

MEMORANDUM

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

CC: John D. Podesta
Stephanie Streett

FROM: Maria Echaveste

DATE: November 12, 1998

SUBJECT: State of the Union Timeline

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

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SOTU

NOVEMBER

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

DECEMBER

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

JANUARY

January 6	Submit Outline to POTUS Hold "Thinkers' Dinner"
January 8	Complete First Draft
January 13/14	Review of Speech/Preparation
January 16	Preparation
January 17	Preparation
January 18	Preparation
January 20	State of the Union Address

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

To: The President

From: Maria Echaveste

cc: John Podesta

Date: November 12, 1998

Subject: State of the Union Ideas Memos

Please find for your review, the attached State of the Union idea memos from CEQ, OSTP, DPC, NEC, the Special Projects Office, and from Christopher Edley.

We would appreciate receiving your comments before your trip so both OMB and the policy councils can continue working while you are traveling. Indeed, if you are amenable we could meet for half an hour on Friday or Saturday with a very small group so we can have the benefit of your views.



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

November 11, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: GEORGE T. FRAMPTON, JR. *GTFJ.*

SUBJECT: PROPOSED 1999 STATE OF THE UNION INITIATIVES

The following is a set of six potential State of the Union announcements for your consideration. In some cases, these announcements have more than one part and could be presented as separate, smaller announcements or packaged into a single, larger announcement.

A LANDS LEGACY

Action: You would announce a broad strategy or a series of targeted initiatives (depending on available budget) built around a new vision of conservation with the aim of reconnecting people and the land.

Background: Time and again over the past century, Americans have demonstrated their commitment to preserving our greatest natural treasures. This Administration has added immeasurably to this impressive legacy with steps to protect Yellowstone, the red rock canyons of Utah and California's old-growth redwoods.

Increasingly, though, we face new conservation challenges that call for a new conservation ethic. Having preserved so many of our "crown jewels" -- places prized precisely because they are pristine and remote -- we must focus now as well on natural wonders in our very backyards. A conservation ethic for the 21st century recognizes people as part of the natural landscape, and seeks to preserve natural and open spaces in each community, within reach of every citizen.

This approach is implicit in many of the Administration's conservation efforts -- for instance, Everglades restoration, habitat conservation planning, and acquisition through the Land and Water Conservation Fund of threatened lands near urban areas. This initiative would more fully articulate this new conservation vision and set in motion collaborative strategies to fulfill it in both urban and rural settings.

One vehicle for this initiative is an ambitious proposal by Interior called Partnership for America's Resources. This proposal would draw on and significantly expand several existing funds, including the Land and Water Conservation Fund, and establish new dedicated funding sources to generate a total of about \$3 billion a year through 2009. These funds would support a wide range of acquisition and restoration programs at the federal, state and local levels. If the budget were to allow, this

proposal would crown the Administration's solid conservation record, closing the century with a dramatic achievement matching that of Theodore Roosevelt at the century's start.

An alternate approach would be a streamlined version of Interior's proposal that draws as well on other agencies' resources and incorporates targeted tax incentives. Each element would cultivate positive connections between people and the land, for instance by promoting sustainable forestry on private lands, protecting farmland from development, supporting efforts that protect wildlife while accommodating growth, or ensuring city and suburban dwellers easy access to nature and open space. The initiatives could include:

Northern Forests - A collaborative effort with local government, property owners, the conservation community and the states of New York, Maine, New Hampshire and Vermont to preserve the natural and economic values of the largest contiguous wild forest in the eastern United States. Up to 3.5 million acres now owned by timber companies are or soon will be for sale. Disposition of this land will have profound impacts on the economy and environment of this region.

Parks and Communities - A collaborative effort with state and local governments and the private sector guided by the vision of open space and recreation within walking distance of every child in America. Eighty percent of Americans live in urban areas, and half have no park or open space within walking distance of their home. This initiative could include a commitment to create or rehabilitate 1000 parks or recreation facilities.

Farmland Preservation - Tax incentives and increased USDA funding to help preserve farmland threatened by development. This is a key component of the livability agenda launched by the Vice President, which highlights the close connection between loss of prime farmland and runaway sprawl.

Lewis and Clark National Preserve - Redesignation of a stretch of the Missouri River in Montana (now part Wild and Scenic River, part National Wildlife Refuge) to commemorate the Lewis and Clark expedition, which explored the area in 1805.

Conservation Incentives - A targeted tax incentive that reduces tax on capital gains realized through transfer of property that will remain under conservation easement.

Habitat Protection - Increased cost-share funding to acquire habitat in regions undertaking comprehensive conservation planning to balance growth and endangered species needs (as recently completed in Orange, Riverside and San Diego counties).

Cost: TBD, depending on scope.

CLEAN AIR FUND

Action: You would propose \$1 billion in new funding to provide low-interest financing for projects that achieve early reductions in air pollution and/or greenhouse gas emissions, giving cities and states a significant nonregulatory tool in the fight for cleaner air.

Background: One of the Administration's top environmental accomplishments is the adoption of tough standards to reduce smog and soot. We also have proposed strengthening standards to reduce regional haze in the West. While these steps have been well received by the public, many mayors and governors continue to cite them as constraints on economic growth. These concerns, which are likely to become more pronounced as the standards are implemented, stem in part from concerns about the cost of compliance.

In addition, one of the Administration's top climate change priorities is encouraging early, voluntary action to reduce greenhouse gases. Again, one barrier is concerns about the capital investment necessary to achieve these reductions.

In the case of water quality, strong bipartisan majorities in Congress have long supported a revolving fund to finance state and local infrastructure projects to reduce water pollution. This proposal would take a similar approach to air emissions. For soot or smog-related emissions, funding would be made available to states upon demonstration, consistent with EPA guidelines, that a project would achieve reductions sooner than required, or from sources not subject to regulation. For greenhouse gas emissions, funding would be made available upon a demonstration consistent with DOE guidelines that the project would achieve "early" reductions that otherwise would not have been made. Guidelines will ensure that the fund does not compensate polluters for taking action already required by regulation.

We are reviewing with Treasury a number of possible models for the fund and for allocating financing, ranging from the existing clean water state revolving funds to the school-construction model to that used for low-income housing tax credit.

Cost: \$1 billion annually in fund capitalization (outlay rates significantly lower, and may be reduced over time by operation of a cost cap in the President's implementation plan for the new soot and smog standards). Differential costs of alternative financing mechanisms TBD.

A NEW PARTNERSHIP FOR LAKES AND COASTS

Action: You would launch a new initiative to protect America's coasts and the Great Lakes, propose new funding to help farmers combat water pollution, and call on Congress to reauthorize and strengthen the Clean Water Act.

Background: The five-year Clean Water Action Plan you launched earlier this year establishes a solid framework for addressing the next generation of clean water challenges, principally nonpoint source pollution. This initiative underscores some unfinished business -- reauthorization of the Clean Water Act, and increased funding for farmers -- and targets additional resources to the specific and urgent needs of the Great Lakes and coastal areas. Specifically, it would create a dedicated source of funding (subject to state cost-sharing) to restore wetlands, accelerate cleanup of contaminated sediment, and support local partnerships to restore estuaries.

Each of these issues has a strong economic component. Along the Gulf Coast, loss of wetlands raises the risk of catastrophic damage from hurricanes and floods. Sediment contamination hampers urban redevelopment, damages commercial and recreational fisheries in regions like the Great Lakes, and undermines the competitiveness of our ports by increasing dredging costs. Pollution of estuaries destroys commercial fisheries, threatens drinking water, and increases pollution control costs.

This initiative would: commit an additional \$300 million a year to restore wetlands in Louisiana and other Gulf states (this funding mechanism, a variation on the Landrieu-Dingell proposal, also would support Everglades restoration); commit an additional \$280 million a year for sediment cleanup and natural resource restoration; and commit an additional \$100 million a year to implement estuary recovery plans developed in partnership with states and local communities.

Cost: \$680 million.

In addition, the following proposals could be included in this initiative, or announced before the State of the Union:

Save the Colorado Initiative - You would propose funding to remove uranium mine tailings in Moab, Utah, that are contaminating endangered species and the Colorado River, a major water source for California. The Atlas Corporation, which operated the mine, recently filed for bankruptcy, making it inevitable under current law that the Department of Energy will bear ultimate responsibility for the cleanup. Democrats and Republicans in both the California and Utah delegations have united behind Congressman George Miller (D-CA) in demanding that the tailings be moved. Governor Leavitt and Secretary Babbitt strongly support the proposal. **Cost:** \$125 million over five years, assuming Atlas will be able to pay \$7 million over the same period.

Helping Farmers Protect Water Quality - As part of your Clean Water Action Plan, you requested \$100 million in FY 1999 for a USDA program to help farmers control polluted runoff. This funding was denied by Congress. As an alternative, you would announce flexible use of Commodity Credit Corporation funds for the same purpose. USDA is exploring how much funding could be made available this way. **Cost:** TBD

ENVIRONMENT-TO-WORK INITIATIVE

Action: You would announce a \$100 million-a-year initiative to train former welfare recipients and other workers for jobs in environmental cleanup and energy efficiency; and to retrain timber workers, miners and fishermen for environmental restoration work.

Background: One of the overriding themes of the Administration's environmental message is that a healthy environment and a strong economy go hand in hand. Yet despite notable successes -- for instance, brownfields cleanup and our Jobs in the Woods program in the Pacific Northwest -- environmental initiatives are not always seen as being in the interests of organized labor.

This interagency initiative would address these concerns in both urban and rural areas by providing training for high-paying jobs in emerging environmental fields. In cities, it would train workers in hazardous waste and brownfields cleanup, and in lead and asbestos abatement (jobs for which poorly educated workers are often illegally recruited). In rural regions, it would build on Jobs in the Woods to retrain timber workers in other regions where harvest levels are projected to decline; retrain fishermen in areas with declining stocks to do habitat restoration; and train a new generation of mine workers for mine reclamation and watershed restoration work. In addition, it would train workers to conduct energy audits and perform other energy efficiency work in both urban and rural settings.

