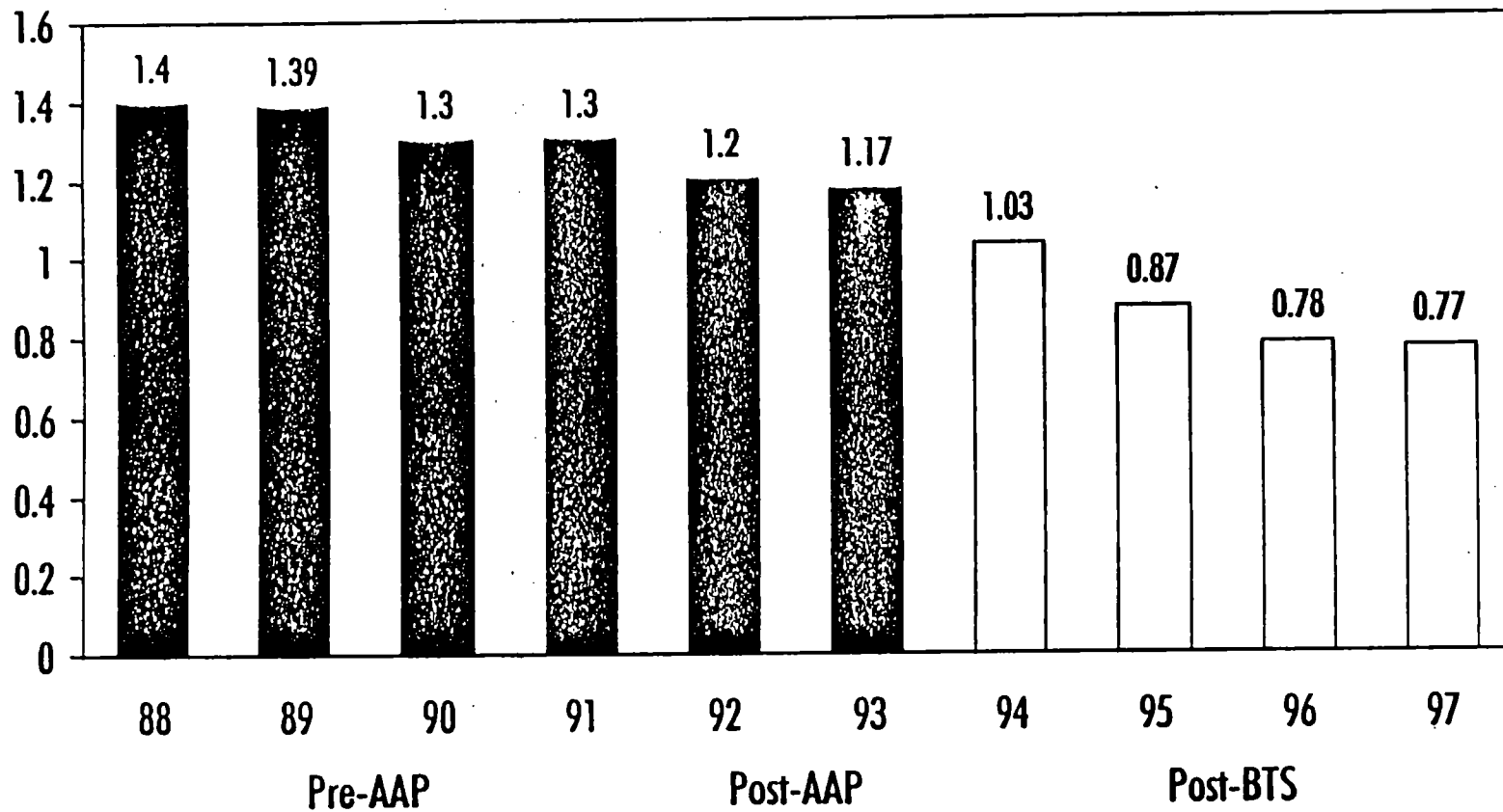
Sudden Infant Death Syndrome, which affects very young children, has confounded scientists for many years. In the last several years, however, significant advances have been made in understanding and stemming infant deaths due to SIDS.

The SIDS rate has declined 42.3% since 1992, declining 12% in 1997 alone. A vigorous Back to Sleep Campaign, with leadership from Mrs. Gore in partnership with the American Academy of Pediatrics, was launched in 1994 to let parents know they should put their infants to sleep on their backs, not on their stomachs. The campaign has worked to heighten awareness among parents and health care providers by producing and distributing brochures, posters, print public service announcements, and informational videos urging that babies be placed on their backs to sleep. Further, the campaign spurred the development of state SIDS campaigns, developed a Back to Sleep Internet web site, and established a toll-free phone number to enable the public to order campaign materials.

About one-fourth of the decline in mortality among infants is accounted for by the significant decline in deaths as a result of SIDS.

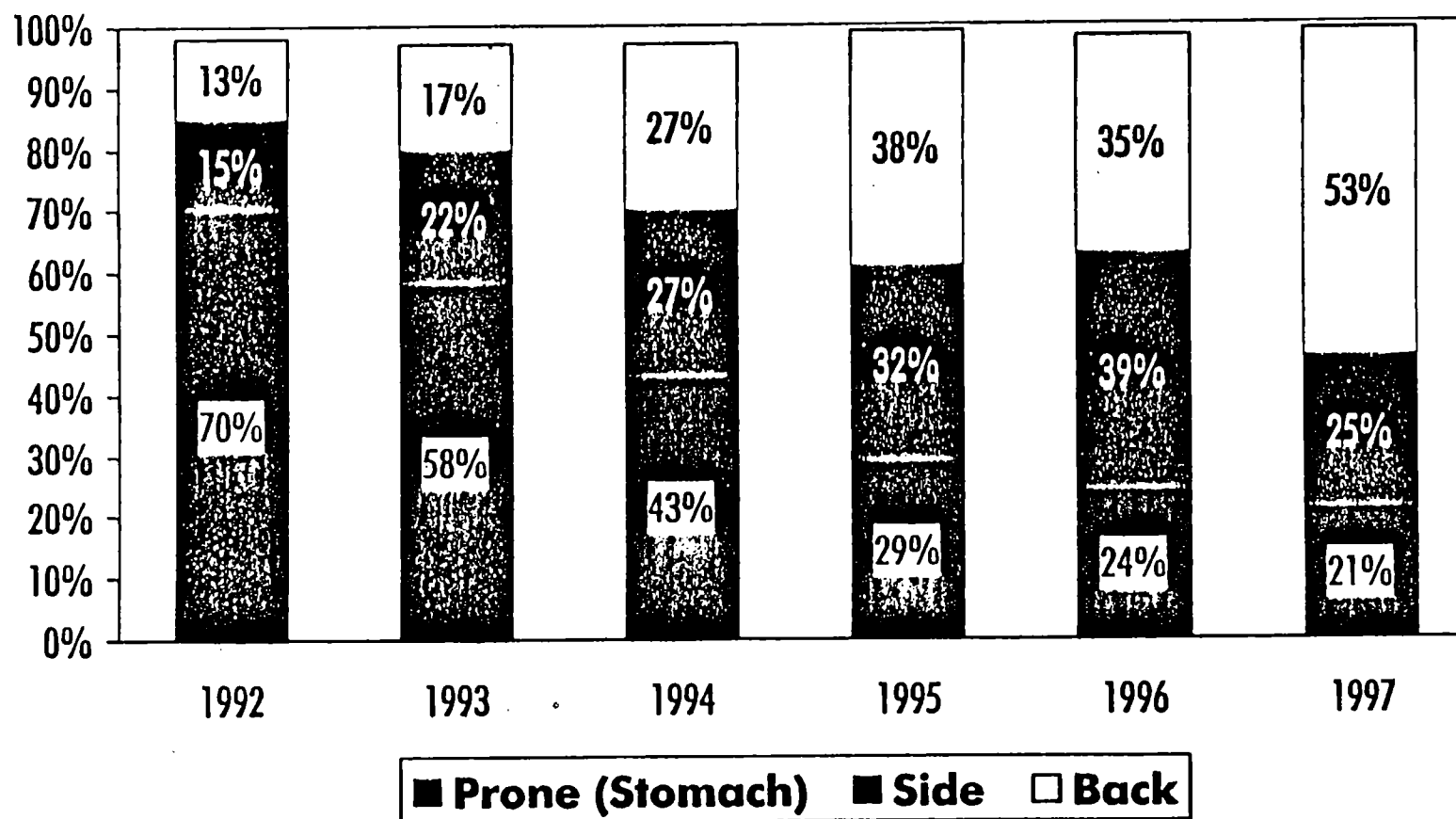
SIDS Rates, 1985-1997

(U.S. Deaths, per 1,000 live births)



Position Placed to Sleep

Infants Less Than 8 Months of Age



Infant Mortality Reduction

Infant mortality is one key indicator of the health of children and families. It is an important measure of the well being of infants, children, and pregnant women because it is associated with a variety of factors, such as maternal health, quality and access to medical care, socioeconomic conditions, and public health practices.

The Administration made infant mortality reduction an early emphasis, seeking to meet the established goal of reducing the national infant mortality rate to 7 per 1000 live births by the year 2000. Building on steady progress during the previous decades, the nation is very close to reaching its goal. We have succeeded in reducing the approximately 38,000 infant deaths annually in 1990 to 27-28,000 infant deaths a year in 1997, as a result of several critical research-based changes in practice.

As noted above, about one-fourth of the decline in mortality among infants is accounted for by the significant decline in deaths as a result of SIDS.

New ways of addressing the consequences of premature births have also contributed to the decline in infant mortality, especially with regard to respiratory distress syndrome (RDS). First, prenatal corticosteroids are now given to a mother prior to a premature birth, and a surfactant is given postnatally to the premature baby after delivery. A 1993 Consensus Conference held by the National Institute of Child Health and Human Development changed medical practices, leading physicians to use the new medications to prevent RDS.

One of the leading causes of infant mortality in the United States is birth defects. Researchers and scientists throughout HHS discovered that by using the B Vitamin folic acid certain birth defects can be prevented. The FDA is now fortifying the food supply with folic acid to assist women in reaching the recommended level of consumption. The CDC has begun a national campaign, with public and private partners, to encourage women of child-bearing age to consume 400 micrograms per day of folic acid.

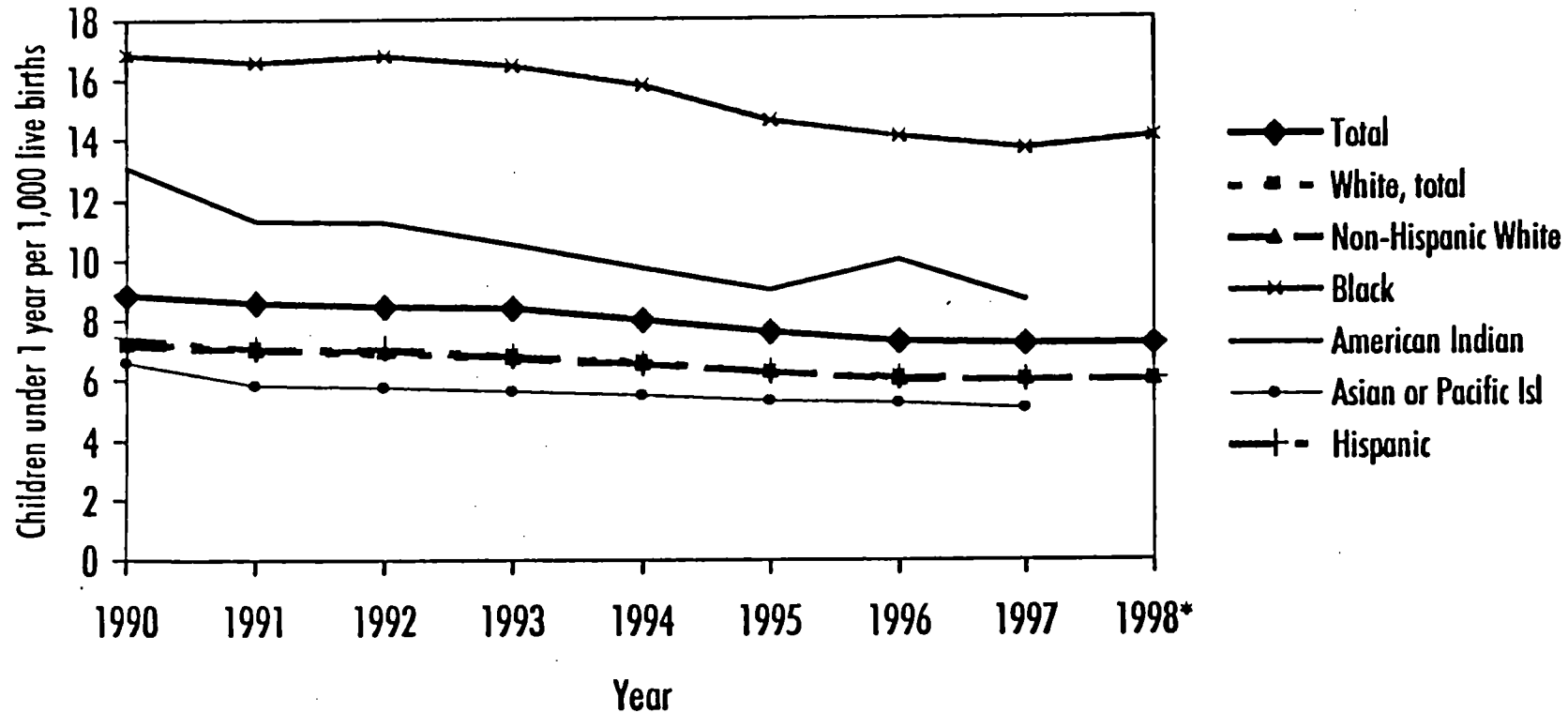
Access to prenatal care early in pregnancy has long been understood to improve birth outcomes. The likelihood of delivering a very low birthweight infant is 40 percent higher among women who receive late or no prenatal care. In 1997, the proportion of pregnant women who received prenatal care in their first trimester rose for the sixth straight year to 82.5 percent, an increase from about 76 percent in the early 1990s. This improvement has been true for women in all racial and ethnic groups. When women receive late or no prenatal care, the risk of negative health consequences for both them and their infants increases.

Increasing the number of women who receive early and comprehensive prenatal care has been a primary area of focus across a series of policies and programs. In addition to its continuing attention in initiatives of Maternal and Child Health programs, it is among the salient goals of the new Early Head Start program, which serves low-income families with infants and toddlers. The Administration consistently sought expansion of the

Supplemental Feeding Program for Women, Infants and Children (WIC), which provides nutritional foods and links to pre-natal health care for low-income pregnant women and their children. Despite legislative efforts to the contrary, the Administration stood firm in maintaining the Medicaid entitlement and made it possible for states to expand the health insurance program's reach to more low income mothers and children as they entered the workforce in the context of welfare reform. These actions have resulted in the highest percentage of women receiving prenatal care on record. And through a renewed emphasis on reaching the most vulnerable pregnant women, the proportion of pregnant women who receive late or no prenatal care continues to decline, contributing to the birth of healthier infants.