Cost: \$100 million, with a portion funded from the Abandoned Mine Reclamation Fund.

PRESERVING AND EXPLORING OUR OCEAN FRONTIER

Action: You would announce designation of a new national marine sanctuary, set a goal of doubling the number of marine sanctuaries over the next 10 years, and propose legislation to strengthen protections within existing and new sanctuaries.

Background: At the dawn of the 20th century, under the leadership of President Teddy Roosevelt, America committed itself to a new lands ethic, preserving irreplaceable pieces of our rich landscape for all time. As we approach the 21st century, a comparable opportunity beckons off our shores. As you noted in your address to the National Ocean Conference, the oceans are a vast frontier largely unexplored, and largely unprotected.

Over the past quarter-century, the federal government has created 12 national marine sanctuaries encompassing 18,000 square miles of coral reefs, kelp forests and other ocean ecosystems that are home to a variety of endangered marine life. Management plans for each sanctuary are developed in collaboration with nearby communities, commercial fishermen, marine-related industry, conservationists, and marine scientists. The level of protection varies among the sanctuaries, with some little more than boundaries on a map.

There is a growing call from the scientific and conservation communities to both strengthen and expand the sanctuary system. This proposal would meet both objectives. First, you would announce the designation by the Commerce Department of a new sanctuary. (Prime candidates include "seamounts" off California, underwater canyons and ledges off Cape Hatteras and Massachusetts, brine pools and vents in the Gulf of Mexico, and waters off the Northern Mariana Islands.) Second, you would set a goal of 24 sanctuaries -- double the current number -- by 2009. You could invite Congress to work with the Administration in identifying areas for designation. Third, you would propose legislation to set a minimum level of protection within the sanctuaries.

A new exploration venture by the National Geographic Society, in partnership with the Goldman Foundation, presents an ideal opportunity to amplify our message. Dr. Sylvia Earle, former chief scientist at NOAA and recently honored as Time Magazine's first Hero of the Earth, will explore each of the existing sanctuaries in state-of-the-art submersibles.

Cost: An additional \$6 million in FY 2000, \$21 million in FY 2001, and \$36 million in FY 2002.

DECLARING WAR ON ASTHMA

Action: You would launch a national campaign to halt the dramatic increase in asthma incidence and, ultimately, to reduce by half the number of children who die from the disease or suffer severe symptoms.

Background: Asthma afflicts more than 5.5 million children in America and is the leading cause of childhood hospitalization. The number of children suffering asthma has doubled in the past 15 years, and the number dying from it has tripled in the last 20 years. Black and Hispanic children are twice likely as white children to develop the disease.

The Administration has launched several efforts to combat asthma, including tougher air quality standards and recent grants to universities to establish environmental health research centers. This initiative would expand successful programs by HHS and EPA to reduce asthma risks in schools and homes through education. It also would support additional monitoring and research to better track incidence and develop potential cures.

Cost: \$55 million.

THE WHITE HOUSE

WASHINGTON

November 10, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: NEAL LANE *neal*

SUBJECT: 1999 State of the Union Address

This memorandum makes recommendations for themes to include in your next State of the Union Address to underscore your vision for the 21st century. The emphasis is on cementing your leadership in science and technology, a theme that should generate substantial bipartisan support.

Background

You have been consistent and eloquent about your commitment to investing in America's future. Every year of your presidency you have increased the S&T budget. The Research Fund for America -- an unprecedented proposal for support of S&T in your FY 1999 budget request -- fared extremely well in Congress. You have helped to persuade the American people that continued American leadership in the world and a better quality of life for all Americans depend on our enduring commitment to research and to technology. You have secured a broad consensus that we have a responsibility to develop technology for public needs.

The following are suggested themes for your consideration.

1. Information Technology Research Initiative

Why: Information technologies have the potential to do for the creation and management of knowledge what the invention of electricity did for the production and distribution of power. Electricity not only was a good substitute for candles and steam engines, it empowered every American family and every American business by making energy affordable and accessible. New information technologies can provide *every* American with an extraordinary set of tools -- whatever their age and health and wherever they live. They can allow families to stay in touch, enable small businesses to participate in international alliances, and make it possible for employees to keep up with job opportunities and get the training they need. These technologies have the power to strengthen our military forces and make them more adaptable to a complex range of threats, improve health services, provide unprecedented opportunities for persons with disabilities, expand learning opportunities for people of all ages, strengthen crime-fighting, protect the environment, and create more accessible and efficient government.

In the years ahead, information technologies will continue to be a driving engine of economic growth and job creation. Their contribution is already astonishing. Between 1995 and 1997, firms associated with these technologies contributed one third of US economic growth; in 1996 the industry employed over 7 million people in the US. These technologies have greatly strengthened our competitive position in international markets because our uniquely flexible industries have been quick to recognize and seize the opportunities these technologies offer.

Computing and information technology research is also essential to avoiding major vulnerabilities that our information-rich economy is beginning to encounter. We are increasingly dependent on powerful information tools to manage air and highway traffic, financial networks, medical information systems, and many other parts of the critical infrastructure that support our economy. New tools are required to design information systems that will remain reliable and secure.

Information technology (IT) has made research in all scientific fields more productive, while accelerating the pace of scientific discovery. Predicting climate change, or sequencing the human genome, for example, would not be conceivable without powerful computational tools. New information tools are essential if we are to convert our knowledge of the human genome into an understanding of how the genes actually work, and to develop practical tools for combating disease and disability.

In your June 1998 MIT commencement speech, you highlighted the importance of information technology to America's future by indicating your intention to call for "significant increases in computing and communications research" in your FY 2000 budget. Your IT Advisory Committee, in its recent interim report, assessed the current Federal effort in information technology research and has made a number of solid recommendations as to how additional funding could be most effectively used.

What: Major new research programs in DARPA and NSF targeted on advanced software design, making information systems easy to use, and managing the high-speed, flexible communication systems emerging to link billions of computing devices embedded in everything from cell phones to TV sets. Long-term, high risk research on advanced computation and communication (cryogenic devices, DNA and quantum computing). In these agencies, as well as NIH, DOC, DOE, and NASA, funding the procurement of high-speed computers for medical, environmental, and other scientific research, and funding to help these communities make full use of these new tools.

Cost: \$200-300M in FY 2000; \$3B over five years.

2. Millennium Research Fund

Why: Such a Fund would reaffirm your commitment to lead America into the 21st century with investments that improve the quality of life and keep the economy growing. Half of our economic productivity in the last half-century is attributable to technological innovation and the science that supported it. The knowledge-based society of the next century only increases the importance of research, innovation, and human capital as our principal strengths. This fund would build on the success of the Research Fund for America, expanding its scope to include all civilian and university-based research. It would also trump the non-specific Congressional proposals to "double" research funding with a detailed plan for strategic growth in S&T budgets.

What: A commitment to substantial, sustained support for a balanced portfolio of civilian and university-based research, including DOD 6.1 and 6.2., to ensure continued US leadership across the scientific frontiers. In addition to information technology, special emphasis is given to research on vital national needs, including:

- Biomedical -- Win the war on cancer and declare war on asthma, mental illness, and heart disease.
- Physical Science, Engineering, and Technology -- Develop new materials, chemicals, electronics, and manufacturing technologies essential to providing American industries a competitive edge.
- Global Change -- Ensure that regional economies, relying on agriculture or tourism, prosper even in the face of climate change, and save the planet for future generations.
- Climate Change Technology -- Promote energy efficiency, the use of renewables, and reduce greenhouse gas emissions.
- Learning and Teaching -- Understand human learning by conducting basic research and large-scale "clinical" trials of education practices, including education technology.
- Critical Infrastructure Protection -- Protect our infrastructure, from information systems to power systems, against terrorist threats, natural disasters, and human error.
- Aviation Safety and Security -- Reduce aviation fatal accident rate by a factor of five within 10 years.
- Emerging Infectious Disease -- Reduce the threat of bioterrorism and the vulnerabilities to reemerging diseases, such as tuberculosis.
- Ecosystem Sciences -- Eradicate the algal blooms and other water problems that threaten fisheries and other U.S. coastal businesses.
- Plant Genome -- Breed pest- and drought-resistant plants that ensure America continues to feed the world.
- Transportation -- Foster breakthrough automotive technologies, achieve threefold improvement in fuel efficiency by 2004.
- Food Safety -- Eliminate deaths and illnesses from food poisoning.

Cost: Doubling the Federal investment in these research areas over ten years would require approximately \$3B in FY 2000 (7% increase); and \$20B over five years.

THE WHITE HOUSE

WASHINGTON

November 6, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN 

SUBJECT: State of the Union -- Climate Change Ideas

Last year's State of the Union included a substantial section (16 lines) on climate change. Our specific announcement was your five-year, \$6 billion program of tax cuts and R&D to spur energy efficiency and the development of renewable energy. This year's environmental section of the speech should, of course, include climate change. Below are three specific deliverables that could be included in the speech.

Getting Energy Efficient Products into Our Homes. While R&D into new energy saving technologies is extremely important, economists also recognize that we could achieve enormous reductions of greenhouse gases if consumers took advantage of the energy saving products already in the marketplace. You could announce a new initiative to help move a designated list of several major Energy Star products (e.g., refrigerators, washing machines, air conditioners, furnaces) off the shelves and into consumers' homes. The initiative would consist of the following elements: (1) a partnership with major manufacturers to launch a campaign to inform consumers about the financial and environmental benefits of retiring older appliances early and replacing them with new, energy efficient models. (The retired products would be recycled, producing further energy savings.) DOE has been engaged in discussions with GE, Whirlpool, Maytag, Amana and White Consolidated, who are all prepared to participate; (2) rebates from the manufacturers and/or electric utilities; (3) federal financial incentives, which could take the form of tax incentives or rebates. Rough estimates suggest that for a cost of around \$1 billion annually, the federal government could provide an incentive equal to around 10% of the purchase price of selected Energy Star equipment. This program could save millions of tons of carbon emissions annually and save consumers hundreds of dollars a year on their energy bills.