Despite these impressive gains, the U.S. continues to have persistent disparities across some racial groups and high infant mortality rates overall, compared to other industrialized nations. In 1997, the infant mortality rate among black infants was 13.7 per 1000 live births, and 8.7 for American Indians compared to 6 per 1000 live births among white and Hispanic babies. As of 1995, the U.S. still ranked 24th in infant mortality rates compared to other industrialized countries.

Infant Mortality Rates by Race and Hispanic Origin of Mother, United States, 1990-98



*Data for 1998 are preliminary

Source: *Infant mortality*: Infant mortality statistics from the 1997 period linked birth/infant death data set. National Vital Statistics Reports; Volume 47, No. 23. HS 1999.
Deaths: Final data for 1997. National Vital Statistics Reports; Volume 47, No. 19. NCHS. 1999. Births and Deaths: Preliminary data for 1998. National Vital Statistics Reports; Volume 47, No. 25. NCHS, National Center for Health Statistics. 1999.

December 12, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING

CC: JOHN PODESTA

SUBJECT: THEMES AND PROPOSALS FOR THE STATE OF THE UNION

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I. THEME: RESPONSIBILITY FOR THE FUTURE

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"Responsibility for the Future" reinforces both liberal convictions about equity (leave no one behind) and Third Way sensibilities about accountability (let no one fail to do his part). It is consistent with your longstanding theme of "responsibility, opportunity, and community," and sets forth a powerful message that will resound long after we're gone. The country has come a long way these seven years, enabling us to turn even more to challenges of the next generation.

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We believe your "big idea" for the budget and the State of the Union should be a "Closing the Opportunity Gap" initiative. It is a package of eight signature proposals described in the next section, and would highlight three or four major budget pieces. We had considered other labels for this initiative ("Leaving No One Behind," "Every Child's Initiative," and "Education First") but advocate "Closing the Opportunity Gap" because it shows continuity with your core philosophy and values, suggests a sweeping challenge worthy of a sweeping response, and provides a framework that will energize the entire economic and domestic team, from Summers and Herman to Shalala, Riley, and Cuomo.

III. EIGHT SIGNATURE ELEMENTS OF "CLOSING THE OPPORTUNITY GAP"

Your final State of the Union should be more than a laundry list of worthy ideas (although we provide, for reference, such a list in three longer memos which are attached). Here, we outline a package of signature "Opportunity Gap" proposals. These proposals represent the core of your domestic vision; they are ambitious ideas that will stick in the public mind. They are bold enough to show that your imperative is action, and appealing enough to stand a chance of enactment this year. Together, they give purpose and principle to your final year's agenda.

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2. Universal After-School. By doubling after-school funding in the FY 2001 budget (from \$453 million in FY 2000 to at least \$1 billion in FY 2001), you can meet an urgent goal, which is to *provide after-school and summer school to every student in a failing school*. You called on states and districts to end social promotion in this past year's State of the Union; this initiative will enable you to say we're giving them the resources to end social promotion the right way, and give every student in our worst schools the extra help they need. Over a ten year period, we can make after-school and summer school universal for every Title I school – and with a sliding scale for students above 200% of poverty, we could eventually make after-school available to every student. (Cost: \$20-30 billion over 10 years).

3. Turning Around Every Failing School. To close the opportunity gap, we must close the achievement gap by focusing our efforts on the worst-performing schools. With a series of accountability and performance initiatives in the FY 2001 budget (and the after-school pledge outlined above), you can credibly set forth an ambitious, defining goal for strengthening public education: *turning around or shutting down every failing school in America over the next decade*. In addition to doubling after-school funding, the key steps include: expanding your

accountability fund; reaching your goal of 3,000 charter schools before you leave office; funding a new performance bonus to reward states and school districts for increasing their percentage of qualified teachers, adopting statewide accountability systems and school report card; and requiring universal public school choice for students in failing schools. We could also reintroduce a version of education opportunity zones. (Cost: \$3-5 billion over 10 years).

4. Closing the Digital Divide. If we are to close the opportunity gap in the next century, we must do all we can to *address the emerging digital divide*. Key elements could include:

- *Community Technology Centers.* A more than four-fold increase in funding – from \$32.5 million in FY 2000 to \$132.5 million in FY 2001 – as part of a major challenge to have Internet centers in all poor communities. We could challenge the private sector to contribute hardware, software and man-hours – and possibly give them tax incentives to donate used equipment.
- *Develop Universal Internet Access.* Reserve a \$100 million fund for public-private partnerships to bring affordable Internet access to poor families.
- *Teacher Training for the Internet.* We could dedicate \$100 million – perhaps from the existing technology literacy challenge initiative – to ensure all new teachers, or all middle-school teachers, receive training in how to use computers as a learning device.
- *School Internet Modernization Fund.* A discretionary counterpart to our school construction proposal to modernize schools for new teachers and Internet access.

5. Closing the Opportunity Gap for College. This element would focus on different aspects of closing the opportunity gap for college: helping more students aspire to and prepare for college, continuing to make college more affordable, and starting to address America's quiet crisis of declining college completion rates.

- *Keeping Students on Track to College.* We could increase access for impoverished young people through Youth Opportunity Grants, TRIO, GEAR UP, and Youth Build, increasing funding to a total of \$500 million.
- *AP Courses Online.* Small and poor schools often lack the resources and teachers to offer challenging courses. This distance learning initiative aims to ensure that students in underserved areas get access to Advanced Placement and other high-quality academic courses and ESL programs online. Total funding for the initiative would be \$225 million, including \$50 million for grants, \$25 million for course development, and \$125 million in increases in existing programs.
- *Test Prep for Poor Kids.* This program would support partnerships among high schools, proven providers of college test prep courses (like Kaplan, Princeton Review), and community-based organizations to offer high-need students SAT/ACT preparation and other services related to college admissions. Grants of \$30 million would serve approximately 50,000 students.

- *Refundable Hope Scholarship and Pell Grant Increase.* Expanding the maximum Pell Grant from \$3,300 to \$3,500 would cost \$766 million in FY 2001. A complementary proposal would be to make the Hope Scholarship refundable.
- *Challenging Students to Complete College.* The above initiatives could also be organized to promote not just going to college, but also completing college. In addition, a new initiative of College Completion Challenge Grants would provide grants to deal with college completion with a comprehensive program including, pre-freshman summer programs, support services and increased grant aid to students.

6. Demanding Responsible Fatherhood. If we are going to close the opportunity gap, we must close the responsibility gap. Demanding and promoting responsible fatherhood is the critical next stage of welfare reform and one of the most important things we can do to reduce child poverty. Mothers should not bear the whole burden of welfare reform; *now we must make sure that every unemployed father who owes child support goes to work and provides that support.* To achieve this goal, we can: 1) focus the Welfare-to-Work program on putting low-income fathers to work, and propose that states use their welfare surpluses to require deadbeat fathers to work and pay the child support they owe; 2) propose new measures to collect more child support from parents who can afford to pay; 3) restore the child-support pass-through and revise outdated rules to ensure mothers and children receive more of the support the father pays; and 4) promote efforts to ensure fathers returning from prison become responsible fathers and responsible members of society. (Cost: \$100 million in discretionary costs in FY 2001 plus mandatory costs of \$1.2 billion over 5 years and \$2.6 billion over 10 years).

7. Rewarding Work and Family. You could propose *a new social contract for the working poor.* This element could be the organizing principle for further initiatives in housing, expanding health care coverage, and rewarding work through EITC expansion.

- *Expanding Housing Vouchers.* Expand to 100,000 housing vouchers in FY 2001, with a goal of 500,000 vouchers by the fifth year. With such a plan, you could realistically propose that within a decade, no poor family will be trapped in the projects. (Cost: \$3-6 billion over five years, \$10-15 billion over ten).
- *Expanding Health Coverage.*
 - *Extend CHIP to Parents.* Would provide states with the same incentives to cover parents as children under Medicaid and the Children's Health Insurance Program (CHIP). Costs range from \$5 to \$18 billion over 5 years.
 - *Outreach to Enroll Uninsured Children in Medicaid.* This could be done through school-based outreach at a cost of about \$3 billion over 10 years. Another idea would be to simplify and unify the eligibility rules for Medicaid and CHIP, at a cost that is likely to be less than \$500 million over 5 years.

- *Restore Option to Cover Legal Immigrants.* This proposal would restore state benefits for certain pregnant women, children, and SSI-recipient legal immigrants. The cost is about \$3 billion over 10 years.
- *Progressive Savings Accounts.*
- *Rewarding Work and Family Through the EITC and Child Care.*
 - *Making the EITC Even More Pro-Work.* The EITC could be expanded by (1) increasing the phaseout so that more families get the maximum amount; (2) lowering the phaseout rate so that marginal tax rates are reduced; and (3) easing the marriage penalty by making these phaseouts more favorable for married couples. The third component would cost \$11 billion over 10 years.
 - *EITC Increase for Three Children.* Alternately, the EITC could be expanded by raising the maximum EITC with families with three or more children (which would benefit all families with three children), at \$8 billion/10 years.
 - *Child Care Block Grant in Discretionary Budget.* We stand a better chance of increasing child care subsidies poor if we move it to the discretionary side.
 - *Making the Dependent Care Tax Credit Refundable.* Our child care tax package provides significant relief for families earning \$30-60,000. But working poor families who need help the most earn too little (under \$18,000) to be eligible. Making the DCTC refundable costs \$4 billion over 5 years.

8. New Markets Initiative and Empowerment Zones. Help include communities that have not fully shared in our prosperity by expanding the New Markets initiative and including empowerment zones within the initiative.

- *Expanded New Markets Tax Credit.* Double the new markets tax credit, costing \$4 billion over 10 years.
- *Expanded Empowerment Zones Credit.* The goal would be to increase existing incentives, include empowerment zones in the new markets framework, and compromise with Talent-Watts' American Community Renewal Act.
- *Expanded Low-Income Housing Tax Credit.* The FY 2000 budget proposed expanding the Low-Income Housing Tax Credit (LIHTC) from \$1.25 per capita to \$1.75 per capita at a cost of \$1.6 billion over 5 years. In light of housing shortages in many parts of the country, we may want to expand this credit even further.
- *Making Homeownership More Affordable.* A new homeownership tax credit could help boost homeownership rates for lower income families by subsidizing the interest rate for income-qualified, first-time homebuyers at 15 to 30 percent below conventional rates. The cost of this proposal could be scaled to the desired level.
- *Expanding Faith-Based Involvement.* Propose to allow federal substance abuse treatment, juvenile justice, and after-school funds to be used by faith-based organizations.

PRELIMINARY COST OF THE "CLOSING THE OPPORTUNITY GAP INITIATIVE"
(billions of dollars above passback)

	<u>FY 2001</u>	<u>2001-10</u>
Early Childhood / Universal Pre-School	0.8	30-40
Increase in Head Start	0.4	
Early Childhood Learning Fund	0.4	
Universal After-School for Poor Children	0.55	20-30
Turning Around Failing Schools	0.3	3-5
Closing the Digital Divide	0.77	10
Community Technology Centers	0.07	
Universal Internet Access	0.1	
Teacher Training for the Internet	0.1	
School Internet Modernization Fund	0.5	
Closing the Opportunity Gap for College	0.42	10
Keeping Students on Track to College	0.25	
Stanley Kaplan and AP Online for Poor Kids	0.07	
Refundable Hope Scholarship and Pell Grant Increase	??	
Challenging Students to Complete College	0.1	
Fathers Responsibility	0.25	5
Rewarding Work and Family	1	10-15
Expanding Housing Vouchers	0	
Expanding Health Coverage		
Extend CHIP to Parents	??	10-35
Outreach to Enroll Uninsured	0.2	??
Restore Benefits for Certain Legal Immigrants	??	3
Make the EITC More Pro-Work	??	??
EITC Increase for Three Children	??	8
Progressive Savings Account	??	??
Move CCDBG to Discretionary	0.8	
Making DCTC Refundable	??	8
New Markets Initiative and Empowerment Zones		
Expanded New Markets Tax Credit	??	4
Expanded Empowerment Zone Credit	??	??
Expanded Low-Income Housing Tax Credit	??	3.2+
Making Homeownership More Affordable	??	??
DISCRETIONARY TOTAL	4.09	88-113

Recommendation

I propose a \$1.5 billion initiative (above passback) in Science and Technology for the 21st Century for the FY 2001 budget. Such an increase would allow the Administration to achieve three important objectives: 1) increase university-based research (outside of NIH, government support for university-based research is only \$8-9 billion); 2) correct the growing disparity between the scientific disciplines and restore the all-important balance between biomedical research and the physical, social, and non-biomedical life sciences and engineering; and 3) increase support for research and development that support the President's priorities, which include:

- Information technology – Transform the way we obtain services ranging from entertainment and commerce to education and health care.
- Nanotechnology – Find ways to manipulate matter at the atomic and molecular level to make novel and useful devices and materials. Nanotechnology could have an impact on our economy and our society that is as significant as the development of the transistor and the Internet.
- Education research – Find out what really works in teaching math and science to kids and apply that knowledge. As the PCAST noted, “less than 0.1 percent of our nation's expenditures for elementary and secondary education . . . were invested to determine which educational techniques actually work, and to find ways to improve them.”
- Biomedical research – Win the war on cancer and declare war on asthma, mental illness, and heart disease; provide vaccines for the debilitating diseases of the developing world.
- Critical Infrastructure Protection and Weapons of Mass Destruction – protect Americans from cyberthreats and from chemical and biological warfare; lower the anxiety level.
- Aviation safety – Halt the trend toward weekly fatal airline accidents and reduce the aviation fatal accident rate by a factor of five within 10 years
- Climate and Energy – Create a clean energy future to reduce climate change and the health impacts of pollution, while growing the economy through energy technology exports; produce high-value chemicals, fuel, and power from new cash crops to boost farm income and add good jobs to rural economies.
- Environmental Research – Understand the biology and ecology of life on earth and learn how to protect it while also meeting the needs of the American and world's people.

By addressing significant gaps in our knowledge base, these initiatives will support greater equity and prosperity in our nation. I have attached agency-by-agency estimates of possible allocations of the FY 2001 funds for your consideration (Tab A). The outyears should reflect sustained annual growth of at least 5 percent.

Doubling Option: Millennium Fund for University Research

If we seek an enduring legacy of the President's commitment to investing in science and technology, I believe that the Administration could gain bipartisan support for supplementing and sustaining the FY 2001 funding with a proposal to double university-based research in five years (beginning in FY 2002). By directing that these funds be used to strengthen the integration of research and education, the Administration can underscore the core principles of the Government-University Research Partnership. This Millennium Fund for University Research would require an additional investment of approximately \$28 billion in the outyears (on top of the 5% increase recommended above). Such a fund would provide a practical alternative to Congressional proposals that authorize doubling all civilian research and development.