Bioenergy -- Growing an Alternative to Fossil Fuels. Biomass represents a major potential resource for our energy future. It can be used to make fuel, burned directly to produce electricity, and used for the production of chemicals. By growing products like switch grass on idle cropland and putting agricultural and wood waste to good use, some experts predict we could eventually produce energy equivalent to more than half of our current annual crude oil imports. You could launch a partnership with farmers, the forest products industry, power companies, chemical companies and others to develop a clean, biomass-based energy industry. Such an initiative would not only be good energy policy, but would give farmers something to like about dealing with climate change. Senators Lugar and Harkin, among others, are very interested in biomass. DOE and USDA are already making substantial investments in bioenergy. We can do

this initiative with funding that fits within the total available for the second year of the five-year Climate Change Technology Initiative you announced last year.

Financing of Clean Energy Projects. The CEQ State of the Union memo includes an idea for a revolving fund to finance state and local infrastructure projects to reduce air pollution or greenhouse gases. The idea would be to fund projects achieving early reductions that wouldn't otherwise be made. For a full discussion of this idea, see the CEQ memo.

THE HARVARD LAW SCHOOL
CAMBRIDGE MA 02138

November 11, 1998

MEMORANDUM FOR THE PRESIDENT

Through: Maria Echaveste
Deputy Chief of Staff

From: Christopher Edley, Jr.
Professor of Law

Re: Race and the State of the Union: A "Vision" Option and a "Program" Option

My premise is that I will deliver a virtually complete draft of your race book in December, but the final product will not be released until after the SOTU.

Vision Option: Building on some of the rhetoric from SOTU'98 and SOTU'97, summarize the vision of One America with racial and ethnic justice that will be the centerpiece of your race book. In these paragraphs you would veer sharply away from the familiar laundry lists of the Policymaker-in-Chief to instead demonstrate and exploit your unclouded title to the bully pulpit.

In brief: The America you envision for the 21st century must have *opportunity* so broad and deep that there is no visible legacy of slavery or conquest or colonialism. It must have *communities* so open and inclusive that each of us celebrates the richness of our diversity, as that diversity fuels not our fears, but our strength. And, in that America, our *hearts* will be healed of the prejudices and stereotypes that too often divide us today; our vigilance will prevent the wounds from ever reopening. We can chart our progress towards this vision as we close the disparities in educational achievement and in victimization by violent crime; as we slowly reverse the trends towards racial and ethnic separateness in our communities and schools; and as we finally win the battles to combat the oppressions of discrimination and stereotype.

Since you will have discussed education, welfare-to-work and other opportunity measures, you can briefly note that these are elements of how we can achieve the vision. You can praise the work of religious leaders, higher education leaders and others in advancing this vision, and announce the follow-on entity to continue the race initiative.

Program Option: After noting that you will soon release your report on the race initiative, you would highlight two or three substantive "mountain tops" in your policy workplan for the nation. (The book will contain more mountain tops and abbreviated mention of foothills.) Possibilities:

(1) *Educational achievement:* Your vision requires that the nation undertake a more focused, dramatic and sustained effort to tackle the intolerable achievement disparities between poor and rich, between minority and non-minority. The era of excuses is over -- for everyone.

Recommendation: Provide large-scale grant-in-aid support to states and/or metropolitan areas that commit to develop comprehensive, peer-reviewed plans for removing resource inequities, enhancing accountability, and eliminating disparities in student achievement. (This builds on the Comprehensive School Reform Demonstration Program, but is far more substantial in scale, less prescriptive, focused on systems rather than individual school sites, and with accountability for results). The undertaking parallels your announced goal of narrowing health disparities. Instead of a formula program like Title I, this substantial "honey pot" would not attract participation from all jurisdictions initially, which is fine.

(2) *Jobs:* We must break the back of the endemic hyper-unemployment of young adults in our most distressed poor communities, eventually eliminating the racial and regional disparities in joblessness. *Recommendation:* Challenge states and metro area jurisdictions to raise the employment rate of young adults in distressed neighborhoods through regional strategies. Provide substantial new resources and greatly enhanced flexibility with categorical federal and state programs, for interested jurisdictions willing to accept *accountability* for creatively tackling the especially difficult problems of young adult unemployment. Flexibly link programs in education, training, job search, transportation, employer networking, day care, housing assistance, drug treatment, and many more. But results must matter.

(3) *Economic Development:* We can do more to harness the power of financial institutions and markets to create opportunity in distressed communities here at home, just as we try to do abroad. *Recommendation:* The Federal Home Loan Bank Board system in years past helped make home ownership a reality for many. In the new century, the FHLBB should have a new mission: working side-by-side with CDFIs to fuel economic revitalization in our most distressed communities through affordable financing of a range of job-creating projects.

(4) *Combating Discrimination and Hate :* The fight against ordinary discrimination is not finished. Last year's budget included an increase for some civil rights law enforcement agencies, to help those standing in line waiting for justice. Now, we must sustain that investment and extend it to other enforcers of our basic rights – the civil rights division in the Department of Justice, the Office for Civil Rights in the Department of Education, etc. As we do so, we can re-engineer those efforts to emphasize voluntary compliance, technical assistance, education and dispute resolution. And complementing this law enforcement effort is the business of healing communities threatened by racial and ethnic division. The Community Relations Service has been an often unsung hero, with a few dozen public servants bringing wisdom and hope to community after community, after church burnings and riots – and *before* disturbances flare up. The nation needs to invest in this resource to create One America.

In these policy examples, I am urging you to address underlying structural problems, eschewing band-aids and incrementalism. Whether or not you use them in the State of the Union, I hope you will consider them for FY 2000 and the future.

Recommendation: For the SOTU, as much as I like the policy ideas, I recommend the bully pulpit option.

THE WHITE HOUSE

WASHINGTON

November 11, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan
Sally Katzen

SUBJECT: State of the Union/Budget Ideas

This memorandum provides a brief description of new ideas we are considering for the State of the Union. Some work has been done on fleshing them out, but many need additional work and further vetting through the interagency process. Most of these ideas involve increased spending, and you will have to make choices among them and/or scale them back as you consider the FY 2000 budget. Although our offices have worked together on many, if not most, of the ideas in this memo, we have noted, where possible, which of our offices has the lead role with respect to each proposal. Options relating to Social Security are not included in this memo.

EDUCATION AND TRAINING (DPC/NEC as specified)

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

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

outside their field back to college to take additional courses in the subjects they're teaching, coupled with a new requirement that new secondary teachers pass competency tests in a subject before they can teach it; and (5) a high-profile effort to help states make the most of the 15 percent set-aside for teacher quality in the recently passed class size legislation. (Cost: about \$210 million above FY99 budget). We are also exploring a politically interesting counter to private school choice: vouchers for private school teachers -- i.e., an incentive program to encourage private school teachers to teach in public schools. (DPC)

3. Work-Site Schools. One of the most promising new education ideas sprouting up around the country is the creation of public schools at work sites, designed primarily to serve employees' children. School districts provide the teachers and curriculum; companies provide facilities and upkeep. These schools-at-work serve a host of objectives at once, by (1) providing new facilities at no cost to the district; (2) increasing parental involvement in the schools and parental satisfaction in the workplace; (3) reducing employee turnover and absenteeism; and (4) increasing school diversity, because work sites are more diverse than residential neighborhoods. We propose a \$100 million increase in an existing discretionary program to provide grants to 100 communities to launch work-site schools. We also could seek a stand-alone bill (like the charter school law) to advance this idea. In addition, we are working with Treasury to develop a tax credit for businesses that start on-site schools, similar to the Kohl business tax credit for on-site child care that is already in our budget. (Cost: \$100 million for start-up grants. No estimate yet for tax credit, but it will be very small.) (DPC/NEC)

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

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

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

7. Adult Literacy. According to the National Adult Literacy Survey, 44 million adults struggle with a job application, cannot read to their children, or are left on the welfare rolls because they lack basic skills. We are considering: (1) Workplace: a new tax credit and/or Federal grants to encourage employers to provide adult basic education classes at the worksite, and setting aside funds for work-based literacy projects within Welfare-to-Work competitive grants (see welfare section of this memo); (2) Community: expanding the infrastructure and funding for adult basic education through the Adult Education program, encouraging the development of programs focused on easing the transition to the U.S. for new immigrants (through ESL and civics classes), subsidizing the provision of child care on college campuses and other adult education sites, and launching a national information campaign to make people aware of the problem of functional illiteracy and of available services; and (3) Home: using the new *Learning Anytime Anywhere Partnerships* to create software for adult basic education using \$200 computers (e.g., WebTV, game players) and subsidizing public housing projects that create computer literacy programs. (NEC)

8. National Campaign to Open Doors of College. Notwithstanding enormous strides we have made in reducing the financial barriers to college, too many families assume college is more expensive than it really is and are not aware of the aid that is available (Even among low-income youth with high test scores, one-fourth say they have not been able to get much information about financial aid for college). We are planning: (1) launching a major national public information campaign about college costs and financial aid (e.g. naming a national chairman such as Bill Cosby, having a national college visit day, etc.), (2) building on the authority in the new GEAR UP program, providing *every* middle school (e.g. 7th grade counselor) with the ability to give students a "21st Century Scholar Certificate," indicating the financial aid that they are eligible for, and (3) seeking to provide *every* high-poverty middle school with a college partner. This does not require any new investment, just some focus and creativity. (NEC)

9. Improving the College Success Rate. Getting people in the doors of college is not enough to close the racial and income opportunity gaps. For example, only 21% of African-American and 18% of Hispanic students who begin college complete a bachelor's degree within 5 years compared to 30% of White students. We are considering a package of policies, including: (1) a super-Pell grant for the lowest income families and/or to encourage a full-time focus on school in the first year of college (this would be expensive); (2) expanding successful mentoring and other support services in colleges (including those aimed at graduate school preparation); (3) promoting college course-taking while in high school; (4) improving matriculation between two-year and four-year colleges; (5) encouraging partnerships between predominately minority-serving and predominately majority-serving institutions of higher education (particularly to promote graduate study); and (6) establishing a bridge fellowship program for graduate study in science and technology fields for minorities and women. (NEC)

10. School Modernization. The current assumption is that we will repeat this year's proposal for tax credits to build and renovate schools covering the interest on nearly \$22 billion in bonds. We are, however, critically comparing our current proposal against other possible mechanisms to ensure

we have the most effective approach. (NEC)

11. Further Expanding Junior ROTC. In response to the Los Angeles riots, Colin Powell proposed and Congress approved in 1992 an expansion of the high school-based JROTC. Since then, 1,000 units have been added primarily in urban areas, bringing the total to nearly 2,600 units with 400,000 participants. The budget increased over that period from \$76 million to \$166 million. There is a waiting list of more than 450 schools that would like to have a JROTC unit. Because DOD does not plan any further expansion, these 450 schools on the waiting list will not likely be added. We could propose adding another 900 units over the next few years, to reach the authorized maximum of 3,500. Cost: about \$235 million. (NEC)

12. Training American Workers for Current and Future Skills Gaps. We should challenge the private sector to make specific commitments to train more American workers, which they pledged to do during the debate on H1-B visas. They could provide more college scholarships for women and minorities, partner with community colleges to develop cutting-edge curricula, and encourage their employees to serve as telementors for middle school students to get them excited about math and science. In addition, we are working on: (1) a program to foster partnerships ("Regional Skills Alliances") between industry and training providers to train both employed and unemployed workers; (2) competitive grants to encourage companies to develop programs in which they subsidize the training of individuals who they then commit to hire; (3) extensions and/or expansions of some of the current training tax provisions (such as the lifelong learning tax credit and Section 127); and (4) a major informational/media campaign by the Departments of Education and Labor to inform all Americans about available training opportunities, financial aid, and job search assistance to allow them to develop the skills required for employment opportunities around the country. (NEC)

13. Making Job Training Universal. We are considering an initiative to make job training more universal. The first component of this initiative would be to seek a significant increase in dislocated worker funding -- about \$190 million -- so that we are on path to provide training to every dislocated worker who wants or needs it within five years. The second component would be to ensure that every unemployed person is eligible for core labor market services, e.g., job search assistance. The final component would be to take the steps necessary to ensure that every worker, regardless of where they live, would be able to have access to a One-Stop Career Center (where they can learn about job training, employment service activities, unemployment insurance, vocational rehabilitation, adult education, and other assistance.) (NEC)

14. Community Computing Centers. We have roughly 650 computing community centers, which empower low-income Americans in the Information Age by teaching them to type a cover letter and a resume, search for job vacancies on the Internet, or even start an Internet-related business. These efforts should be expanded. (NEC)

School safety -- see CRIME section

SERVICE (DPC)

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

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

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

HEALTH CARE AND DISABILITIES (DPC/NEC as specified below)

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

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

certain people ages 55 to 65, benefiting about 30,000 people and costing \$500 million over 5 years. (DPC/NEC)

3. Biomedical Research. We should again propose an increased investment in biomedical research -- perhaps (depending on how we treat tobacco money in the budget) between \$500 million and \$1 billion. (DPC)

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

5. Bioterrorism Initiative. This initiative, costing \$100-300 million each year, would: (1) train epidemic intelligence officers who can coordinate with state health departments to identify and respond to attacks; (2) develop a mass casualty emergency response system that includes primary care, emergency transportation, and decontamination abilities; (3) create and maintain a stockpile of pharmaceuticals; and (4) improve research to develop new vaccines and antibiotics to be used in the event of attack. (DPC)

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

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

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

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

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

11. Disability – Health. A health-related disabilities package could include: (1) the Jeffords-Kennedy Work Incentives Improvement Act, which enables people with disabilities to go back to work by giving them an option to buy into Medicaid and Medicare, at a cost of about \$1.2 billion over 5 years; (2) a proposal, costing \$50 million over five years, to promote the deinstitutionalization of Medicaid beneficiaries by developing viable community-based care alternatives for people residing in nursing homes after a “date certain”; and (3) a proposal to make Medigap supplemental insurance more accessible to people with disabilities.

12. Disability – Getting People to Work. A work-related disabilities package could include: a tax credit of \$1,000 to \$5,000 for working people with disabilities to assist them in paying for the costs associated with employment, at a cost of about \$1 to 2 billion over 5 years; a new competitive grant program, developed by your disabilities task force, to increase the employment rate of adults with disabilities; and efforts to ensure that new technologies are designed so as to be accessible to people with disabilities (see technology section). (DPC/NEC)

TOBACCO (DPC)

1. **State Menu.** Our best vehicle for enacting tobacco legislation next year will be a legislative waiver of federal Medicaid claims to the states' expected \$200 billion settlement with the tobacco companies. We will seek bipartisan agreement on a menu of uses for the federal share of state money, with tobacco control and child care as our top priorities. We will try to use this measure as a vehicle for other key elements of our tobacco policy, such as FDA jurisdiction and warning labels.
2. **Price Increase.** One of the most difficult budget decisions will be whether to assume a tobacco tax increase in our budget request, and if so, what to do with the money. There are strong arguments on each side of the question whether to include a tobacco tax increase in our budget. If we *do* assume tobacco revenue, the candidates for it include: (1) assistance to tobacco farmers (about \$1 billion a year); (2) the long-term care tax credit (about \$1 billion a year); (3) other tax cuts, such as a child care / stay-at-home tax credit and/or a reduction in the marriage penalty; (4) NIH research; (5) public health programs; and (6) the Medicare trust fund and/or a new prescription drug benefit for Medicare beneficiaries.
3. **Medicare Suit Against Tobacco Companies.** Our best leverage over the tobacco industry is the prospect of a federal suit to recoup Medicare costs associated with smoking. We could call on Congress to enact Senator Graham's legislation to authorize such a lawsuit (which would make the Justice Department more likely to bring it). At the same time, we could ask for funds for DOJ and HCFA to prepare a lawsuit against the tobacco industry. We could go further and pledge that any proceeds from such a lawsuit would be used either to extend the life of the Medicare Trust Fund or to provide a new prescription drug benefit to Medicare beneficiaries. (Cost: to be determined, but probably small).

FAMILIES AND CHILDREN (DPC/NEC as specified)

1. **Expansion of the Child Care and Development Block Grant (old policy).** We propose to expand the Child Care and Development Block Grant as we did in the FY 1999 Budget. The block grant is the primary federal child care subsidy program, helping low-income working families to pay for child care. Currently, between one and two million children are served by the program, leaving roughly nine million children who are eligible but unserved. This proposal would cost at least \$7.5 billion over five years. (DPC)
2. **Tax Relief for Parents, Including Parents who Stay at Home.** We are considering replacing our last year's proposal to expand the Child and Dependent Care Tax Credit with a new proposal to benefit *all* parents, including those who stay home. This change will address the criticism that our child care initiative did little for stay-at-home parents. We are reviewing proposals to (1) double the child tax credit to \$1,000 per child for all children under the age of four, at a cost of about \$12 billion over five years; (2) increase the standard deduction for each child under the age of three by \$1,000, at a cost of about \$3 billion over five years; or (3) expand the Child and Dependent Care Tax Credit as we did last year *and* extend its benefits to parents with children below age three by assuming

minimum child care expenses of \$150 each month, at a total cost of about \$21 billion over five years. Each of these proposals can be dialed up or down by adjusting either the age threshold or the dollar amount. (DPC/NEC)

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

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

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

6. Parent Education and Support Fund. We are considering proposals to create a competitive grant program administered by HHS to fund parent education and support programs, including home visitation programs and "second chance maternity homes" to support teen mothers and teach parenting skills. This fund could cost about \$500 million over five years. (DPC)

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

CRIME (DPC)

1. Crime Bill II. The 1994 Crime Act will expire at the end of the FY 2000 budget cycle, guaranteeing that the next Congress will consider major crime legislation. We recommend that you get a jump on this debate by using your State of the Union and FY 2000 budget to challenge

Congress to pass a new crime bill that builds on the core elements of the successful 1994 Act -- more police, smarter punishment, and more prevention. Most of the money required is already built into future budgets; continuation of the COPS program, however, will require new funds totaling about \$1 billion. We believe that a new Crime Act should include the following elements:

- **Community-Oriented Policing and Prosecution Services (COPPS).** Your pledge to help fund 100,000 more police is likely to be fulfilled before the end of next summer. A new COPPS initiative (note the extra "P" for "Prosecution"), costing about \$1.4 billion in the first year, could include funds to: (1) hire, redeploy, and retain an estimated 7,500 more police each year; (2) provide modern technology and equipment and support training in modern policing techniques, with a special emphasis on "hot spots" technology; (3) hire, train, and equip prosecutors to join local police in fighting crime on a more community-based, proactive basis; and (4) support partnerships between law enforcement and community-based groups to prevent crime in their areas.
- **A new focus on probation supervision and coerced abstinence.** The punishment title of the crime bill now focuses largely on prison construction; we recommend shifting the focus to a new "Certainty of Punishment" initiative that will support the expanded use of probation supervision and of drug testing and treatment.
- **Gun initiatives.** A new crime bill should include your longstanding firearms priorities -- juvenile Brady, Brady II, federal CAP legislation and child safety locks. It also could include new proposals to: (1) close the loophole that exempts many firearms sales at gun shows and flea markets from Brady background checks; (2) expand the Youth Crime Gun Interdiction Initiative (YCGII) -- to trace all crime guns and investigate gun traffickers -- to an additional 20-40 cities; and (3) assemble gun strike forces -- teams of federal prosecutors and ATF agents, acting with local law enforcement -- to target cities with high levels of gun violence and crack down on gun traffickers.
- **Values-based crime prevention initiative.** In addition to other crime bill prevention programs, we could invest in promoting values-based crime and violence prevention efforts, such as those of Rev. Eugene Rivers. Funds from this program would go to comprehensive prevention programs run by faith-based and other institutions seeking to instill and reinforce common sense values in troubled youth.