THE WHITE HOUSE

WASHINGTON

December 9, 1999

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: NEAL LANE 
SUBJECT: State of the Union Address/FY01 Budget Ideas

Science and technology, particularly research and education, should figure prominently in the President's State of the Union Address to underscore his vision for the 21st century. The emphasis should be on two overarching needs: 1) restoring balance to our science and technology research portfolio by focusing on university-based research in the physical, social, and life sciences and in engineering; and 2) providing funding for the breakthrough research that will serve America's goals for the new millennium: prosperity, equality, environmental quality, health, and safety.

Increasing Balanced Investments in Long-Term Research and Development

The President has been consistent and eloquent about his commitment to investing in America's future even in times of constrained resources. In every year of the Clinton Administration, we have increased the S&T budget. The 21st Century Research Fund, an unprecedented statement of the importance of broad support of S&T, has fared extremely well in Congress – showing an 8 percent increase in FY 2000.

As the President noted last Friday, however, we need to make greater progress next year in funding a balanced research portfolio.

"...I would like to make this point very strongly, because it's one that I hope to make more progress on next year and hope to see our country embrace as a policy across the board, without regard to party: it is very important that we have a balanced research portfolio. . . . we have to have a balanced research portfolio, because the research enterprise is increasingly interdependent. Advances in health care, for example, are often dependent on breakthroughs in other disciplines – such as the physics need for medical imaging technology, or the computer science needed to develop more drugs more rapidly, or to continue the mapping of the human genome."

NIH and biomedical research received over two-thirds of the FY 2000 increase in the 21st Century Research Fund. Non-defense research outside of NIH increased only 2.4 percent in FY 2000. Since FY 1994, non-defense R&D outside of NIH has not kept pace with inflation, and is down 5 percent in real terms. The physical and social sciences, engineering, and non-biomedical life sciences have barely kept pace with inflation over the last several years. Their failure to thrive poses a risk to our leadership in such critical areas as information technology (where we have made a good start with IT²), nanotechnology, and energy. It even undermines biotechnology and medical research, which depend on advances in chemistry, biology, physics, mathematics, and several fields of engineering.

POSSIBLE THEMES FOR THE STATE OF THE UNION

As the final State of the Union of his term and the first one of the new millennium, the President has an opportunity to lay out a vision and agenda that will set the compass for the new century.

1. **America's first steps into the 21st century must be the right steps.**

America's journey to the 21st century begins today. It is our responsibility to make sure that the first steps we take are the right steps. We should give more working families the tools they need to succeed; prepare for the retirement of the baby boomers while giving our children the education they deserve; and make America the safest big country in the world. We can also make sure technology and the global economy work for every American; and keep America the strongest force for peace and freedom in the world.

2. **This is a pivotal moment for America.**

This is a pivotal moment for America. The choices we make today will determine our course for years to come. We should choose to give more working families the tools they need to succeed; to prepare for the retirement of the baby boomers while giving our children the education they deserve; and to make America the safest big country in the world. We should also make sure technology and the global economy work for every American; and keep America the strongest force for peace and freedom in the world.

3. **American leadership for a second American Century.**

Our leadership in the world made the 20th century the American Century. Now, more than ever, America's values of freedom and democracy are the values of the world. We have a chance to make the 21st century the second American Century – one of even greater prosperity and security. To do that, we must lead in the world, not retreat from it; we must shape events, not be shaped by them. In the 21st century, America must continue to be the world's leading force for peace, freedom and prosperity.

4. **Our new approach to government for a new century.**

We have renewed our nation with ideas that work, not with outdated ideologies that don't. We have ended the debate between those who said that government was the only problem and those who said government was the only solution. Instead, we have fashioned a smaller government that is more effective and attuned to our times – one that lives within its means; one that acts in partnership with communities and business; one that gives our people the tools they need to succeed. This is the right kind of approach to the challenges of the 21st century.

5. **A proven path for continued prosperity in the 21st century.**

Seven years ago, we charted a new course for America – of fiscal discipline, expanded trade, and investment in our people. That strategy is working. America is enjoying its longest economic expansion in history – with 20 million new jobs, rising wages, low unemployment, and the highest homeownership ever. Now is not the time to abandon the fiscal discipline that got us here. We can create an even greater era of prosperity – if we continue to live within our means and make critical investments in education, health care, the environment, and defense.

6. **Renewing our deepest values for a new century.**

In the last seven years we have put basic American values – opportunity for all, responsibility from all, and a community of all – back at the center of our national life. As a result, opportunity is abundant, social problems are on the mend, and we are enjoying the longest peacetime expansion in our history. At the dawn of this new century, we must ensure that these same enduring values guide us through new and changing times.

7. **Fulfilling the promise and meeting the challenges of the Information Age.**

Technology is transforming the ways we live, work and learn. America's pioneering spirit is opening new frontiers of progress – from the biotechnology that is curing ancient diseases, to the Internet that is opening new avenues of communication and commerce. But these rapid changes in technology can also put new pressures on work and family, and pose new challenges to our values and privacy. At the dawn of this new century, we must work to fulfill the promise and meet the challenges of the Information Age.

8. **A new era of responsibility.**

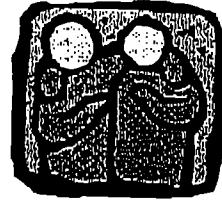
At the dawn of this new century, we should challenge every American to take responsibility – for their families, for their communities, and for their nation. We should give people the tools they need to succeed, but also demand that all Americans step up to their responsibility. That means all parents must take a more active role in their children's lives, health, and safety. It means getting involved in their education and turning around troubled schools; and taking the initiative to create economic opportunity in our own communities.

9. **America's choice at the crossroads of a new century.**

America faces a choice. Some say our nation is so prosperous we can now each go it alone. They say public schools and Medicare and Social Security are relics of the past. They say government is too big and we should spend our surplus on a big tax cut. But I believe the path to progress is to make government smaller while our goals stay as big as ever. We must maintain our fiscal discipline, while making critical investments in education, health care, the environment, and defense. That is the right choice for America.



YOUTH VOTE 2000



October 18, 1999

Mary Smith
White House Domestic Policy Council
1600 Pennsylvania Ave, NW
Washington, DC 20501

*Copy to
Liz
↑
Done*

Dear Ms. Smith

Youth Vote 2000 is a non-partisan coalition of organizations that encourage civic participation and promote a better understanding of public policy issues among youth. Our objective is to promote the effective engagement of youth in the political process, through coordinating the election year activities of our members. Additionally, Youth Vote 2000 has four programmatic activities: Pre-primary Conferences; Youth Focused Debates; Local Coordinated Get-Out-The-Vote Drives and Election Day Civics Guides.

The diverse members of the Youth Vote 2000 coalition have a long history of mobilizing youth and underrepresented populations to participate in the political process. To date, coalition members include Black Youth Vote, Campus Green Vote, the Leadership Conference Education Fund, the League of Women Voters Education Fund, the National Council of La Raza, the Organization of Chinese Americans, Rock The Vote, Third Millennium, the United States Public Interest Research Group and the United States Student Association. The coalition is actively seeking new members to join this important effort.

Our centralized and collaborative effort makes accomplishing the above goals possible. It also helps members assist each other throughout the election cycle. The League of Women Voters Education Fund (LWVEF) will serve as the fiscal agent for this 18-month campaign, which began in the summer of 1999 and will continue through the 2000 presidential elections.

During this period, Youth Vote 2000 will implement and evaluate its programmatic goals. These activities begin with three pre-primary conferences in Iowa, New Hampshire and California. After the primary season, Youth Vote will hire 20-25 local organizers around the country to conduct voter registration, education and mobilization drives, as well as coordinate the activities of our members' local affiliates. Throughout this process, the Youth Vote coalition will actively work with the Commission on Presidential Debates and national political parties, to initiate the country's first Presidential Youth Debate. This dynamic campaign hopes to demonstrate to our nation's youth that their concerns are not only relevant, but are an essential part of our political process. Finally, Youth Vote 2000 will develop and nationally distribute Election Day Civics Guides. These electronic and print documents will help link young people to our local affiliates, while encouraging them to continue their issue involvement beyond Election Day.

The excitement surrounding this initiative is growing daily. The development of partnerships with MTV's Choose or Lose campaign and a presidential candidate town-hall series at Dartmouth College have only heightened interest in Youth Vote 2000. We hope this enthusiasm helps assure our success in this challenging, yet extremely important, undertaking. We welcome your support and involvement.

Sincerely,

Julia S. Cohen
Executive Director

Youth Vote 2000
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info@youthvote2000.org



National Council of Nonprofit Associations

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1/27/98 11:00am

**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
January 27, 1998**

SON
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Mr. Speaker, Mr. Vice President, members of the 105th Congress, distinguished guests, and my fellow Americans:

Since the last time we met in this chamber, America has lost two patriots and fine public servants. Though they sat on opposite sides of the aisle, Representatives Walter Capps and Sonny Bono shared a deep love for this House and an unshakeable commitment to improving the lives of all our people. They will be sorely missed.

For 209 years, it has been the President's duty to report to you on the State of the Union. Because of the hard work and high purpose of the American people, these are good times for America. We have more than 14 million new jobs. The lowest unemployment in 24 years. The lowest core inflation in 30 years. Incomes are rising, and we have the highest homeownership rate in history. The welfare rolls are the lowest in 27 years, and crime has dropped for a record five years in a row. Our leadership in the world is unrivaled. The state of our union is strong.

But with barely 700 days left in the 20th Century, this is not a time to rest; it is a time to build, to build the America within our reach. An America where everybody has a chance to get ahead with hard work. Where every citizen can live in a safe community. Where families are strong, schools are good, and all young people can go to college. An America where scientists find cures for diseases from Alzheimers to AIDS. An America where every child can stretch a hand across a keyboard and reach every book ever written, every painting ever painted, every symphony ever composed. Where government provides opportunity, and citizens honor the responsibility to give something back to their communities. An America which leads the world to new heights of peace and prosperity.

This is the America we have begun to build; this is the America we can leave to our children -- but only if we join our wills to finish the job at hand. Let us strengthen our nation for the 21st Century.

Rarely have Americans lived through so much change, in so short a time, in so many ways. Quietly but with gathering force, the ground has shifted beneath our feet, as we move into an information age, a global economy, a truly new world.

For five years now, we have met these challenges as we have at every turning point -- by renewing the very idea of America: widening the circle of opportunity, deepening the meaning of our freedom, forging a more perfect union.

We have shaped a new kind of government for the Information Age. I thank the Vice President for his leadership and the Congress for its support in building a government that is leaner, more flexible, a catalyst for new ideas. Most of all, a government that gives the American people the tools they need to make the most of their own lives.

We have moved past the sterile debate between those who say government is the enemy and those who say government is the answer. My fellow Americans, we have found a third

way. We have the smallest government in 25 years, but a more progressive one. We have a smaller government, but a stronger nation.

We are moving steadily toward a stronger America in the 21st Century. An economy that offers opportunity. A society rooted in responsibility. And a nation that lives as a community.

AN ECONOMY THAT OFFERS OPPORTUNITY

First, Americans in this chamber and across this country have pursued a new strategy for prosperity: Fiscal discipline to cut interest rates and spur growth. Investments in education and skills, in science and technology, to prepare our people for the new economy. Tearing down trade barriers to open new markets for American products and American workers, and new pathways to peace and freedom.

When I took office, the deficit for 1998 was projected to be \$357 billion, and heading higher. Today, our deficit is \$23 billion, and heading lower.

For three decades, six presidents have come before you to warn of the damage deficits posed to the nation. Tonight, I come before you to announce that the federal deficit -- once so incomprehensibly large that it had eleven zeroes -- will be, simply . . . zero.

I will submit to Congress for 1999 the first balanced budget in 30 years.

And if we hold fast to fiscal discipline, we may balance the budget this year -- four years ahead of schedule.

Turning a sea of red ink into black is no miracle. It is the product of hard work by the American people and of two visionary actions in Congress -- the courageous vote in 1993 that cut the deficit by 90% . . . and the historic bipartisan balanced budget agreement passed by this Congress. And if we maintain our resolve, we will produce balanced budgets as far as the eye can see.

We must not go back to unwise spending, or untargeted tax cuts, that risk reopening the deficit. Last year, we enacted targeted tax cuts, so that typical middle class families will now have the lowest tax rate in 20 years.

My plan to balance the budget next year includes new investments and new tax cuts targeted to the needs of working families: for education, child care, and the environment.

But whether the issue is tax cuts or spending, I ask all of you to meet this test: approve only those priorities that can actually be accomplished without adding a dime to the deficit.

If we balance the budget for next year, it is projected that we will have a sizeable surplus. What then, should we do with this projected surplus?

I have a simple four word answer: Save Social Security first.

Tonight, I propose that we reserve 100% of the surplus -- that's every penny of any surplus -- until we have taken all the measures necessary to strengthen the Social Security system for the 21st Century.

Let us say to all Americans watching tonight -- whether you are 70 . . . or 50 . . . or just beginning to pay into the system -- Social Security will be there when you need it. Let us, tonight, make this commitment: Social Security first.

I urge all Americans to join us -- in facing these issues squarely, and forming a true consensus on how to proceed. We'll start by conducting nonpartisan forums in every region of the country. We will host a White House conference on Social Security in December. And one year from now, I will convene the leaders of Congress to craft historic, bipartisan legislation to save Social Security.

Investing in people

In an economy that honors opportunity, all Americans must be able to reap the rewards of prosperity. Because these times are good, we can afford to take one simple, sensible step to help millions of workers struggling to provide for their families: We should raise the minimum wage.

The information age is first and foremost an education age . . . in which education must start at birth and continue throughout a lifetime.

Last year, from this podium, I said education was our highest priority. I laid out a ten point plan to move us forward, and urged us all to make sure politics ends at the schoolhouse door.

Since then, this Congress and the American people have responded, in the most important year for education in a generation . . . expanding public school choice and creating 3,000 charter schools . . . working to connect every classroom to the information superhighway . . . committing to expand Head Start to 1 million children . . . launching America Reads, which has sent thousands of tutors into our schools to make sure every 8 year old can read.

Last year I proposed, and you passed . . . 1 million work study jobs for college students . . . 220,000 new Pell Grant scholarships for deserving students. Student loans are already less expensive and easier to repay, and now you can deduct the interest. Families all over America can put savings into our new, tax free education IRAs. And this year, for the first two years of college, families will get a \$1500 tax cut -- a Hope Scholarship that will

cover the cost of most community college tuition.

So I have something to say to each and every American family listening tonight: your children can go to college. If you know a child from a poor family, tell her not to give up. She can go to college. If you know struggling young parents who are worried they won't be able to save for their children's education, you tell them not to give up. Their children can go to college. If you know somebody caught in a dead-end job, afraid he can't afford the classes that will get him better jobs for the rest of his life, tell him not to give up. He can go to college.

We can make college as universal as high school is today. And my friends, this will change the face of 21st Century America.

We cheer tonight because we know we have opened wide the doors of the world's best system of higher education. Now we must make our public elementary and secondary schools the best in the world, too -- by raising standards, raising expectations, and raising accountability.

Thanks to the actions of this Congress last year, we will soon have, for the first time, a voluntary national test based on national standards in 4th grade reading and 8th grade math. Parents have a right to know whether their children are mastering the basics.

And every parent already knows the key: good teachers and small classes. Tonight I propose the first ever national effort to reduce class size in the early grades. My balanced budget will help to hire 100,000 new teachers -- teachers who must pass a state competency test. With these teachers, we will reduce class size in the first, second, and third grades to an average of 18 students.

More teachers teaching smaller classes requires more classrooms. So I propose a school construction tax cut to help communities modernize or build over 5,000 schools.

We must also demand accountability. When we promote a child from grade to grade who hasn't mastered the work, we do that child no favors. It is time to end social promotion in America's schools.

Last year, in Chicago, they made that decision -- not to hold children back, but to lift them up. Chicago stopped social promotion, and started mandatory summer school to help students who are behind to catch up. I propose an effort to help other communities follow Chicago's lead. Stop promoting children who don't learn, and we will give you the tools you need to make sure they do learn.

The job of improving our schools is a job for every American. I ask you to support our effort to enlist colleges to reach out to disadvantaged children -- and give them hope and guidance to help prepare them to go to college.

Leading the global economy

As we enter the 21st Century, the global economy requires us to seek opportunity not just at home, but in all the markets of the world. We must shape this global economy, not shrink from it.

In the last five years, we have led the way in opening new markets, with 240 trade agreements. Our policy is to remove foreign barriers to products that bear the proud stamp, "Made in the USA."

In the coming decade, we can create millions of American jobs and sell billions of dollars of American goods, in areas ranging from agriculture to medical equipment. If we lead, we can make this global economy work for our own people, lift the fortunes of millions around the world, and strengthen our children's chances for prosperity and peace.

Today, record high exports account for fully one third of our economic growth. I want to keep them going, because that's the way to keep America growing.

This year we will forge new partnerships with Latin America. And we should pass the new African Trade Act.

And I am renewing my request for the necessary fast track negotiating authority to open more new markets abroad.

We should also seek to maintain and enhance worker and environmental standards around the world. But we can't influence those decisions if we send a message to our trading partners that we're backing away.

This year, I will send legislation to Congress, and ask other nations to join with us, to fight the most intolerable practice of all – abusive child labor.

We should also offer help and hope to those Americans temporarily left behind by the global marketplace or the march of technology.

That is why we have more than doubled the funding for training dislocated workers.

That is why we must do more, more quickly, to help workers who lose their jobs for any reason. We help communities when their military base closes. We ought to help them in the same way if their factory closes.

And that is why, again, I ask this Congress to continue its bipartisan work to consolidate the tangle of training programs into a GI Bill for Workers, a simple grant so people can move quickly to new jobs and higher incomes.

forces, new technology and energy efficiency.

We have it in our power to act right here, right now. I propose \$6 Billion in tax cuts and research and development to spur innovation, cleaner factories, fuel efficient cars, energy efficient homes.

Every time we have acted to heal our environment, pessimists have said it would hurt our economy. Well, today our economy is the strongest in a generation -- and our air and water are the cleanest in a generation. Americans have always found a way to grow the economy and clean the environment at the same time. And we'll do it again.

One America in the 21st Century

Finally, community means fulfilling, at long last, the defining American value -- the ideal heard round the world -- that all men and all women are created equal.

Let us be frank. Throughout our history, we have not always honored this ideal. It is so much easier to believe that our differences matter more than what we have in common. It is easier, but it is wrong.

What can we do in our day and generation to make sure that America becomes truly one nation, even as we become more diverse? The answer cannot be to dwell on our differences, but to build on our shared values. We all cherish family and faith, work and community. We all strive to live lives that are free and honest and responsible. We all want our children to grow up in worlds where their talents are matched by their opportunities.

I have launched a national initiative on race to help us recognize our common interests and bridge the opportunity gaps that keep us from being One America.

Let us begin by recognizing what we still must overcome. Discrimination still exists in America. There will always be those who define the worth of their lives not by who they are, but by who they aren't; not by what they're for, but by what they're against. Discrimination against any American is un-American. We must vigorously enforce the laws that make it illegal. We should pass the Employment Non Discrimination Act.

And I ask your help to end the backlog at the Equal Employment Opportunity Commission. 60,000 of our fellow citizens are waiting in line for justice.

And we recognize that the greatest progress we can make toward building one America lies in the progress we make for all Americans. When we open the doors of college to all Americans, when we cleanse our streets of crime, when we make sure that every parent has the child care they need, we build one nation.

We, in this chamber and in government, must do what we can to address this continuing American challenge. But we will only move forward if all Americans -- every one of you

watching at home tonight -- commit to this cause.

We must work together, learn together, live together, and serve together. For only on the forge of common enterprise can Americans of all backgrounds hammer out a common identity. We see that in the United States military, in AmeriCorps, in the Peace Corps, wherever people of all races and backgrounds come together in a shared endeavor.

With shared values, honest communication, and citizen service, we can unite a diverse people in freedom and mutual respect. We are many. We must be one.

THE MILLENNIUM -- GIFTS TO THE FUTURE

In that spirit, let us lift our eyes to the new millennium. How will we mark that passage?

This year, Hillary and I launched the White House Millennium Program to promote America's creativity and innovation, and to preserve the culture we share into the 21st Century. Our culture lives in every community, in the historic places that tell our stories as Americans. I am proposing a public private partnership to save America's treasures. And I call on all Americans to give a gift to the future by preserving our heritage.

To honor what we have been, and imagine what we can become, let us invoke the wonders of science and the richness of our culture -- our arts and humanities -- to bestow our gifts to the millennium.

What are the real advances we can look forward to seeing in our lifetimes?

The entire store of human knowledge now doubles every five years. In the 1980s, scientists identified the gene causing cystic fibrosis -- and it took 9 years. Last year, we located the gene that causes Parkinson's Disease -- in only 9 days. Within a decade, "gene chips" will offer a roadmap for prevention of illness throughout a lifetime. Soon, we will be able to carry all the phone calls on Mother's Day on a single strand of fiber the width of a human hair. A typical born in 1998 may well live to see the 22nd Century.

Tonight, as part of our gift to the next millennium, I propose a 21st Century Research Fund for pathbreaking scientific inquiry. This will be the largest funding increase in history for the National Institutes of Health, the National Science Foundation, and the National Cancer Institute. We have already discovered genes for breast cancer and diabetes. I ask you to support this initiative, so that ours will be the generation that finally wins the war against cancer.

As important as rapid scientific progress is, science must continue to serve humanity, never the other way around. We must prevent the misuse of genetic tests to discriminate against any American. And we must ratify the ethical consensus of the scientific and religious

communities, and ban the cloning of human beings.

In our next gift to the new millennium, we will enable all people of the world to explore the far reaches of cyberspace.

The first time I reported to you on the State of the Union, only physicists used the World Wide Web. Now, in schools, libraries, homes and businesses, millions of Americans surf the Web every day.

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And even as we explore innerspace, in the new millennium we will open new frontiers in outer space.

Throughout history, humankind has had only one place to call home -- the planet Earth. Beginning this year, 1998, men and women from 16 countries will build a permanent foothold in the heavens -- the international space station. Within its vast expanses, scientists and engineers will set sail on this uncharted sea of limitless mystery and unlimited potential.

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You will carry with you America's hopes, and on your uniform you will carry America's flag, marking the unbroken connection between the deeds of America's past and the daring of America's future.

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An America that has continued to rise through every age, against every challenge; a people of great works and greater possibilities, who have found the wisdom and strength to come together as one nation -- to widen the circle of opportunity -- to deepen the meaning of our freedom -- to form that more perfect union. Let that be our gift to the 21st Century.

Last year, the Senate ratified the Chemical Weapons Convention to protect our soldiers and citizens from poison gas. Now, we must act to prevent the use of disease as a weapon of war and terror. The Biological Weapons Convention has been in effect for 23 years. The rules are good, but now we must strengthen them with an international inspection system to help detect and deter cheating.

In the months ahead, I will pursue our security strategy with old allies in Asia and Europe and new partners from Africa to India and Pakistan . . . from South America to China. And from Belfast, to Korea to the ancient lands of the Middle East, America will continue to stand with those who stand for peace.

Finally, it's long past time to make good on our debt to the United Nations. When we give our word, we should keep it. America should pay its bills.

But our partnerships will be weak and our leadership in doubt if we fail to set a good example. As we see so clearly in Bosnia, allies who share our goals can share our burdens. In this new era, our freedom and independence are actually enriched, not impoverished, by our increasing interdependence with other nations.

A NATION THAT LIVES BY COMMUNITY

Our Founders set America on a permanent journey toward "a more perfect union." It is a trip we can only make together -- living as one community.

Political reform & reinventing government

First of all, our government -- the instrument of our national community -- must earn the confidence of the American people.

Everyone knows elections have become too expensive, fueling a fundraising arms race. This year, on March 11, the Senate will vote on bipartisan campaign finance reform proposed by Senators McCain and Feingold. Let's be clear: a vote against McCain Feingold is a vote for soft money, for the status quo. I ask you to strengthen our democracy and pass campaign finance reform.

Even more, we must address the reason for the explosion in campaign costs. Tonight, I formally request the Federal Communications Commission to act to provide free or reduced cost television and radio time for candidates ~~who limit their spending~~. The airwaves are a public trust, and broadcasters have a responsibility to act in the public interest.

Under the Vice President's reinventing government initiative, we have already slashed 16,000 pages of regulations and reduced the federal payroll by 300,000 workers.

Like every taxpayer, I am outraged by the reports of abuses by the IRS. We need new

citizen advocacy panels, a stronger taxpayer advocate, phone lines open 24 hours a day, relief for innocent taxpayers. Last year, by an overwhelming bipartisan margin, the House passed sweeping IRS reforms. This bill must not languish in the Senate. Tonight I challenge the Senate: as your first order of business, pass our bipartisan package of IRS reforms. Do it now.

Empowering communities

A nation that lives as a community must value its communities.

For the past five years, we have worked to bring the spark of private enterprise into inner city and poor rural areas -- with community development banks, more commercial loans into poor areas, cleanups of polluted sites for development. Under the continued leadership of the Vice-President, we will expand the number of empowerment zones.

We should give businesses incentives to invest in poor areas and create jobs. We should give poor families more opportunities to move into homes of their own. And we should use tax cuts to spur the construction of more low income housing.

Our cities are the vibrant hub of our great metropolitan areas. They were the gateway for our grandparents -- and they are the gateway for the new immigrants, coming to work for their own American dream. Let's keep our cities going strong into the 21st Century, leaving no one behind.

Environmental protection

Our communities are only as healthy as the air our children breathe, the water they drink, and the Earth they will inherit.

Last year, we put in place the toughest-ever controls on smog and soot. We moved to protect Yellowstone, the Everglades, the magnificent redwoods of Headwaters Forest. We expanded every community's right to know about the toxics that threaten their children.

Yesterday, our food safety plan took effect, using cutting-edge science to protect consumers from dangers like e-coli and salmonella.

Tonight, I ask you to join me in launching a new Clean Water Initiative, a far-reaching new effort to clean our rivers, lakes and streams.

Our overriding environmental challenge is a worldwide problem requiring worldwide action: the gathering crisis of global warming.

The vast majority of scientists have concluded unequivocally that if we do not reduce the emissions of greenhouse gases, at some point in the next century we will disrupt our climate and put our children and grandchildren at risk. This past December, America led the world to reach a historic agreement committing nations to reduce greenhouse gas emissions through market

forces, new technology and energy efficiency.

We have it in our power to act right here, right now. I propose \$6 Billion in tax cuts and research and development to spur innovation, cleaner factories, fuel efficient cars, energy efficient homes.

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God Bless You, and God Bless the United States of America.

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72030

SOTU
— SCW
WJC notes

All the balls up in the air

- catch easiest on a --> lego?
 - put hard over --> s ___ pattern
 - quest for power over unifying principle --> loss of civility --> ___ developed ___
- ___ of power over civil harmony
-- ___ of pres. Gratification, negotiating a public dialogue

Tried to appeal to both ___ of our nation to find a new unifying vision of America that gives greater meaning to our union and wider, deeper meaning to our freedom

This is, I am convinced, what our founders meant when they told themselves and all their descendants down to the present day to form a more perfect union.

Just as we as individuals, must always strive to grow through success and failure, pain and joy, so must the nation grow in wisdom and spirit.

George Washington _____ed unto ___ beyond ___ to our nation. Abraham Lincoln gave his life to move beyond division and slavery to one nation. Teddy Roosevelt and Woodrow Wilson pushed us to reach our belief of the ___ but also to ___ excessive exploitation of people and ___ so toward. FDR lead use out of depression and through a war to save freedom itself by reminding us that fear is always our real enemy and bold ___ experimentation is the only way to preserve and strengthen our nation. 50 years of ___ and ___ leaders from President Truman to President Bush stood strong throughout the Cold War and built the ___ at home to life our United States to a new pinnacle of prosperity, strength, and ___.

But, by 1992, the cold war ___ again and became rapidly than ever before. A new global economy, the eve of the Cold War, and our ___ of new nations and old ___, their of need, religious fundamentalism, and cold war explosion of science, technology, and information presented the world with a whole new project, new winners and losers, new possibilities, and new threats in ___, a lot of balls in the air, most appealing and troubling, without an apparent order necessary to strengthen our union and deepen our freedom.

I sought this office in '92 because I felt our nation moving toward drift and division. Our debt had quadrupled in 4 years. Our social problems were worsening. Too many hardworking honest Americans were struggling to survive and make sense of a world increasingly beyond their control. Too many of our children were being harmed.

For 5 years I have struggled to redeem the promise of America, to forge a more perfect union, to widen and deepen the ___ of our freedom, to bring harmony and hope to a new era, I fiercely believe can be the most wonderful in all humanity's long journey.

I have ___ to rebuild the spirit of hope, to achieve the better ___ of our nation, to provide a unifying vision on which we can proceed with confidence into a new century into a new millennium.

Because the road has not always been clear, because neither I nor anyone have all the answers, I have embraced the path of bold _____ experimentation that has served us so well in the past.

But all our finished activity has been grounded in 3 _____ principles: opportunity for all; responsibility for all, and one _____ community of all our citizens.

To make these principles real in this time it has been necessary to change our recognition of our role of government, going beyond our debate of recent years between those who say government is the enemy of American's economic interests and shared values and those who say _____ of our government will sustain them or accept _____ of the _____. We have _____ our giving _____ and tools to keep making the most of this new era, on being a catalyst for new ideas, on protecting the defenseless and empowering the disadvantaged. In this we have budget success, thanks in large measure to the growing work of the Vice President is giving us the smallest government in 35 years but one still strong enough to move us forward.

Beyond forging this role of government, it has also been _____ to change the view Americans hold of _____ relative to the rest of the world. I have brought, with _____ success then I had hoped, to persuade Congress that the people that we live in an interdependent world in which what happens beyond our borders affects our security, our well-being, and our children's future. This fact, makes our leadership in partnership with others, in trade, in United Nation's activities including peace keeping and conflict prevention, in combating climate change and the spread of disease, _____ in stabilizing our global financial system far more important than ever before.