2. Safe, Disciplined, and Drug-Free Schools. At the White House Conference on School Safety, you announced that you would overhaul and strengthen the Safe and Drug-Free Schools Program. Under this proposed reform, funds will be appropriately targeted to schools with serious drug and crime problems, and schools will have to adopt rigorous, comprehensive school safety plans that include: tough but fair discipline policies, such as zero tolerance for guns and drugs; safe passage to and from schools; effective drug and violence policies and programs; annual school safety and drug use report cards; links to after school programs; efforts to involve parents; and crisis management plans. We also could include in this package (1) funds for states that adopt a policy

of drug testing first-time applicants for drivers' licenses and (2) funds for school districts that adopt a policy of drug testing middle and high school students with parental consent. We believe that these reforms will require up to \$450 million in new funding in FY 2000.

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

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

PENSIONS (NEC)

1. Expanded Private Pension Plan Coverage: Last year, you announced several initiatives to expand pension plan coverage which were not enacted, but which we continue to believe are important and have substantial support on the Hill. We should again call for legislation that: authorizes a simplified plan for small businesses that combines the best features of a defined benefit and defined contribution plan (SMART), costing \$313 million over five years; provides a three-year tax credit to encourage small businesses to set up retirement programs, costing \$508 million over five years; and authorizes payroll deductions for IRAs. We are exploring ways to expand coverage for moderate and lower-income workers. Consideration is also being given to ways of enabling multiple small businesses to pool together for pension plan administration.

2. Women's Retirement Security: To underscore the importance of pensions for women's retirement security, you would call for legislation enacting the two initiatives you announced in late October -- namely, that time taken under FMLA should count toward retirement plan vesting requirements and mandating that employer plans offer an option that pays less while the retired employee is living but pays a survivor benefit equal to at least 75 percent of the benefit the couple received while both were alive.

3. Pension Portability: You could renew your call for reducing vesting requirements from five years to three years for employer matching contributions to 401(k) and other plans to reflect an increasingly mobile workforce, and more workers moving in and out of the workforce over a lifetime. We are also exploring various options that would increase pension portability and facilitate the movement of retirement savings between plans, where this can be done without encouraging "leakage" or loss of

worker protections -- e.g., providing that federal employees can roll over retirement savings from private sector qualified plans into the federal Thrift Savings Plan.

4. Expand Pension Right to Know Provisions: You could call for a pension right to know package that provides for both workers and their spouses general information relating to retirement needs and their benefits under employer retirement plans. In addition, an employee's spouse should have the same rights to get information as the employee, before waiving the statutorily provided survivor protection. You should call for a Pension Right to Know package that provides information for both workers and their spouses. We are also working on an employee education program that would provide employees with the tools they need to work with their employers to provide pension plans, and are thinking about how to encourage courses in high schools on the importance of savings and other general investment education (which can be combined with the Consumer Literacy and Education campaign described below). Consideration is also being given to a savings stamp book program in the schools (sell savings stamps in very small amounts; when the book is full, turn it in for a U.S. savings bond) to help educate the young about how to reach savings goals.

5. Increase Retirement Security: To promote security, we are continuing to work on the pension audit bill, changes to the multi employer (collectively bargained) plan rules, and expansion of PBGC's missing participant program.

COMMUNITY EMPOWERMENT (DPC/NEC for all)

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

2. Microcredit Initiative. We are working to identify means to increase support for microenterprise finance, both domestically and internationally. We are examining whether to build on Senators Kennedy's and Domenici's PRIME legislation which would provide technical assistance to microenterprise. We are also looking at increased funding for CDFI initiatives specifically targeted to microenterprise. On the international side, we are looking at whether we can increase microenterprise funding through USAID or MDBs, especially to countries hardest hit by the financial crisis.

3. Clean Water, Parks, and Communities Bonds. We are examining three proposals to encourage "green" infrastructure projects. The first model uses the same financing mechanism as your school construction proposal for a menu of projects: protecting and improving water quality; cleanup of contaminated sediments; waterfront reclamation and revitalization; stormwater runoff control; purchasing of green spaces to prevent sprawl; park enhancements and revitalization, and brownfields cleanup. The second model, which provides a smaller incentive than the first model, would create new tax-exempt bond authority for these state and local areas to invest in clean water,

parks, and communities. The advantage of this model is that it builds on the current system of bond finance. The final model would allocate tax credits (like the Low-Income Housing Tax Credit) to states and local areas to provide to the developers of these green infrastructure projects.

6. Low-Income Housing and Homeownership Tax Credits. We recommend that you again propose a 40-percent expansion of the Low-Income Housing Tax Credit, which would help develop an additional 150,000-180,000 affordable housing units over the next five years, at a cost of \$1.6 billion over five years. In addition, we are examining two kinds of tax credits to promote homeownership among lower-income families. The first proposal would use the model of the Low-Income Housing Tax Credit to create a Low-Income Homeownership Tax Credit. Under this proposal, low-income families would receive a low- or zero-interest second mortgage, which would reduce their upfront costs (e.g., downpayment and closing costs) and investors would receive tax credits in return. The second proposal is a \$5,000 tax credit for first-time homebuyers in Empowerment Zones or Enterprise Communities. Finally, you can call on Congress to accelerate the increase in the volume cap on private activity bonds, which would help states and localities provide below-market mortgages to first-time homebuyers with relatively low incomes.

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

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

9. Homelessness. We are working on a three-part proposal that 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; (2) allow VA to sell surplus property with 10 percent of proceeds going to homeless veterans; and (3) start a demonstration project targeted to the chronically homeless to test the most promising models for moving the chronically homeless to self-sufficiency using a combination of permanent housing and links to mainstream services. Cost: \$105 million -- \$60 million for VA and \$45 million for HUD demonstration project.

RURAL/AGRICULTURE (NEC/DPC as specified)

1. Strengthening the Safety Net. To help farmers suffering from the depressed export markets and natural disasters, we are considering various reforms of the crop insurance program and closing gaps

in the emergency loan program. We are paying special attention to programs that will help small family farms. (NEC)

2. Bringing the knowledge of land grant colleges to every rural American: The USDA spends \$1.6 billion on agricultural research, much of it at America's land grant colleges and universities. The government could provide grants to ensure that this information is available on the Internet and is well-organized --so that all rural Americans can easily access information on topics such as crops, livestock, rural development, natural resource conservation, and food safety. (NEC)

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

4. Rural Transportation. Transportation is crucial to the efforts of residents and businesses in rural America to improve the livability of their communities and expand their economic activities. We are developing a rural transportation initiative that will help those who live and work in rural areas by improving the ability of farms and businesses to obtain materials and move their products to markets, and by making it easier for small communities to attract additional commercial jet air service. (NEC/DPC)

TECHNOLOGY (NEC)

1. Curbscuts on the Information Highway. We are looking at several options that would make information technology usable by people with disabilities in a manner that improves their lives: (1) investing in R&D (e.g., text-to-speech, automatic captioning, speech recognition); (2) giving disabilities groups a seat at the table as the standards for new technologies are developed; (3) making the government a model "user" of accessible technology; and (4) explore opportunities for greater deployment. In addition, the tax credit for work-related impairment expenses for people with disabilities could be used to expand the market for assistive technology.

2. A Digital Library for Science, Math and Engineering. We need to get every young student and undergraduate excited about math, science and engineering. We are exploring creating a "digital library," which would contain lectures from Nobel Prize laureates, have an ability to track and replicate cutting-edge scientific experiments, and make it easier for students and teachers to locate the best instructional material on the Internet.

3. Information Technology Research Initiative. Increasing our investment in information technology research, which is currently about \$1 billion of the federal research budget, could lead to the following breakthroughs: supercomputers that can more rapidly perform important functions, such as designing life-saving drugs and predicting severe weather systems; wireless networks that

can bring telemedicine and distance learning to rural America; a device of the size of a paper that could monitor the vital signs of a senior citizen, send a "911" message in the event of a medical emergency, and provide an exact location using global positioning technology; new software tools that can help us cope with "information overload" by discovering patterns in huge quantities of data; and intelligent spacecraft that can explore the Solar System. Options have been developed at roughly \$100, \$200 and \$400 million in FY2000; and \$1, \$2 and \$3 billion over 5 years.

4. 21st Century Research Fund. One initiative that you announced in last year's budget that we think is important to continue is the 21st Century Research Fund -- which provided across-the-board support for civilian R&D at agencies such as NIH, NSF, and Energy. For FY99, Congress provided a 10 percent increase for basic research, so this is an area where bipartisan cooperation is possible. Currently, the FY2000 budget reflects only a 2% increase in civilian research.

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

1. Reauthorize the Welfare-to-Work Program. Congress authorized the Welfare-to-Work Program for only two years; if we wish to continue our current investment in the hardest-to-employ, we will have to propose a reauthorization of about \$1.5 billion annually. Within this funding level, we propose several set-asides, totaling \$500 million, for the following specific purposes: (1) work-based English-language literacy projects for immigrants and others; (2) work-based substance abuse testing and treatment programs; (3) employment services for welfare recipients with disabilities; and (4) a work-based program to promote responsible fatherhood, including efforts to increase low-income fathers' employment and earnings and ensure that they provide financial and other support to their children. At the same time, we should (1) seek an additional 50,000 welfare-to-work housing vouchers, and (2) call on Congress to make permanent the Welfare-to-Work Tax Credit and the Work Opportunity Tax Credit, both of which now expire on June 30, 1999.