Tonight, with the State of the Union so strong, let us embrace with optimism and vigor the remaining challenges to build our bridge to the 21st century. Let us freeze our distaste and differences in a spirit of goodwill and civility. Let do whatever it takes to build an economy based on opportunity, a society based on responsibility, and union rooted in community.

FIRST: The opportunity economy

Strategy: Balance Budget, Invest in people, affirm _____ to our productivity.

Balanced Budget Surplus --social security first

Education past Year 10: progress --especially college

Now: student loan reform, court, _____, _____, _____

Environment: grow and preserve, reward, climate change, clean water

Empowerment Abroad --labor law

_____ --> Ezs, CDFIs, CRA, _____, _____, base closing, HUD _____

Trade

Financial Markets

SECOND: Reform society

Work/family, child care

Welfare,

Retirement

Health Care: _____

Medicare

Medicaid
Health Care Bill of Rights

Crime

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Government reform: ___, IRS, Campaign finance

National security

THIRD Nation Rooted in Community

1. One America: _____ have together
2. Serving America: Give together Americorps

CONCLUSION Gifts to the future

HRC 1. Res --> pioneer (V

2. Space

3. Heritage

Progress --Yes. Pr ___ Yes. Preserve. Yes.

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New level of harmony _____

SOTV - EW

**GENERAL OUTLINE OF ECONOMIC AND DOMESTIC POLICY
PROPOSALS IN THE STATE OF THE UNION ADDRESS**

I. Education

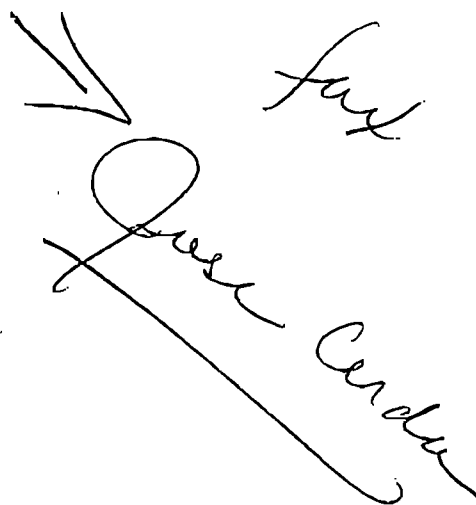
- A. School Construction
- B. Standards in Math and Reading
- C. Master Teachers
- D. America Reads
 - 1. One Million Tutors
 - 2. College Work Study Pledges
- E. Early Learning
 - 1. White House Conference on Early Learning
 - 2. Head Start
- F. School Choice
 - 1. Public School Choice
 - 2. Charter Schools
- G. Character Education
 - 1. School Uniforms
 - 2. Curfews
 - 3. Truancy Laws Enforced
 - 4. Zero Tolerance for Guns and Drugs in School
- H. Lifelong Learning: Skill Grants/GI Bill for America's Workers
- I. Educational Technology
 - 1. Connecting Every Classroom
- J. Post-Secondary Education
 - 1. HOPE Scholarships: \$1,500 Tax Credit for Tuition
 - 2. \$10,000 Tuition Tax Deduction
 - 3. Expanded IRA (tax-free college savings if combined with deduction)
 - 4. Largest Pell Grant Increase

II. Tax Relief

- A. HOPE Scholarships: \$1,500 Tax Credit for Tuition
- B. \$10,000 Tuition Tax Deduction
- C. Expanded IRA (tax-free college savings if combined with deduction)
- D. Deduction for Children
- E. Capital Gains Reduction for Homeownership

POLICY PRIORITIES FOR MULTI-AGENCY ACTION

1. Early Learning: 0-3 or Pre-School
2. Literacy
3. Technology Literacy
4. Service
5. District of Columbia
6. Lifelong Learning
7. Welfare-to-Work
8. Empowerment Communities
9. Exports/Trade/Open Economy
10. Children's Health
11. Youth Violence and Drugs
12. Family Friendly Policies
13. Science and New Technologies
14. Reinvention
15. Corporate Citizenship
16. Environment
17. Undivided, Peaceful, Democratic Europe
18. Bridge to Asia-Pacific
19. Peace in Regions of Importance
20. Meet New Security Challenges
21. Modern, Ready Military/Diplomatic Resources


Jesse Carder

VIII. Entitlement Reform: Bipartisan Process

IX. Welfare to Work

- A. Tax Credits and Other Incentives for Business
- B. Incentives for Job Placement Firms
- C. Training, Transportation, and Child Care
- D. CEO Challenge
- E. Restore Basic Health and Disability Benefits to Legal Immigrants

X. Community Development

- A. Brownfields
- B. Community Development Financial Institutions
- C. District of Columbia Revitalization Plan
- D. Empowerment Zones

XL Environment

- A. Kalamazoo Initiative: Toxic Waste Clean Up
- B. American Heritage Rivers Initiative
- C. Global Environment/Climate Change
 - 1. Chemical Ban
 - 2. Greenhouse Gases

XII. President's Summit of Service

III. Technology

- A. Internet
 - 1. Connecting Every Hospital
 - a. Children's Hospitals
 - 2. Next Generation Internet

IV. Family-Friendly Policies

- A. Family and Medical Leave Act Expansion
- B. Flex Time
- C. Child Support Collection: Felony Proposal
- D. Tobacco and Children: Cigarette Advertising and Marketing

V. Health Care

- A. Extending Health Coverage for Children
- B. Health Care Coverage for Dislocated Workers
- C. Medicare
 - 1. Reform Plan
 - a. Extends Life of Trust Fund to 2007
 - b. Savings of \$138 Billion
 - 2. Respite Care for Alzheimer's Families
 - 3. Annual Mammograms
- D. 48 Hour Hospital Stay for Mastectomies

VI. Crime

- A. 100,000 COPS: Finish the Job
- B. Victims Rights Amendment
- C. Juvenile Crime
 - 1. War on Gangs
 - 2. New Prosecutors
 - 3. Extension of Brady Bill
 - 4. Child Safety Locks on Handguns
 - 5. Schools Open Late, on Weekends, in Summer
- D. War on Drugs
 - 1. Interdiction
 - 2. Safe and Drug Free Schools

VII. International Trade and Economic Leadership

- A. Fast Track Authority
- B. Securing Resources for American Leadership in International Institutions

1/27/98 11:00am

**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
January 27, 1998**

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Mr. Speaker, Mr. Vice President, members of the 105th Congress, distinguished guests, and my fellow Americans:

Since the last time we met in this chamber, America has lost two patriots and fine public servants. Though they sat on opposite sides of the aisle, Representatives Walter Capps and Sonny Bono shared a deep love for this House and an unshakeable commitment to improving the lives of all our people. They will be sorely missed.

For 209 years, it has been the President's duty to report to you on the State of the Union. Because of the hard work and high purpose of the American people, these are good times for America. We have more than 14 million new jobs. The lowest unemployment in 24 years. The lowest core inflation in 30 years. Incomes are rising, and we have the highest homeownership rate in history. The welfare rolls are the lowest in 27 years, and crime has dropped for a record five years in a row. Our leadership in the world is unrivaled. The state of our union is strong.

But with barely 700 days left in the 20th Century, this is not a time to rest; it is a time to build, to build the America within ~~our~~ reach. An America where everybody has a chance to get ahead with hard work. Where every citizen can live in a safe community. Where families are strong, schools are good, and all young people can go to college. An America where scientists find cures for diseases from Alzheimers to AIDS. An America where every child can stretch a hand across a keyboard and reach every book ever written, every painting ever painted, every symphony ever composed. Where government provides opportunity, and citizens honor the responsibility to give something back to their communities. An America which leads the world to new heights of peace and prosperity.

This is the America we have begun to build; this is the America we can leave to our children -- but only if we join our wills to finish the job at hand. Let us strengthen our nation for the 21st Century.

Rarely have Americans lived through so much change, in so short a time, in so many ways. Quietly but with gathering force, the ground has shifted beneath our feet, as we move into an information age, a global economy, a truly new world.

For five years now, we have met these challenges as we have at every turning point -- by renewing the very idea of America: widening the circle of opportunity, deepening the meaning of our freedom, forging a more perfect union.

We have shaped a new kind of government for the Information Age. I thank the Vice President for his leadership and the Congress for its support in building a government that is leaner, more flexible, a catalyst for new ideas. Most of all, a government that gives the American people the tools they need to make the most of their own lives.

We have moved past the sterile debate between those who say government is the enemy and those who say government is the answer. My fellow Americans, we have found a third

way. We have the smallest government in ²⁷25 years, but a more progressive one. We have a smaller government, but a stronger nation.

We are moving steadily toward a stronger America in the 21st Century. An economy that offers opportunity. A society rooted in responsibility. And a nation that lives as a community.

AN ECONOMY THAT OFFERS OPPORTUNITY

First, Americans in this chamber and across this country have pursued a new strategy for prosperity: Fiscal discipline to cut interest rates and spur growth. Investments in education and skills, in science and technology, to prepare our people for the new economy. Tearing down trade barriers to open new markets for American products and American workers, and new pathways to peace and freedom.

When I took office, the deficit for 1998 was projected to be \$357 billion, and heading higher. Today, our deficit is ¹⁰\$23 billion, and heading lower. X

For three decades, six presidents have come before you to warn of the damage deficits posed to the nation. Tonight, I come before you to announce that the federal deficit -- once so incomprehensibly large that it had eleven zeroes -- will be, simply . . . zero.

I will submit to Congress for 1999 the first balanced budget in 30 years. B.L. 63

And if we hold fast to fiscal discipline, we may balance the budget this year -- four years ahead of schedule.

Turning a sea of red ink into black is no miracle. It is the product of hard work by the American people and of two visionary actions in Congress -- the courageous vote in 1993 that cut the deficit by 90% . . . and the historic bipartisan balanced budget agreement passed by this Congress. And if we maintain our resolve, we will produce balanced budgets as far as the eye can see.

We must not go back to unwise spending, or untargeted tax cuts, that risk reopening the deficit. Last year, we enacted targeted tax cuts, so that typical middle class families will now have the lowest tax rate in 20 years.

My plan to balance the budget next year includes new investments and new tax cuts targeted to the needs of working families: for education, child care, and the environment.

But whether the issue is tax cuts or spending, I ask all of you to meet this test: approve only those priorities that can actually be accomplished without adding a dime to the deficit.

If we balance the budget for next year, it is projected that we will have a sizeable surplus. What then, should we do with this projected surplus?

I have a simple four word answer: Save Social Security first.

Tonight, I propose that we reserve 100% of the surplus -- that's every penny of any surplus -- until we have taken all the measures necessary to strengthen the Social Security system for the 21st Century.

Let us say to all Americans watching tonight -- whether you are 70 . . . or 50 . . . or just beginning to pay into the system -- Social Security will be there when you need it. Let us, tonight, make this commitment: Social Security first.

I urge all Americans to join us -- in facing these issues squarely, and forming a true consensus on how to proceed. We'll start by conducting nonpartisan forums in every region of the country. We will host a White House conference on Social Security in December. And one year from now, I will convene the leaders of Congress to craft historic, bipartisan legislation to save Social Security.

Investing in people

In an economy that honors opportunity, all Americans must be able to reap the rewards of prosperity. Because these times are good, we can afford to take one simple, sensible step to help millions of workers struggling to provide for their families: We should raise the minimum wage.

The information age is first and foremost an education age . . . in which education must start at birth and continue throughout a lifetime.

Last year, from this podium, I said education was our highest priority. I laid out a ten point plan to move us forward, and urged us all to make sure politics ends at the schoolhouse door.

Since then, this Congress and the American people have responded, in the most important year for education in a generation . . . expanding public school choice and creating 3,000 charter schools . . . working to connect every classroom to the information superhighway . . . committing to expand Head Start to 1 million children . . . launching America Reads, which has sent thousands of tutors into our schools to make sure every 8 year old can read.

Last year I proposed, and you passed . . . 1 million work study jobs for college students . . . 220,000 new Pell Grant scholarships for deserving students. Student loans are already less expensive and easier to repay, and now you can deduct the interest. Families all over America can put savings into our new, tax free education IRAs. And this year, for the first two years of college, families will get a \$1500 tax cut -- a Hope Scholarship that will

cover the cost of most community college tuition.

So I have something to say to each and every American family listening tonight: your children can go to college. If you know a child from a poor family, tell her not to give up. She can go to college. If you know struggling young parents who are worried they won't be able to save for their children's education, you tell them not to give up. Their children can go to college. If you know somebody caught in a dead-end job, afraid he can't afford the classes that will get him better jobs for the rest of his life, tell him not to give up. He can go to college.

We can make college as universal as high school is today. And my friends, this will change the face of 21st Century America.

We cheer tonight because we know we have opened wide the doors of the world's best system of higher education. Now we must make our public elementary and secondary schools the best in the world, too -- by raising standards, raising expectations, and raising accountability.

Thanks to the actions of this Congress last year, we will soon have, for the first time, a voluntary national test based on national standards in 4th grade reading and 8th grade math. Parents have a right to know whether their children are mastering the basics.

And every parent already knows the key: good teachers and small classes. Tonight I propose the first ever national effort to reduce class size in the early grades. My balanced budget will help to hire 100,000 new teachers -- teachers who must pass a state competency test. With these teachers, we will reduce class size in the first, second, and third grades to an average of 18 students.

More teachers teaching smaller classes requires more classrooms. So I propose a school construction tax cut to help communities modernize or build over 5,000 schools.

We must also demand accountability. When we promote a child from grade to grade who hasn't mastered the work, we do that child no favors. It is time to end social promotion in America's schools.

Last year, in Chicago, they made that decision -- not to hold children back, but to lift them up. Chicago stopped social promotion, and started mandatory summer school to help students who are behind to catch up. I propose an effort to help other communities follow Chicago's lead. Stop promoting children who don't learn, and we will give you the tools you need to make sure they do learn.

The job of improving our schools is a job for every American. I ask you to support our effort to enlist colleges to reach out to disadvantaged children -- and give them hope and guidance to help prepare them to go to college.

Leading the global economy

As we enter the 21st Century, the global economy requires us to seek opportunity not just at home, but in all the markets of the world. We must shape this global economy, not shrink from it.

In the last five years, we have led the way in opening new markets, with 240 trade agreements. Our policy is to remove foreign barriers to products that bear the proud stamp, "Made in the USA."

In the coming decade, we can create millions of American jobs and sell billions of dollars of American goods, in areas ranging from agriculture to medical equipment. If we lead, we can make this global economy work for our own people, lift the fortunes of millions around the world, and strengthen our children's chances for prosperity and peace.

Today, record high exports account for fully one third of our economic growth. I want to keep them going, because that's the way to keep America growing.

This year we will forge new partnerships with Latin America. And we should pass the new African Trade Act.

And I am renewing my request for the necessary fast track negotiating authority to open more new markets abroad.

We should also seek to maintain and enhance worker and environmental standards around the world. But we can't influence those decisions if we send a message to our trading partners that we're backing away.

This year, I will send legislation to Congress, and ask other nations to join with us, to fight the most intolerable practice of all – abusive child labor.