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

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

CIVIL RIGHTS AND WOMEN'S RIGHTS (DPC)

1. Equal Pay. We are working on a program to be run by the EEOC and DOL to increase outreach to businesses and employees about equal pay requirements, provide technical assistance to businesses seeking to comply, improve training for EEOC employees, and expand enforcement capabilities. In addition, the program will fund research on the nature and extent of wage discrimination, as well as a new Women in Non-Traditional Occupations Initiative designed to improve access of women into occupations such as construction and high technology. Cost: about \$20 million for EEOC and \$10 million for DOL.

2. Abortion Violence. We are working on a comprehensive initiative to address violence against providers of reproductive health services. This initiative may include: (1) a National Task Force established by the Department of Justice that will conduct investigations of abortion violence, collect and collate information related to clinic violence, and provide training to federal, state, and local law enforcement personnel on how to address this problem; (2) special security measures, including stepped-up U.S. Marshal support, at clinics identified to be at risk of violence; and (3) federal guarantees of loans taken out by clinics that must rebuild after they have been attacked. Cost: Unknown at this time.

TRANSPORTATION (NEC/DPC as specified)

1. Reauthorization of the FAA, with Focus on Modernization and Competition. A blue-ribbon bi-partisan panel concluded last year that the air transportation system faces "gridlock" within a decade without sweeping changes. We are considering various policy options to incorporate into the FAA reauthorization that you will propose in 1999 (it is a must pass this year) that will: (1) improve the efficiency and capacity of the nation's aviation system, and (2) enhance competition and service to rural areas. Some of the components of this initiative would include: centralizing the air traffic control services (ATS) in a performance-based organization (recommended by the bi-partisan panel); financing ATS for commercial aviation through cost-based user fees (supported by the major airlines); increasing Passenger Facility Charges (PFCs) to finance airport expansion nationwide (supported by state and local governments); modifying federal rules on how airports can use PFCs and other funds to encourage new airline entrants; and enhancing service to underserved areas.

We are also looking at ways to further competition in international aviation. The Administration has extended the benefits of competition by negotiating dozens of bilateral open-skies agreements. We could press our trading partners for World Wide Open Skies and explore lifting other restrictions on foreign aviation investment and operation on a reciprocal basis. (NEC)

2. Auto Safety. We are making headway on auto safety. Last year, the number and rate of auto fatalities declined. However, we still have a long way to go -- more than 40,000 Americans die in auto accidents each year, at a direct cost of \$150 billion. The keys are seatbelts (more) and alcohol (less). We are working on a comprehensive initiative that would include: (1) meeting the President's goal of 85 percent seatbelt compliance by the year 2000, which would save 4,000 lives and nearly

\$7 billion; (2) promoting education initiatives like the Buckle-Up America campaign; (3) enforcing the TEA-21 requirement that states lower the legal blood alcohol content level from .10 to .08; and (4) pushing a new Administration initiative on children's safety that will target auto accidents, among other problems, by promoting the use of child safety seats, booster seats (for children ages 4-8), and bicycle helmets. (NEC/DPC)

3. Transportation Needs of the Aged. With the number of Americans over 65 expected to grow by half by 2020, we should begin addressing the need to ensure their continued mobility, independence and safety in their later years. We are only beginning to look at this issue with DOT, which plans to hold six town meetings soon with senior citizens, medical experts, transportation safety specialists, and others to discuss the problems and challenges and identify best practices. The U.S. will host an international conference on this topic next year, in connection with the United Nation's Year of Older Persons. This may be combined with the long-term care and the housing for the elderly initiatives. (NEC)

4. "Smart Growth" and Sustainable Development. One of the biggest challenges facing America's communities is that "sprawl" development is threatening the long-term economic vitality and quality of life in America's urban, suburban and rural areas. Although land use decisions should remain the domain of state and local government, the federal government can be an effective partner. First, we will continue investing in sustainable transportation. TEA-21 authorizes a record \$41 billion over the next six years for transit; increases tax-free transit benefits; and expands communities' ability to transfer funds from highway construction to transit, bicycle and pedestrian programs, telecommuting and other forms of transportation that reduce congestion and pollution. Second, we will provide incentives to make it easier for communities to pursue smart growth policies, by exploring ways cities can capture the air quality benefits of sustainable development and by supporting a private sector initiative that would encourage mortgage lenders to consider the savings from "location efficiency" in making mortgage determinations for homebuyers. (NEC)

ENERGY (NEC)

1. Electricity Restructuring. You could call on Congress to enact legislation, to make the electricity industry more competitive and to provide more choices for industrial, commercial and residential customers. The Administration's Comprehensive Electricity Competition Act will save consumers \$20 billion a year. Retail competition will not only improve efficiency, but also reduce the two-thirds waste of energy currently associated with fossil-fuel generation of electricity, thereby cutting greenhouse gas emissions. Prominent Republicans have included electricity restructuring on their list of priorities for 1999.

2. Distributed Generation ("Micropower"). To increase the consumer savings and environmental benefits from electricity competition, the Administration will pursue legislation to eliminate obstacles to the use of small, clean efficient generation technologies (e.g., fuel cells and photovoltaics) that can be installed at or near the electricity user's site. Moving from large, central-station generation of electricity to distributed generation by small, clean sources is analogous to the

move from mainframe computers to personal computers.

FINANCIAL SERVICES (NEC/DPC as specified)

1. Consumer Financial Literacy and Education. We are currently developing a set of proposals to promote consumer financial awareness and enhance consumer credit literacy, ranging from a public awareness campaign to establishing an educational clearinghouse to disseminate quality curricula to high school students. We are also working on a study to identify what the biggest problems are with how Americans use consumer credit, and what basic banking services and steps they can take to help themselves (this may be very important if bankruptcy reform is a live item next year). Part of our focus is on reaching out to low-income households, building on (and expanding) two existing government programs -- Treasury's Electronic Funds Transfer program that was a first step in helping the "unbanked" enter into electronic commerce and a USDA extension program that is providing some (limited) services to rural low-income families. This proposal would cost \$5-10 million. (NEC)

2. Consumer Financial Bill of Rights. In order to respond to the outrage consumers feel about ATM surcharges, without supporting economically questionable regulation of ATM fees, we are considering a proposal either for the government or for financial institutions voluntarily to make publicly available a list of basic banking services and fees on an individual or geographic basis to be published periodically over the Internet. The services profiled would include, but would not be limited to, charges for access to ATMs. We are also considering the adequacy of current credit card disclosure requirements (again, relevant to bankruptcy reform) and other areas where information about financial service arrangements would be helpful to consumers. This would cost \$3-5 million. (NEC/DPC)

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

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

Tonight, I have the honor of reporting on the State of the Union.

Let me begin by saluting the new Speaker of the House, and thanking him for extending invitations to two special guests who are sitting in the gallery with Mrs. Hastert. Lyn Gibson and Wei Ling Chestnut are the widows of the two brave Capitol Police Officers who gave their lives to defend freedom's house.

Speaker Hastert: At your swearing in, you asked us to work in a spirit of civility and bipartisanship. Mr. Speaker, let's do exactly that.

I stand before you to report that America has created the longest peacetime economic expansion in our history -- with nearly 18 million new jobs, wages rising at more than twice the rate of inflation, the highest homeownership in history, the smallest welfare rolls in 30 years -- and the lowest peacetime unemployment since 1957.

For the first time in three decades, the budget is balanced. From a deficit of \$290 billion in 1992, we had a surplus of \$70 billion last year. We are on course for budget surpluses for the next 25 years.

Violent crime is the lowest in a quarter century. Our environment is the cleanest in a quarter century.

America is a strong force for peace from Northern Ireland, to Bosnia, to the Middle East.

Thanks to the pioneering leadership of Vice President Gore, we have a government for the Information Age. Once again, our government is a progressive instrument of the common good, rooted in our oldest values: opportunity, responsibility, community. A modern government, devoted to fiscal responsibility and determined to give our people the tools they need to make the most of their own lives. A 21st Century government for 21st Century America.

My fellow Americans, I stand before you to report that the state of our union is strong.

America is working again. The promise of our future is limitless. But we cannot realize that promise if we allow the hum of our prosperity to lull us into complacency. How we fare as a nation far into the 21st Century depends upon what we do as a nation today.

So with our budget surplus growing, our economy expanding, our confidence rising, now is the moment for this generation to meet our historic responsibility to the 21st Century. Let's get to work.

THE AGING OF 21ST CENTURY AMERICA

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

With the number of elderly Americans set to double by 2030, the Baby Boom will become a Senior Boom.

So first and above all, we must save Social Security for the 21st Century.

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

Today, Social Security is strong. But by 2013, payroll taxes will no longer be sufficient to cover monthly payments. And by 2032, the Trust Fund will be exhausted, and Social Security will be unable to pay out the full benefits older Americans have been promised.

The best way to keep Social Security a rock-solid guarantee is not to make drastic cuts in benefits; not to raise payroll tax rates; and not to drain resources from Social Security in the name of saving it.

Instead, I propose that we make the historic decision to invest the surplus to save Social Security.

Specifically, I propose that we commit sixty percent of the budget surplus for the next 15 years to Social Security, investing a small portion in the private sector just as any private or state government pension would do. This will earn a higher return and keep Social Security sound for 55 years.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. And we should reduce poverty among elderly women, who are nearly twice as likely to be poor as other seniors -- and we should eliminate the limits on what seniors on Social Security can earn.

These changes will require difficult but fully achievable choices. They must be made on a bipartisan basis. They should be made this year. I reach out my hand to those of you of both parties in both houses and ask you to join me in saying: We will Save Social Security now.

Last year, we wisely reserved all of the surplus until we knew what it would take to save Social Security. Again, I say, we should not spend any of it until after Social Security is truly saved. First things first.

Second, once we have saved Social Security, we must fulfill our obligation to save and improve Medicare. Already, we have extended the life of Medicare by 10 years -- but we should extend it for at least another decade. Tonight I propose that we use one out of every six dollars in the surplus over the next 15 years to guarantee the soundness of Medicare until the year 2020.

But again, we should aim higher. We must be willing to work in a bipartisan way and look at new ideas, including the upcoming report of the bipartisan Medicare commission. If we work together, we can secure Medicare for the next two decades and cover seniors' greatest need -- affordable prescription drugs.

Third, we must help all Americans, from their first day on the job, to save, to invest, to create wealth. From its beginning, Americans have supplemented Social Security with private pensions and savings. Yet today, millions of people retire with little to live on other than Social Security. Americans living longer than ever must save more than ever.

Therefore, in addition to saving Social Security and Medicare, I propose a new pension initiative for retirement security in the 21st Century. I propose that we use 12% of the surplus to establish Universal Savings Accounts -- USA Accounts -- to give all Americans the means to save. With these new accounts, Americans can invest as they choose, and receive funds to match a portion of their savings, with extra help for those least able to save.

USA Accounts will help all Americans to share in our nation's wealth, and to enjoy a more secure retirement.

Fourth, we must invest in long-term care. I propose a tax credit of \$1,000 for families who care for aged, ailing or disabled relatives. Long term care will become a bigger and bigger challenge with the aging of America -- and we must help our families deal with it.

I was born in 1946, the first year of the Baby Boom. I can tell you: Our generation is determined not to let our growing old place an intolerable burden on our children and their ability to raise our grandchildren. Our economic success and fiscal discipline now give us the opportunity to lift that burden.

Saving Social Security and Medicare is the right way to use the surplus. If we do so, we will still have the resources to meet urgent national needs in education and defense. And this plan is fiscally sound. By saving the money we need to save Social Security and Medicare, we

will achieve the lowest level of publicly held debt since 1916.

With these four measures -- saving Social Security, strengthening Medicare, establishing USA Accounts, and supporting long-term care -- we can begin to meet our generation's historic responsibility to establish true security for 21st Century seniors.

21st CENTURY SCHOOLS

There are more children, from more diverse backgrounds, in our public schools than at any time in our history. Their education must provide the knowledge and nurture the creativity that will allow our nation to thrive in the new economy.

Today we can say something we could not say six years ago: with more affordable student loans, more Pell grants and work-study jobs, education IRAs, and the new HOPE Scholarship tax cut that more than 5 million Americans will receive this year, we have opened the doors of college to all.

With our help, nearly every state has set higher academic standards for public schools, and a voluntary national test is being developed to measure the progress of our students. We are marshaling a volunteer army of college students to teach young children to read, and to mentor middle school children and prepare them for college.

With the leadership of Vice President Gore, there are nine times as many classrooms connected to the Internet as there were six years ago. And with over one billion dollars in discounts available this year, we can meet our goal of connecting every classroom and library to the Internet.

Last fall, you passed our proposal to start hiring 100,000 new teachers to reduce class size in the early grades. Now I call on you to finish the job.

Our children are doing better. SAT scores are up. Math scores have risen in nearly all grades. But there is a problem: While our fourth graders outperform their peers in other countries in math and science, our eighth graders are around average, and our twelfth graders rank near the bottom.

We must do better. Each year the national government invests more than \$15 billion in our public schools. I believe we must change the way we invest that money, to support what works and to stop supporting what doesn't.

Later this year, I will send Congress a plan that for the first time holds states and school districts accountable for progress and rewards them for results. My Education Accountability Act will require every school district receiving federal help to take the following five steps.

First, all schools must end social promotion.

No child should graduate from high school with a diploma he or she can't read. We do our children no favors when we allow them to pass from grade to grade without mastering the material.

But we can't just hold students back when the system fails them. So my balanced budget triples the funding for summer school and after school programs. We can keep one million students learning beyond regular school hours, when parents work and juvenile crime soars.

If you doubt this will work, look at Chicago, which ended social promotion and made summer school mandatory for those who don't master the basics. Math and reading scores are up three years running -- with some of the biggest gains in some of the poorest neighborhoods.

Second, all states and school districts must turn around their worst performing schools -- or shut them down. That is the policy established by Gov. Jim Hunt in North Carolina, where test scores made the biggest gains in the nation last year. My budget includes \$200 million to help states turn around their failing schools.

Third, all states and school districts must be held responsible for the quality of their teachers. The great majority of teachers do a fine job. But in too many schools, teachers don't have college majors -- or even minors -- in the subjects they teach.

New teachers should be required to pass performance exams. All teachers should know the subjects they are teaching. My balanced budget contains new resources to help them reach higher standards.

To attract talented young teachers to the toughest assignments, I recommend a five-fold increase in scholarships for college students who commit to teach in the inner cities, isolated rural areas and Indian communities. Let's bring excellence into every part of America.

Fourth, we must empower parents, with more information and more choices. In too many communities, it is easier to get information on the quality of the local restaurants than on the quality of the local schools. Every school district should issue report cards on every school.

And parents should have more choice in selecting their public schools. When I became President, there was one independent, public charter school in all of America. With our support, there are 900 today. My budget assures that early in the next century, there will be 3000.

Fifth, all states and school districts must adopt discipline policies to ensure that our classrooms are truly places of learning.

Now, let's do one more thing for our children. Today, too many of our schools are so old they're falling apart, or so overcrowded students must learn in trailers.

Last fall, Congress missed the opportunity to change that. This year, with 53 million children in our schools, Congress must not miss that opportunity again. I ask you to help our communities build or modernize 5000 schools.

If we do these things -- end social promotion, turn around failing schools, build modern ones, support qualified teachers, promote innovation, competition and discipline -- we will begin to meet our generation's historic responsibility to create 21st Century schools.

21st CENTURY SUPPORT FOR AMERICAN FAMILIES

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

The most basic tool of all is a decent income. Let's raise the minimum wage by a dollar an hour over the next two years.

And let's make sure women and men get equal pay for equal work by strengthening enforcement of equal pay laws.

Working parents also need quality child care. Again, I ask Congress to support our plan for tax credits and subsidies for working families, improved safety and quality, and expanded after-school programs. Our plan also includes a new tax credit for stay-at-home parents. They need support too.

The Family Medical Leave Act -- the first bill I signed into law -- has helped millions of Americans care for a new baby or an ailing relative without risking their jobs. We should extend Family Leave to 10 million more Americans working in smaller companies.

Parents should never face discrimination in the workplace. I will ask Congress to prohibit companies from refusing to hire or promote workers simply because they have children.

America's families deserve the world's best medical care.

Thanks to bipartisan federal support for medical research, we have begun testing the first drugs to prevent cancer, and introduced the first effective drugs to treat AIDS. With new discoveries about the process of aging itself, we are on the verge of new treatments to prevent or delay diseases from Parkinsons to Alzheimers to arthritis.

As we continue our advances in medical science, we cannot let our health care system lag behind.

Managed care has transformed medicine in America -- driving down costs, but threatening to drive down quality as well.

I say to every American: You should have the right to know all your medical options -- not just the cheapest. You should have the right to see a specialist. You should have the right to emergency care. You should have the right to continuity of care -- to keep your doctor if you have a pregnancy or chemotherapy or some other treatment.

I have ordered that these rights be extended to the 85 million Americans served by Medicare, Medicaid, and other federal health plans. But only Congress can enact the Patients' Bill of Rights for all Americans. Last year, Congress missed that opportunity. This year, for the sake of our families, Congress must not miss that opportunity again. Pass the Patients' Bill of Rights.

There's one more right you should have. As more of our medical records are stored electronically, the threats to our privacy increase. Because Congress has given me the authority to act if it does not do so by August, one way or another, we will protect the privacy of medical records this year.

Two years ago, we extended health coverage to up to 5 million children. Now, we should make it easier for small businesses to offer health insurance, and to give people between the ages of 55 and 65 who lose their health insurance the chance to buy into Medicare.

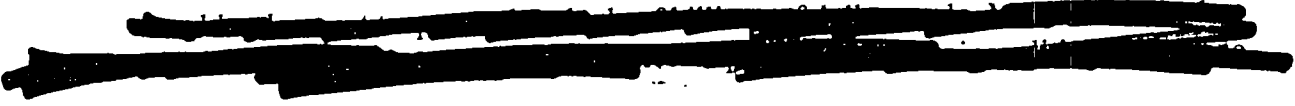
No one should have to choose between keeping health care and taking a job. We should pass the landmark bipartisan legislation, proposed by Senators Jeffords, Kennedy, Roth and Moynihan, to allow people with disabilities to keep Medicaid health insurance when they go to work.

Many small businesses and working families still can't afford health insurance. We need to enable public hospitals, and community and university health centers, to provide basic, affordable care for working families without insurance. My balanced budget makes a down payment toward that goal.

We must continue to ensure access to family planning and reproductive health care.

And we must step up our efforts to treat and prevent mental illness. No American should ever be afraid to recognize and treat this disease. This year, we will host a White House Conference on Mental Health. With sensitivity and commitment, Tipper Gore is leading our efforts here -- and I thank her.

As everyone knows, our children are targets of a massive media campaign to hook them on cigarettes. I ask this Congress to resist the tobacco lobby. Together, let's reaffirm the FDA's authority to protect children from tobacco, hold the tobacco companies accountable, and protect tobacco farmers.



[REDACTED]

If we act in these areas -- minimum wage, family leave, child care, health care and the safety of our children -- we will begin to meet our generation's historic responsibility to strengthen our families for the 21st Century.

A 21st CENTURY ECONOMY

Today, America is the most dynamic, competitive, job creating economy in history.

But we can do even better -- in building a 21st Century economy for all Americans.

Today's income gap is largely a skills gap. Last year, Congress passed a law enabling workers to get a skills grant to choose the training they need. This year, I recommend a five year commitment in this new system so that we can provide that training for all Americans who lose their jobs. And I ask for a dramatic increase in federal support for adult literacy, so we can mount a national campaign aimed at millions of working people who read at less than a fifth grade level.