We should also offer help and hope to those Americans temporarily left behind by the global marketplace or the march of technology.

That is why we have more than doubled the funding for training dislocated workers.

That is why we must do more, more quickly, to help workers who lose their jobs for any reason. We help communities when their military base closes. We ought to help them in the same way if their factory closes.

And that is why, again, I ask this Congress to continue its bipartisan work to consolidate the tangle of training programs into a GI Bill for Workers, a simple grant so people can move quickly to new jobs and higher incomes.

forces, new technology and energy efficiency.

We have it in our power to act right here, right now. I propose \$6 Billion in tax cuts and research and development to spur innovation, cleaner factories, fuel efficient cars, energy efficient homes.

Every time we have acted to heal our environment, pessimists have said it would hurt our economy. Well, today our economy is the strongest in a generation -- and our air and water are the cleanest in a generation. Americans have always found a way to grow the economy and clean the environment at the same time. And we'll do it again.

One America in the 21st Century

Finally, community means fulfilling, at long last, the defining American value -- the ideal heard round the world -- that all men and all women are created equal.

Let us be frank. Throughout our history, we have not always honored this ideal. It is so much easier to believe that our differences matter more than what we have in common. It is easier, but it is wrong.

What can we do in our day and generation to make sure that America becomes truly one nation, even as we become more diverse? The answer cannot be to dwell on our differences, but to build on our shared values. We all cherish family and faith, work and community. We all strive to live lives that are free and honest and responsible. We all want our children to grow up in worlds where their talents are matched by their opportunities.

I have launched a national initiative on race to help us recognize our common interests and bridge the opportunity gaps that keep us from being One America.

Let us begin by recognizing what we still must overcome. Discrimination still exists in America. There will always be those who define the worth of their lives not by who they are, but by who they aren't; not by what they're for, but by what they're against. Discrimination against any American is un-American. We must vigorously enforce the laws that make it illegal. We should pass the Employment Non Discrimination Act.

And I ask your help to end the backlog at the Equal Employment Opportunity Commission. 60,000 of our fellow citizens are waiting in line for justice.

And we recognize that the greatest progress we can make toward building one America lies in the progress we make for all Americans. When we open the doors of college to all Americans, when we cleanse our streets of crime, when we make sure that every parent has the child care they need, we build one nation.

We, in this chamber and in government, must do what we can to address this continuing American challenge. But we will only move forward if all Americans -- every one of you

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We must work together, learn together, live together, and serve together. For only on the forge of common enterprise can Americans of all backgrounds hammer out a common identity. We see that in the United States military, in AmeriCorps, in the Peace Corps, wherever people of all races and backgrounds come together in a shared endeavor.

With shared values, honest communication, and citizen service, we can unite a diverse people in freedom and mutual respect. We are many. We must be one.

THE MILLENNIUM -- GIFTS TO THE FUTURE

In that spirit, let us lift our eyes to the new millennium. How will we mark that passage?

This year, Hillary and I launched the White House Millennium Program to promote America's creativity and innovation, and to preserve the culture we share into the 21st Century. Our culture lives in every community, in the historic places that tell our stories as Americans. I am proposing a public private partnership to save America's treasures. And I call on all Americans to give a gift to the future by preserving our heritage.

To honor what we have been, and imagine what we can become, let us invoke the wonders of science and the richness of our culture -- our arts and humanities -- to bestow our gifts to the millennium.

What are the real advances we can look forward to seeing in our lifetimes?

The entire store of human knowledge now doubles every five years. In the 1980s, scientists identified the gene causing cystic fibrosis -- and it took 9 years. Last year, we located the gene that causes Parkinson's Disease -- in only 9 days. Within a decade, "gene chips" will offer a roadmap for prevention of illness throughout a lifetime. Soon, we will be able to carry all the phone calls on Mother's Day on a single strand of fiber the width of a human hair. A typical born in 1998 may well live to see the 22nd Century.

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As important as rapid scientific progress is, science must continue to serve humanity, never the other way around. We must prevent the misuse of genetic tests to discriminate against any American. And we must ratify the ethical consensus of the scientific and religious

communities, and ban the cloning of human beings.

In our next gift to the new millennium, we will enable all people of the world to explore the far reaches of cyberspace.

The first time I reported to you on the State of the Union, only physicists used the World Wide Web. Now, in schools, libraries, homes and businesses, millions of Americans surf the Web every day.

The Internet is an exploding global marketplace of ideas as well as commerce. I ask Congress to step up support for building the next generation Internet, which will operate up to a thousand times faster than today. And we must give parents the tools they need to protect their children from inappropriate material on the web.

And even as we explore innerspace, in the new millennium we will open new frontiers in outer space.

Throughout history, humankind has had only one place to call home -- the planet Earth. Beginning this year, 1998, men and women from 16 countries will build a permanent foothold in the heavens -- the international space station. Within its vast expanses, scientists and engineers will set sail on this uncharted sea of limitless mystery and unlimited potential.

And this October, a true American hero, a veteran pilot of 149 combat missions, and one five hour space flight that changed the world, will return to the heavens.

Godspeed, John Glenn.

You will carry with you America's hopes, and on your uniform you will carry America's flag, marking the unbroken connection between the deeds of America's past and the daring of America's future.

Nearly 200 years ago, a tattered flag, its broad stripes and bright stars still gleaming through the smoke of a fierce battle, moved Francis Scott Key to scribble a few words on the back of an envelope. Those words became our national anthem. Today, that Star Spangled Banner, along with the Declaration of Independence, the Constitution, and the Bill of Rights are on display just a short walk from here. They are America's treasures, and we must save and preserve them for the ages. I ask all Americans to support our project to restore all of America's treasures so that generations of the 21st Century can see for themselves the image and the words that are the old and continuing glory of America.

An America that has continued to rise through every age, against every challenge; a people of great works and greater possibilities, who have found the wisdom and strength to come together as one nation -- to widen the circle of opportunity -- to deepen the meaning of our freedom -- to form that more perfect union. Let that be our gift to the 21st Century.

Last year, the Senate ratified the Chemical Weapons Convention to protect our soldiers and citizens from poison gas. Now, we must act to prevent the use of disease as a weapon of war and terror. The Biological Weapons Convention has been in effect for 23 years. The rules are good, but now we must strengthen them with an international inspection system to help detect and deter cheating.

In the months ahead, I will pursue our security strategy with old allies in Asia and Europe and new partners from Africa to India and Pakistan . . . from South America to China. And from Belfast, to Korea to the ancient lands of the Middle East, America will continue to stand with those who stand for peace.

Finally, it's long past time to make good on our debt to the United Nations. When we give our word, we should keep it. America should pay its bills.

But our partnerships will be weak and our leadership in doubt if we fail to set a good example. As we see so clearly in Bosnia, allies who share our goals can share our burdens. In this new era, our freedom and independence are actually enriched, not impoverished, by our increasing interdependence with other nations.

A NATION THAT LIVES BY COMMUNITY

Our Founders set America on a permanent journey toward "a more perfect union." It is a trip we can only make together -- living as one community.

Political reform & reinventing government

First of all, our government -- the instrument of our national community -- must earn the confidence of the American people.

Everyone knows elections have become too expensive, fueling a fundraising arms race. This year, on March 11, the Senate will vote on bipartisan campaign finance reform proposed by Senators McCain and Feingold. Let's be clear: a vote against McCain Feingold is a vote for soft money, for the status quo. I ask you to strengthen our democracy and pass campaign finance reform.

Even more, we must address the reason for the explosion in campaign costs. Tonight, I formally request the Federal Communications Commission to act to provide free or reduced cost television and radio time for candidates ~~who limit their spending~~. The airwaves are a public trust, and broadcasters have a responsibility to act in the public interest.

Under the Vice President's reinventing government initiative, we have already slashed 16,000 pages of regulations and reduced the federal payroll by 300,000 workers.

Like every taxpayer, I am outraged by the reports of abuses by the IRS. We need new

citizen advocacy panels, a stronger taxpayer advocate, phone lines open 24 hours a day, relief for innocent taxpayers. Last year, by an overwhelming bipartisan margin, the House passed sweeping IRS reforms. This bill must not languish in the Senate. Tonight I challenge the Senate: as your first order of business, pass our bipartisan package of IRS reforms. ~~Do it now.~~

Empowering communities

A nation that lives as a community must value its communities.

For the past five years, we have worked to bring the spark of private enterprise into inner city and poor rural areas -- with community development banks, more commercial loans into poor areas, cleanups of polluted sites for development. Under the continued leadership of the Vice-President, we will expand the number of empowerment zones.

We should give businesses incentives to invest in poor areas and create jobs. We should give poor families more opportunities to move into homes of their own. And we should use tax cuts to spur the construction of more low income housing.

Our cities are the vibrant hub of our great metropolitan areas. They were the gateway for our grandparents -- and they are the gateway for the new immigrants, coming to work for their own American dream. Let's keep our cities going strong into the 21st Century, ~~leaving no one behind.~~

Environmental protection

Our communities are only as healthy as the air our children breathe, the water they drink, and the Earth they will inherit.

Last year, we put in place the toughest-ever controls on smog and soot. We moved to protect Yellowstone, the Everglades, the magnificent redwoods of Headwaters Forest. We expanded every community's right to know about the toxics that threaten their children.

Yesterday, our food safety plan took effect, using cutting-edge science to protect consumers from dangers like e-coli and salmonella.

Tonight, I ask you to join me in launching a new Clean Water Initiative, a far-reaching new effort to clean our rivers, lakes and streams.

Our overriding environmental challenge is a worldwide problem requiring worldwide action: the gathering crisis of global warming.

The vast majority of scientists have concluded unequivocally that if we do not reduce the emissions of greenhouse gases, at some point in the next century we will disrupt our climate and put our children and grandchildren at risk. This past December, America led the world to reach a historic agreement committing nations to reduce greenhouse gas emissions through market

forces, new technology and energy efficiency.

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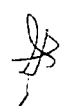
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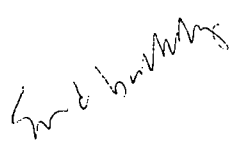
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You will carry with you America's hopes, and on your uniform you will carry America's flag, marking the unbroken connection between the deeds of America's past and the daring of America's future.

Nearly 200 years ago, a tattered flag, its broad stripes and bright stars still gleaming through the smoke of a fierce battle, moved Francis Scott Key to scribble a few words on the back of an envelope. Those words became our national anthem. Today, that Star Spangled Banner, along with the Declaration of Independence, the Constitution, and the Bill of Rights are on display just a short walk from here. They are America's treasures, and we must save and preserve them for the ages. I ask all Americans to support our project to restore all of America's treasures so that generations of the 21st Century can see for themselves the image and the words that are the old and continuing glory of America.

An America that has continued to rise through every age, against every challenge; a people of great works and greater possibilities, who have found the wisdom and strength to come together as one nation -- to widen the circle of opportunity -- to deepen the meaning of our freedom -- to form that more perfect union. Let that be our gift to the 21st Century.

God Bless You, and God Bless the United States of America.

God Bless You, and God Bless the United States of America.

72030

50 TV
As public trustees, broadcast has special trust and responsibility
First of all, our government -- the instrument of our national community -- must earn the confidence of the American people.

Everyone knows elections have become too expensive, fueling a fundraising arms race. For years, good campaign finance reform bills have been brought to the floor of Congress. And for years, special interests and their allies have smothered those bills by filibuster.

But not this year. This year, on March 11, the Senate will vote on real, bipartisan reform proposed by Senators McCain and Feingold. Let's be clear: a vote against McCain Feingold is a vote for soft money, for the status quo, for the loss of trust. So I ask you to strengthen our democracy and pass campaign finance reform.

and I call on you to do so by making free radio & TV time
Even more, we must address the reason for the explosion in campaign costs: the rising cost of campaigning on television. The airwaves are a public trust, and broadcasters have a responsibility to act in the public interest. Tonight, I formally request the Federal Communications Commission to act to provide free television and radio time for candidates. Free time can help free our democracy from the grip of big money.

We must do more to make government work better. Under the Vice President's reinventing government initiative, we have already slashed 16,000 pages of regulations, transformed HUD and the Federal Emergency Management Agency, reduced the federal payroll by 300,000 workers. Yet there is more to do.

Like every taxpayer, I am outraged by the reports of abuses by the IRS. We need new citizen advocacy panels, a stronger taxpayer advocate, phone lines open 24 hours a day, relief for innocent spouses. Last year, by an overwhelming bipartisan margin, the House passed sweeping IRS reforms. Let's not let that bill languish in the Senate. Tonight I challenge the Senate: as your first order of business, pass our bipartisan package of IRS reforms. Do it now.

Empowering communities

A nation that lives as a community must value its communities.

For the past five years, we have witnessed an urban renaissance all across America. Neighborhoods, once haunted by crime and despair have been transformed into strong, safe, vibrant communities.

The best poverty program, the best jobs program, the best community development program, is a growing economy.

Our mission has been to bring the spark of private enterprise into the inner city -- with empowerment zones, community development banks, more loans from commercial banks, restoring polluted sites for development. Now we must press forward with our opportunity agenda for America's cities. Under the continued leadership of the Vice-President, we should expand the number of empowerment zones. We should give poor families more opportunities to

get agenda
1st 2 pages → for by
(SOTU) New Open Values
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poet Langston Hughes wrote: "O, yes./I say it plain./America never was America to me./And yet I swear this oath --/America will be!" In this new century, we have the greatest opportunity ever to be America. Here is how we can do it.

NEW OPPORTUNITY IN THE NEW ECONOMY

We begin with the economy – for economic growth has always been our engine of opportunity. And while once the wealth of our nation came mainly from the gold in the ground, the abundance of our farmland, the output of our factories. Now it will come from the skills of our people and the power of our imagination.

Today, more Americans work in the computer industry than worked in the auto industry at its height in the 1950s. In Silicon Valley, 11 companies are created every week. The American auto industry is once again the strongest in the world for the first time since the 1970s. And in the cutting edge industries that the global economy -- from semiconductors and supercomputers to aerospace and biotechnology, America leads the world.

Americans have been the pioneers of this new economy. Its flexibility, its creativity, and its enterprise are qualities at the core of the American character. And we have brought it into being with a comprehensive economic strategy of fiscal discipline, world economic leadership, and investment in our people.

Fiscal responsibility

First and foremost, economic growth demands fiscal discipline. Yet in the twelve years before I took office, deficits exploded and our nation quadrupled its national debt. \$2 trillion dollars, wasted. High interest rates that kept our economy down.

In 1993, the deficit for this year was projected to be \$357 billion. That year, we acted to set this nation on a new fiscal course. Today, our deficit is virtually gone. And next year, we will bring the deficit to zero. I will submit to Congress for 1999 the first balanced budget in 30 years.

Turning a sea of red ink into black is no miracle. It is the product of hard work and sacrifice by the American people. This is an accomplishment of which both parties can be proud.

Now, the question we face is not one of fiscal policy but fundamental direction. As we enter the new century, will we move forward with a new economic strategy that has brought new prosperity -- or move backward to the failed policies of the past?

You know, it seemed as if the prospect of a surplus was only minutes old before some old, bad habits began to reappear. We must not go back to shortsighted spending, or shortsighted tax cuts, that risk reopening the deficit.

[Social Security decision, to come]

Leading the global economy

[To come: Discussion of globalization, Asian markets, and trade, possibly incl. fast track]

Investing in people

By imposing fiscal discipline and embracing the world economy, we have created the conditions for sustained growth. But America has never been defined merely by the growth of its economy, but by expanding horizons of opportunity for our people. Today, high skill jobs are growing at four times the rate of lower skilled jobs. The income gap is in reality an opportunity gap. That is a gap we can and must close.

In the 21st Century, there are five keys to opportunity for all.

Education that continues through a lifetime.

Health care that doesn't disappear when you need it the most.

Child care so parents can take responsibility at home and at work.

Training and assistance so working people know that they will be the winners of economic change.

Retirement security so a lifetime of hard work will be rewarded with dignity.

These are the things a strong nation can do to give meaning to opportunity for all. They are the elements of the American Dream. We found a way to promote them in this century, and we must find a way to promote them the next century.

First and foremost, every American must have access to the best education in the world. In so many ways, this is not an information age. It is an education age, in which skills determined how much you earn and a diploma is only as valuable as the skills behind it.

Our mission has been to make the 13th and 14th years of education — the first two years of college -- as universal today as a high school degree is today. In the 19th Century opportunity came from a land grant. In the 21st Century opportunity will come from a Pell Grant.

On January 1 of this year, broad new tax cuts took effect to help families pay for college: the \$1500 Hope Scholarship for the first two years of college; new IRAs for education; tax cuts for learning throughout a lifetime. Over the past five years, we have doubled scholarships,

expanded work study, and given 100,000 young people the chance to earn money for education by serving their country through AmeriCorps. Today, for the first time in our history, we can say to every young American: if you work hard, you can go to college — and money will not bar the door.

Our universities and colleges are the best in the world. But you know, and I know, that our elementary schools and high schools are ailing. To keep opportunity alive, we need a new ethic of education based on high standards, real competition, strict accountability in our nation's public schools.

We know that smaller classes matter — *(they help everyone)* and they matter most for children who need help the most. So tonight I propose a national effort to reduce class size in the earliest years. My balanced budget will hire an additional 50,000 first and second grade teachers to reduce class size to an average of 19. And we will insist that these new teachers pass rigorous state competency tests before they are hired. Every parent of a child starting school should have confidence that their child's class is small enough to learn -- and the teacher is skilled enough to teach. ✓

We must do even more. My balanced budget will help connect every classroom to the information superhighway, help repair or build thousands of new schools, teach millions of children to read by the 3rd grade. *even ?*

But the most important thing we can do is to make sure our children master the basics. America is moving toward national standards, with a test that will be ready next September. Too many children are passed from grade to grade without ever learning the skills they need to move on. Too many young people graduate without being able to read their diploma. In an economy as demanding of skills as this one, it is simply wrong to move a child from grade to grade if he or she has not mastered the basics. It is time to stop social promotion in America's schools. *Good*

Let's be clear: Our purpose is not to hold anyone down, but to lift everyone up. Let us say to failing schools: If you stop promoting children who don't learn, we will give you the resources you need to make sure they do.

[Public school choice/charters] *[Mentioned]*

The second key to expanding opportunity is health care, and protecting families in changing times.

We have made health care portable through the Kennedy Kassebaum law. Last year, we extended health care to up to 5 million children. And working together across party lines, we secured Medicare for a decade. Soon we will strengthen the program for the long run.

Today I challenge Congress to take two more steps that respond to the rapidly changing world of health care.

Millions of Americans now receive health care through managed care plans that can cut costs and improve service. Patients should be treated as people, not as dollar signs on a ledger. I challenge Congress to enact a Health Care Consumer Bill of Rights that says: You have the right to be informed about your health plan in plain English. You have the right to know all your medical options -- not just the cheapest. Traditional care or managed care, no American should receive inferior care.

good

And millions of Americans between 55 and 65 have fallen through the cracks of the health care system and have lost their insurance after a lifetime of work. I challenge Congress to enact legislation giving these millions of hardworking Americans the chance to buy into the Medicare system.

Third, we must help all our people meet their responsibilities at work and at home. The new economy imposes new demands on working families. Most parents work; and more parents are working harder than ever. They need more time with their children. And they need to know that their children are receiving quality care.

The Family and Medical Leave Act has given [15] million Americans time off from work to care for a child or a family member. But newborns need more. I ask you to extend Family Leave so that new mothers and fathers can take six months off from work.

choose to ~~impose on the mother~~

Child care is the next frontier for the American community. [acknowledge First Lady] I call upon Congress to pass a comprehensive and fiscally-responsible plan to make child care more affordable and accessible, doubling the number of children we help and giving incentives to businesses and tax cuts to millions of working families. We should offer scholarships for good caregivers, and insist on tough background checks to find bad ones. And we must expand before-and after-school programs. Most juvenile crimes are committed between the hours of 3 and 6. We must give our children somewhere to go other than the streets.

Fourth, [training and adjustment to come][possibly minimum wage] No - shd be part of education

(?)

Fifth, [retirement; brief declaration of principle to come]

Climate change

The economy of the 21st Century must be an economy that protects the environment and promotes prosperity. Today, our economy is the strongest in a generation -- and our air and water are the cleanest in a generation. We must continue this approach, with dramatic new efforts to clean our rivers.

The greatest environmental challenge we will face in the decades ahead is to stop the coming crisis of global warming. The vast majority of the world's scientists have emphatically concluded that if we do not reduce emissions of greenhouse gases, we will alter our climate, undermine our economy, and harm our society. The verdict is in. It is time to act.

In December, we signed an historic treaty that unleashes the full force of the free market to cut greenhouse gases, rather than imposing new taxes or government regulation. The Kyoto Treaty limits emissions by developed countries; next, we must secure meaningful participation from developing countries, because this global problem requires a global solution.

But we should not wait; we must take the steps within our power to address global warming here at home. I propose \$6 Billion in tax cuts to spur innovation and help Americans create and use more energy-efficient technologies. We must also restructure the energy industry, reducing greenhouse gases and saving American consumers an estimated \$20 Billion a year.

The economic imperative is clear. We can do better. Earlier this month, Ford, GM, and Chrysler unveiled high-performance cars that get three times the gas mileage of the typical models today. We can do this in every industry in America.

On this date in 1880, January 27, the first patent for a light bulb was awarded to Thomas Edison. I am confident that the nation that invented that created the light bulb and the telephone, the airplane and the semiconductor, can create an economy that uses less energy. ?

But more important by far, the moral imperative is clear: we must pass on the Earth that God gave us to future generations.

NEW RESPONSIBILITY IN A NEW ERA

As our economy must be based on opportunity, our society must be based on responsibility.

It's hard enough for parents to pass on their values, to protect their children from harm. And it's harder still when the mass media and the market send our children messages that can undo all the good done in church or at the kitchen table.

We need to help parents take responsibility to protect their children from the single greatest health threat young people face, smoking -- an epidemic spread by ^{and trillion} billion dollar marketing campaigns. Already, my administration has moved forward, restricting the advertising that can seduce our children.

Now, this year, we have an historic opportunity to pass bipartisan, landmark legislation to curb teen smoking. This will change the way tobacco companies do business, and will raise the price of a pack of cigarettes by up to \$1.50 over the next ten years. I challenge the Congress to ^{if youth smoking does not go down.}

work together across party lines and make this tobacco legislation the law of the land.

For five years, we have worked to put these values of responsibility and family, work and respect for law, at the center of our social policy. And after decades in which it seemed as if the crime rate would rise forever, we have begun to make remarkable progress.

With 100,000 new community police on the streets, tougher punishment, and more prevention, we have spread throughout the nation a community based crime fighting strategy that works. For five years in a row, crime is down, all across America.

Now we must press on. For there is still far too much crime. Drug use among young people is still too high. Far too many children are raising themselves on the streets. We cannot go strong into the 21st Century if children are killing children ... if children are selling drugs to children ... if children are having children. ~~We have a moral responsibility to take the guns out of their hands and to teach them right from wrong.~~ *By 1,000 Chr. 1 hr a day? America will be watching.*

Here's what we must do next.

Congress should finally pass the juvenile crime bill. [*description to come*]

And we should recognize that 80% of crime is linked to drugs or alcohol. Too often our prisons are training academies for a life of crime. I ask you to give the states added ability to expand drug testing and drug treatment throughout our criminal justice system. Nothing will do more to prevent crime.

And the law must be enforced -- strongly, effectively, swiftly. Every criminal knows that trial and punishment can drag on for years due to clogged courts. Yet the refusal of the Senate even to vote on dozens of judges has left one in ten of the nation's judgeships vacant. Chief Justice Rehnquist was right when he wrote, and I quote, "[These] vacancies cannot remain at such high levels indefinitely without eroding the quality of justice." I ask this Congress to heed Justice Rehnquist's plea, and vote on these judges, up or down.

And we have acted to apply our oldest values to perhaps our most stubborn social problem. In 1996, we ended a welfare system that had trapped generations of Americans in a cycle of dependency, and replaced it with a new system based on work and responsibility. Last year, from this podium, I challenged our nation to take the next step, and move two million more Americans off of welfare by the year 2000. Well, I am pleased to report that goal has been met -- not in three years, but in one year.

Think about what that means. Think of ~~those children whose mothers~~ *family that now* ~~who have~~ the dignity of a paycheck instead of the indignity of a welfare check, who are now connected to mainstream America and the world of work. ~~Think of the neighborhoods where~~ *hope is replacing despair.*

to replace w/ hope.

We are willing to change out



And we must do more -- increasing child support collections even further, providing vouchers to help families move closer to where the jobs are. And ^{I challenge} above all, thousands more businesses must join the ^{3,000} [x,000] companies in our welfare-to-work partnership, to give a chance to someone who is willing to work their way off welfare. X

[cities/empowerment -- tell story of South Bronx revival]

FOREIGN POLICY

[To come -- NATO, Bosnia, new threats (incl. Biological Weapons Convention, Comprehensive Test Ban Treaty, Terrorism, UN and IFI arrears, and other issues)]

BUILDING A MORE PERFECT UNION

Two centuries ago, we the people of the United States of America proclaimed to the world that we had come together to form not just a new nation, but "a more perfect union."

[campaign finance reform/free TV time challenge to FCC
[*"democracy agenda"* of 2 day voting, voting by mail]
[success of reinventing government]

Our mission remains to form a more perfect union, to become One America in the 21st Century. ~~The face of America is changing.~~ And we must make our growing diversity our greatest strength in the 21st century.

We must begin by ^{and obligations} recognizing that for all our differences, we are united by the same aspirations and principles. Education, health care, ^{Making use of children} child care, jobs -- these are the issues that weigh heavily on the minds of families everywhere. So when we extend opportunity to all Americans and demand responsibility from all Americans, we build a community of all Americans united by values that transcend skin color, religion or heritage. *each other*

Let us be honest with ourselves: It is a plain fact that discrimination still exists. We must continue to vigorously enforce the laws that make it illegal.

Plenty But we must remember this: We have torn down the walls in our laws -- but not the walls in our hearts. In so many ways, we still hold ourselves back. We retreat into comfortable enclaves of ethnic isolation. Far too many communities -- too many schools -- too many cafeteria lunch tables -- are all white, all black, all Latino, all Asian. (Too many Americans of all races have begun to give up on the idea of integration and the search for common ground.) Segregation is no longer the law, but too often, separation is still the rule. Any nation that indulges in destructive separatism will not be able to meet and master the challenges of the 21st century. *no*

We need to do better. We need to see each other not as race, or religion, but as Americans as much as possible

I have asked the American people to join in a great national dialogue on these issues. I believe it is vitally important that we move past stereotypes and face these issues with stark honesty.

But tonight I say: As we talk together, we must work together -- toward goals that have nothing to do with race, but everything to do with America. For only on the forge of common enterprise have Americans of all backgrounds ever hammered out a common identity.

That is why the United States military, the world's strongest and most skilled fighting force, has become a proving ground for racial progress and unity. That is the lesson learned every day by thousands of AmeriCorps members of all races and backgrounds. They learn that what matters is not the color of your skin, but whether you get the job done. Tonight I challenge every religious organization in America to take up the standard of service. I ask you to join with other of different races through their churches and synagogues and mosques, in common endeavor. [possible race & service announcement]

TOWARD THE MILLENNIUM

Tonight, let us look forward to our future -- toward the millennium ahead. We see today that this new era will be shaped by science, driven by knowledge, and powered by technology. It will be a time of bold exploration and extraordinary promise -- and it will carry grave new responsibilities as well.

In the new millennium, we will explore inner space, unlocking the mysteries of the human body.

If the past century was the age of physics, the next century will be the age of biology. In the early years of the new century, we will finish mapping the structure of human genes. We will build on discoveries of genes for breast cancer and diabetes. We will continue to bring down the death rate for cancer.

Even these breakthroughs will be just the beginning -- but only if we maintain our sustained commitment to research and development. Tonight, I propose a 21st Century Fund -- a substantial new initiative to support pathbreaking research at our nation's premiere scientific institutions. Let this year be remembered as the year that in the war against cancer, waged for so many decades, we began to win.

But as we go forward, technological development divorced from values will not bring us one step closer toward meeting the challenges or reaping the benefits of the 21st Century. I ask the Congress to ratify the overwhelming consensus of the scientific and religious community, and ban human cloning. And I ask the Congress to prevent the use of genetic

Every American must know that when they have a chance for a fair hearing if they believe they have been discriminated against EEOC? we're talking about proper referrals & handling = value to work for every employer not just in civil rights but in ALL things VALUES

Research

make the sound bigger

Small

tests to discriminate against any American.

In the new millennium, we will continue to explore cyberspace. It seems hard to believe, but five years ago, there was no such thing as a web page on the Internet. Today 50 million people in 150 countries are connected to the Information Superhighway.

Within a matter of years, it will be the largest international marketplace in history -- not only of products and services, but ideas. I call on all the nations of the world to make the Internet a global free-trade zone: no discriminatory taxes, no unfair tariffs.

We must understand that in the future, access to technology will define access to democracy. Within a generation, the Web can bring every book ever written, every painting ever painted, and every symphony ever composed within reach of our children with the click of a mouse. We are only beginning to understand its potential. And we should never forget that it was created in America. *begin in America, and make it a sense of America*

And with daring and wonder, in the new millennium, we will continue the great mission of exploring outer space.

Throughout the course of human history, mankind has had only one place to call home -- Earth. Beginning this year, 1998, for the first time in the history of the world, men and women will build a new home -- a permanent space station, big as a football field, with as much electrical power as a small city. (ck) Inside its vast compartments, scientists, engineers, and entrepreneurs from 15 nations will build our future. On [date], the first construction ship will be launched from Cape Canaveral, Florida -- piloted by a Russian. On [date], the second ship will be launched from [site], Russia -- piloted by an American. *American first*

We are joined tonight by the leader of America's science lab, the National Institutes of Health -- Nobel Prize winner Dr. Harold Varmus. We are joined by the Gutenberg of cyberspace: Tim Berner-Lee, who invented the World Wide Web -- and whose work has done more to shape and create the world our children will inherit than any invention since the printing press. And we are joined by Commander [name] -- the first American pilot to the permanent international space station. *Doer*

They are the pathfinders, the American pioneers of the new century. We salute them. And I ask them to stand. *(saluting)*

[*Transition into Millennium*] Our nation was founded by men and women who believed deeply in the power of science to transform their lives -- and in the values that bound them together as a people. As the Year 2000 draws near, we must ask ourselves how we will keep those values alive in new times -- in a new century and a new millennium. And what gifts will we give to the future. *X*

Budget Estimates for SOTU:

Roemer University:	\$75 million	
Religious Freedom:	0	
Native American:	.5	partnerships? Technology
DOJ Debt Collection:	\$2 billion (savings)	

Public/Private Partnerships

Internet/media repsonsibility	0
Pagers for DV	\$25 million
WTW New Goals	0

FY'99

Hate Crimes

EEOC Reform	\$80 million
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Food Safety	\$24 million
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Others

VINE \$40 million 6/95

Gambling Commission

Internapping

Millenium

VAWA II

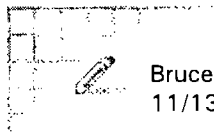
\$5 million for grants to states that give protection order

\$50 million for sec 8 victims leaving DV

\$12 million reauthorizing grants to community intitiativies

\$50 million in shelters

Workplace non-discirmination



Bruce N. Reed
11/13/97 12:34:59 PM

SOTU → EW

Record Type: Record

To: Michael Cohen/OPD/EOP

cc: Elena Kagan/OPD/EOP, Thomas L. Freedman/OPD/EOP

Subject: SOTU etc

Your list of ideas is the longest. While you finish nailing down the urban proposal, I wish you would also think about what we should be asking for on:

* Training/Virtual university: Can we do anything specific to make the Romer Leavitt idea take off? E-rate for training?? A national (not federal) virtual university??

* Teachers: Maybe you and I should go see Chase and plead with him to develop a testing or tenure proposal that pushes the envelope. That would be good for him and good for us, if he's willing to go far enough.

* Charter school vouchers: You can't just giggle every time I bring this up. There must be something we can do to put the power of choice and competition into parents' hands, and stave off the rush to private vouchers. I still think a \$500-1000 voucher for kids of poor parents who want to start charter schools could work. Also, what if we said that from now on, all the federal \$ will follow the kid -- so that charters were sure to get their share of Title I, IDEA, Chapters alpha-to-omega, etc.? We need to figure something out on this -- we can't all move to Maryland.

① Virtual
② Virtual - State Schools →
③ State

① Nat'l accreditation - States.

② Financial aid
programs

③ better use of tech.

④

→ Assignments
→ TV

(SOTU) SW

POLICY PLANNING NEW BUDGET AND SOTU IDEAS

- **Food Safety.** Theme: National Food Safety Crackdown. We propose deputizing the literally thousands of state and local agencies that regulate food safety in order to develop a vertically integrated national food safety inspection system. We will be proposing MOU's, legislation, and resources to integrate standards, leverage resources, and expand coverage in each of the crucial areas: surveillance, research, inspections, and education. In addition, this proposal includes working with the states to achieve full adoption of the model Food Code for restaurants and developing performance standards for food service workers. We also will continue to seek legislation that will give USDA the authority to issue mandatory recalls and impose civil penalties for unsafe meat and poultry. (Cost: \$87 million of additional money. \$49 million for FDA, \$18 for CDC, \$20 USDA.) 1/n
- **Fighting Homelessness.** A three-part proposal which would: (1) assist the approximately 250,000 homeless veterans by increasing residential alternatives, community-based contracted care, job preparation activities, stand down activities (community-sponsored events that conduct one-stop service delivery programs for homeless veterans), the distribution of clothing, and long-term housing. This measure would provide the single largest investment into breaking the cycle of homelessness among veterans; (2) allow VA to sell surplus property with 10 percent of proceeds going to homeless veterans; and (3) a demonstration project targeted to the chronically homeless which would test the most promising models for moving chronically homeless to self-sufficiency using a combination of permanent housing and links to mainstream services. Research shows that the chronically homeless, who are less than 10 percent of the entire homeless population, use approximately 50 percent of the resources. (Cost: Total is \$105 million -- \$60 million for VA and \$45 million for HUD demonstration project) 1/n
- **Ensuring Equal Pay.** A program to be run by the EEOC and DOL to advance outreach to businesses and employees to educate them about the legal requirements for paying equal wages, provide technical assistance, improve training for EEOC employees and resources for increases in enforcement capabilities. In addition, funding for research to better understand the nature and extent of compensation discrimination. Also funding for a Women in Non-Traditional Occupations Initiative, which will identify best practices, emphasize anti-discrimination and anti-harassment activities, and explore incentives to improve access to and acceptance of women into glass ceiling and nontraditional opportunities such as construction, "high tech," and manufacturing. (Cost: \$18.7 million for EEOC and \$9.8 million for DOL). 1/n
- **Consumer Bill of Rights.** A consumer bill of rights to address a number of areas such as enforcement, notice to consumers, and dissemination of information. We could announce this bill of rights as a package, but then pull out separate pieces for separate events as with the Patients' Bill of Rights area. We could include a number of different areas such as the following: M/C

- NSC
- **Consumers' Bill of Rights for the 21st Century:** Bringing Basic Consumer Protections to the High-Tech Marketplace. (Cost for the entire package: \$12.5 million for the Federal Trade Commission).
 - **Consumers have a right to accurate information in the electronic marketplace.** We have entered the Information Age, but sometimes information misleads rather than inspires consumers. On the Internet, many advertisements are confusing because important information is missing, hidden, or inaccurate. To fix this problem, we need to make sure that existing laws are in step with new technology. All agencies should review and revise their consumer disclosure laws to ensure that they are as effective online as they are on paper.
 - **Consumers have a right to protection from fraud in the electronic marketplace.** Congress should extend the criminal wire fraud and mail fraud statutes to cyberspace and prohibit deceptive practices online. We could provide 30 additional FTEs for the Federal Trade Commission's Bureau of Consumer Protection to detect and enforce antifraud laws on the Internet and to expand consumer education efforts.
 - **Consumers have a right to control their personal information in the electronic marketplace.** Consumers should be able to shop in cyberspace without fear of prying eyes. They should know if a web site wants to collect information about them, and they should have a choice about how that information will be used. Consumers should have access to their personal information to make sure it is accurate and their personal data should be kept secure. [Congress just passed an identity theft law.] This proposal would fund 15 FTEs to staff the FTC's Bureau of Consumer Protection Internet Privacy initiative.
 - **Consumers should have one place to go for help and information.** Consumers should have a one-stop shop for their Internet fraud problems, and law enforcement should be able to respond to reported consumer fraud quickly and effectively. The Federal Trade Commission already operates the Consumer Response Center, which puts mail, telephone, and Internet fraud complaints in one database called Consumer Sentinel. This database contains over 150,000 complaints that are shared with officials across the U.S. and Canada. This proposal would fund a toll-free complain number for the FTC's Bureau of Consumer Protection.
 - **Consumers have a right to protection in the global marketplace.** Schemers and criminals hide behind borders, even as they travel through borderless cyberspace, to victimize consumers everywhere. In order to bring these persons to justice, we need to strengthen our extradition treaties and change our laws so that we can share information and increase cooperation with our law enforcement partners around the globe. This proposal would provide funding for the FTC's Bureau of Consumer Protection to develop a global version of Consumer Sentinel, train law

enforcement personnel to use it, and bring meaningful law enforcement actions against international cybercrooks.

- **1000 New Teachers for Native American Students.** This initiative creates an American Indian Corps of Teachers (ACT) and has three parts: (1) funding for 25 grants to institutions to create teacher training programs for Native American communities; (2) creating five centers to provide continuing education for in-service teachers to improve the quality of teaching to Native American communities; and (3) a fellowship program that will fund 1000 new American Indian and Alaska Native teachers over 4 years by providing for their expenses while attending school, including child care. (Cost: \$37.5 million in first year (fellowships are \$80 million over 4 years); Julie and Mary have been working on this together) ND
- **Crime Technology.** The theme: we have put 100,000 new cops on the streets, now we should make sure they are trained and equipped with the best technology ever. The package will have quantitative commitments: we will solve X% of unsolved crimes, Y reduction in response times. The package will likely have 5 parts: a federal Quick Response Center that local departments can call regarding getting the best technology immediately; a technology subsidy program for local departments; a training program run through the National Guard; expanding the current DOJ pilot program on interagency work; and linking the state, federal, and county forensics departments. The current cost is about \$1 billion and the paper is being developed primarily by OSTP and DOJ. It would also highlight 5 recent new technologies that have come out of our existing research centers such as the one in Rome, NY. Jose
- **Celebrate Public-Private Partnerships.** Two years ago in his SOTU, Clinton challenged the nation's business community to help move people from welfare to work. In this SOTU, he should congratulate WTW companies for what they have accomplished and challenge them again. We should have new numbers in time for this SOTU showing almost 400,000 people have been hired through WTW. We also should challenge other businesses to follow the example of McDonalds, Sears, Monsanto, and Burger King which are setting up training programs for even more companies to learn how to hire and train workers off of welfare. Other public-private partnerships to tout include the donation of school uniforms by companies such as JC Penney's. f b
- **Alcohol Use By Youths and Binge Drinking.** We are developing a variety of options for Presidential actions regarding alcohol abuse. The alternatives include: endorsing legislation sponsored by Rep. Joe Kennedy establishing voluntary codes for alcohol ads directed towards kids; banning alcohol billboards near schools; a regulatory measure to discourage alcohol advertising on youth-oriented web sites; codifying a ban on liquor ads on TV; a notice of inquiry to FCC to study the effects of alcohol ads on children; and an educational program we are exploring with the Department of Education using their Safe and Drug Free Schools Program -- Rep. Kennedy also has a bill on this subject. As you J15

know, the Foundation sponsored by the Distillers has approached us regarding participating in these efforts (they already have a policy banning billboards but would publicly support this move).

- **National Cardiac Arrest Emergency Plan.** Each year, 350,00 Americans suffer cardiac arrest. The American Heart Association estimates that a national plan in this area could save almost one-third, or 100,000 lives. We are working with HHS to endorse a Cardiac Arrest Survival Act which provides for: (1) the development of a model state training program for cardiac arrest care providers in lifesaving interventions, including the use of defibrillators; (2) the development of model state legislation to ensure access to emergency medical services (Good Samaritan laws); and (3) coordination of a national database to track incidence of cardiac arrest to determine whether cardiac arrest care providers can improve survival rates. PO
- **Service and Volunteerism.** We should celebrate on-going and new efforts in this area. One new idea would be a \$100 million fund for DOJ to give to after-school programs, most specifically for the Boys and Girls Clubs. The current budget contains a substantial amount of money for the Clubs which the \$100 million would more than double. We also recently canceled the event celebrating the 100,000 person to join Americorps, a milestone the President could mark in his SOTU. PO
- PO
- **Criminal Disarmament Act.** Research shows that most gun-related felonies are committed by felons, probationers, or parolees. However, prosecutors do not consistently prosecute felons in possession of guns. This bill is a list of possible actions designed to take guns out of the hands of felons including: making it a mandatory condition of probation and parole not to carry weapons and to submit to searches; forcing DNA sampling of all convicted violent felons; broadening dissemination of names of probationers and parolees and release conditions to police; and creating gun courts. (DOJ is evaluating the cost) - Joe
- **Violence Against Women Act (VAWA II).** In 1994, Congress passed the Violence Against Women Act (VAWA I), an historic piece of federal legislation that contains a broad array of ground-breaking laws to combat the epidemic of violence against women. Despite VAWA I's success, legislators and advocates alike agree that many gaps in our laws remain. Building upon these successful initial steps, VAWA II extends programs more comprehensively. Protection orders become national, hotlines are expanded, and a college-affected program is created. (Cost: \$1.6 billion over 4 years; \$100 million increase in the first year over authorized level; VAWA needs to be reauthorized in FY2001) - PO
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- **Adult Day Care.** With the aging of the baby boomers, the need to care for America's aging population has grown. Currently, there are about 4,000 community-based programs for elder care/adult day care. The National Adult Day Services Association estimates,

however, that by the year 2000, 10,000 such programs will be needed. Adult day care is designed to serve adults who are physically impaired or mentally confused and may require supervision, increased social opportunities, assistance with personal care, or other daily living activities. Adult day care is less costly than two of the alternatives -- home care or nursing home care. Medicare does not pay for adult day care, although it pays for the less efficient and more costly homebound care. We could support the "Medicare Substitute Adult Day Care Services Act" which would allow qualifying adult day service providers to become Medicare certified home health agencies and to bill Medicare for services. (Cost: None, this is a substitution rather than an expansion of services)

- **Family Agenda.** A comprehensive Family Agenda including: child care, FMLA, a national adoption registry, and elder tax. Jen Klein is working on this. Also we would include the Family Report, which emphasizes the time bind that today's families experience.
 - **National Adoption Registry.** According to estimates, there are approximately 100,000 children in foster care who are hoping to be adopted. One of the barriers to adoption is the lack of a national registry of children available for adoption across the country. Social workers and prospective parents in North Carolina don't know, for example, about children in Maine. Some states have registries, but parents complain that listings aren't always accurate or up-to-date. (Cost: \$1-\$2 million, according to Nicole R.)
- **Slamming/Cramming.** Cramming, in which con artists add bogus charges to consumers' telephone bills, and slamming, the unwanted switching of long-distance telephone service from one carrier to another, and are the top two respective complaints reported to the National Fraud Information Center in 1998. In 1997, the FCC received more than 20,000 complaints from customers who were slammed. So far, the FCC has fined slammers, announcing a \$5.7 million fine this year, and announced voluntary guidelines for cramming that local telephone companies say they will follow. We could add money for enforcement to the FCC and/or DOJ. In May, the Senate overwhelming passed legislation that would impose new penalties on slammers and would eliminate common slamming methods, such as contest entry forms that, when signed by unsuspecting customers, authorize a switch of their long-distance carriers. We should continue to seek this legislation.
- **A Partnership for America's Resources (PAR).** The Partnership would be dedicated to acquiring, restoring, and passing on to future generations recreational and scenic lands, wildlife habitats, improved waterways, and cultural resources. The PAR would use both existing authorities and undertake new conservation recreation initiatives. There are already funds for Land and Water Conservation, Historic Preservation, and Abandoned Mine Reclamation Funds which are unappropriated in the amount of \$16 billion. The Department of the Interior proposes legislation to finance seven new and existing funds to protect and restore America's wildlife habitats, scenic, recreational, natural, and historic

resources, and to address State concerns with Federal lands and land management activities. The funding for this initiative is primarily through royalties generated by drilling on the Outer Continental Shelf (OCS). (Cost: \$2.9 billion)

- **Hate Crimes Legislation.** We should continue to push for our hate crimes legislation.