In the past six years, we have cut the welfare rolls nearly in half. Two years ago, from this podium, I asked five companies to lead a national effort to hire people off welfare. Tonight, our Welfare to Work Partnership includes 10,000 companies who have hired hundreds of thousands of people. Our balanced budget will help another 200,000 people move to the dignity and pride of work.

We must bring the spark of private enterprise to every corner of America -- to inner cities and remote rural areas -- with more support for community development banks, empowerment zones and 100,000 vouchers for affordable housing. And I ask Congress to support our bold plan to help businesses raise up to \$15 billion of private sector capital to bring jobs and opportunity to our inner cities and rural areas -- with tax credits and loan guarantees, including new American Private Investment Companies modeled on our Overseas Private Investment Corporation. Our greatest untapped markets are not just overseas -- they are right here at home.

We must bring prosperity back to the family farm. Dropping prices and the loss of foreign markets have devastated too many family farmers. I am ready to work with lawmakers of both parties to create a farm safety net including crop insurance reform and farm income assistance.

We must strengthen our lead in technology.

Government investment in information technology led to the creation of the Internet. I propose a 30% increase in long-term computing research.

We must be ready for the 21st Century from its very first moment, by solving the "Y2K" computer problem. We have already made sure Social Security checks will come on time. If we work hard with state and local governments and businesses large and small, the "Y2K problem" can be remembered as the last headache of the 20th Century, not the first crisis of the 21st.

For our own prosperity, we must support economic growth abroad.

Until recently, one third of our economic growth came from exports. But over the past year and a half, financial turmoil overseas has put that growth at risk. Today, much of the world is in recession, with Asia hit especially hard.

This is the most serious financial crisis in a half century. To meet it, the U.S. and other nations have reduced interest rates and strengthened the International Monetary Fund. While the turmoil is not over, we are working with other nations to contain it.

At the same time, we will continue to work on a global basis to build a financial system for the 21st Century that promotes prosperity and tames the cycles of boom and bust. This June I will meet with other world leaders to advance this historic purpose.

We must also create a freer and fairer trading system for the 21st Century. Trade has divided Americans for too long. We must find the common ground on which business, workers, environmentalists and government can stand together.

We must tear down barriers, open markets, and expand trade. At the same time, we must ensure that ordinary citizens in all countries benefit from trade -- pressing for trade that promotes the dignity of work, the rights of workers, the protection of the environment. And we must insist that international trade organizations be open to public scrutiny.

We must enforce our trade laws when imports unlawfully flood our nation. I have already informed the government of Japan that if that nation's sudden surge of steel imports into our country is not reversed, America will respond.

And we must act now to help all American manufacturers hit hard by the present crisis -- with loan guarantees and other incentives to increase U.S. exports by \$2 billion.

We can achieve a new consensus on trade, based on these principles. I ask Congress to join me in this common approach by enacting legislation granting the President the trade authority long used to advance our prosperity.

This year, we should expand trade with our neighbors in Central America and the Caribbean. And because trade and investment are the keys to African development -- we must finally pass the Africa Growth and Opportunity Act.

And tonight, I also issue a call to the nations of the world to join the United States in a new round of global negotiations to expand exports of services, of manufactures, and most of all, farm products.

We will work with the International Labor Organization on a new initiative to lift labor standards around the world. And this year, we will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world.

If we do these things -- invest in our people, our communities, and our technology, and lead in the global economy -- then we will begin to meet the historic responsibility of our generation to build a 21st Century prosperity for America.

A STRONG AMERICA IN A NEW WORLD

No nation in history has had the opportunity and the responsibility we now have to shape a world more peaceful, secure and free.

All Americans can be proud that our leadership helped to bring peace in Northern Ireland.

All Americans can be proud that our leadership has put Bosnia on the path to peace. And with our NATO allies, we are pressing to stop the brutal repression in Kosovo and find a peaceful path to self government.

All Americans can be proud that our leadership renewed hope for lasting peace in the Middle East. Some of you were with me in December as we watched the Palestinian National Council completely renounce its call for the destruction of Israel. I ask Congress to act now to provide resources to implement the Wye Agreement . . . to protect Israel's security, stimulate the Palestinian economy, and support our friends in Jordan. We must not, we cannot, let them down.

As we work for peace, we must also meet threats to our nation's security -- including increased dangers from outlaw nations and terrorism. We will defend our security wherever we are threatened -- as we did this summer when we struck at Osama bin Laden's network of terror. The bombing of our embassies in Kenya and Tanzania reminds us of the risks faced every day by those who represent America to the world. Let's give them our support, the safest possible workplaces, and the resources they need so America can continue to lead.

We will work to keep terrorists from disrupting computer networks, to prepare local communities for biological and chemical emergencies, and to support research into vaccines and treatments.

We must increase our efforts to restrain the spread of nuclear weapons and missiles, from North Korea to India and Pakistan.

We must expand our work with Russia, Ukraine, and the other former Soviet nations to safeguard nuclear materials and technology so they never fall into the wrong hands. My balanced budget will increase funding for these critical efforts by 70% over the next 5 years.

With Russia, we must continue to reduce our nuclear arsenals. The START II treaty and the framework we have already agreed to for START III could cut them by 80% from their Cold War height.

It has been two years since I signed the Comprehensive Test Ban Treaty. If we don't do the right thing, other nations won't either. I ask the Senate to take this vital step: Approve the Treaty now, so we can make it harder for other nations to develop nuclear arms -- and end nuclear testing forever.

For nearly a decade, Iraq has defied its obligation to destroy its weapons of terror and the missiles to deliver them. America will continue to contain Saddam -- and we will work for the day when Iraq has a government worthy of its people.

Last month, in our action over Iraq, our troops were superb. Their mission was so flawlessly executed, we risk taking for granted the bravery and skill it required. Captain Jeff Taliaferro [*tolliver*], a 10 year Air Force veteran, flew a B-52 over Iraq as we attacked Saddam's war machine. He is here with us tonight. Let us honor him and all the 10,000 men and women of Desert Fox.

It is time to reverse the decline in defense spending that began in 1985. Since April, together we have added nearly \$6 billion to maintain our readiness. My balanced budget calls for a substantial increase in the next year for readiness and modernization, and pay and benefits for our troops, and sustained increases over the next six years.

We are the heirs of a legacy of bravery represented by millions of veterans. America's defenders today stand ready at a moment's notice to go where comforts are few and dangers are many, doing what needs to be done as no one else can. They always come through for America. We must come through for them.

The new century demands new partnerships for peace and security.

The United Nations plays a crucial role, with allies sharing burdens America might otherwise bear alone. America needs a strong and effective UN. I want to work with this new

Congress to pay our dues and our debts.

NATO has been critical to a stable, free Europe for 50 years. This spring, I will convene the leaders of NATO in Washington to prepare for the missions of the next 50 years, to welcome Hungary, Poland and the Czech Republic as our first new allies from Central Europe, to reaffirm our determination that Europe must never again be divided by concrete and barbed wire.

We must also support stability in Asia. I have worked to strengthen the bonds with our allies Japan and Korea, and to build a better relationship with China to fortify prospects for peace and security all across Asia. In China, I said to the leaders and people what I say again tonight: Stability can no longer be bought at the expense of liberty.

And I say again the American people: It is important not to isolate China. The more we bring China into the world, the more the world will bring change and freedom to China.

Last spring, with some of you, I traveled to Africa, where I saw democracy and reform rising, but still held back by violence and disease. We must fortify African democracy and peace -- and support transitions to democracy now beginning to take hold in Nigeria.

We are strengthening our ties to the Americas -- to educate children, fight drugs, deepen democracy. And to increase shared prosperity, we will work to launch a Free Trade Area of the Americas.

In this hemisphere, every government but one is freely chosen by its people. We are determined that Cuba, too, will know the blessings of liberty.

The American people have opened their arms and their hearts to our Central American and Caribbean neighbors devastated by recent hurricanes. Working with Congress, we will help them rebuild. When the First Lady visited the region, she saw thousands of American troops and volunteers. In the Dominican Republic, she helped to rededicate a hospital that had been rebuilt by Dominicans and Americans, working side by side.

With her was someone who has been very important to the relief efforts ... Sammy Sosa. He's here with her again tonight.

Sports records are made, and sooner or later, they are broken. But making other people's lives better -- and showing our children the true meaning of brotherhood -- that's something that lasts forever. Sammy, for far more than baseball, you are the hero of two countries.

If we do all these things -- pursue peace, fight terrorism, increase our strength, and renew our alliances -- then we will begin to meet our generation's historic responsibility to build a stronger 21st Century America in a freer, more peaceful world.

21ST CENTURY COMMUNITIES

As the world has changed, so have our own communities. We must make them safer, more livable, more united.

This year, we will reach our goal of putting 100,000 community police officers on the street -- ahead of schedule and under budget. The Brady Bill has stopped a quarter million felons, fugitives, and stalkers from buying handguns. Now, the murder rate is the lowest in 30 years, and the crime rate has dropped for six straight years.

Tonight, I propose a 21st Century Crime Bill to deploy the latest technologies and tactics to make our communities even safer.

My balanced budget will help put up to 50,000 more police on the beat in the areas hardest hit by crime, and to equip them with new tools, from crime-mapping computers to digital mug shots.

We must break the deadly cycle of drugs and crime. My budget expands support for drug testing and treatment. It says to prisoners: If you stay on drugs, you stay behind bars. And it says to those on parole: To keep your freedom, keep free of drugs.

Congress should restore the 5-day waiting period for buying a handgun. And you should extend the Brady Bill to prevent juveniles who commit violent crimes from buying a gun.

We must keep our schools the safest places in our communities.

Last year, we were horrified and heartbroken by the tragic killings in Jonesboro, Paducah, Edinboro, Springfield. We are deeply moved by the courageous parents who are working to keep guns out of the hands of children -- so that other parents don't have to live through their loss.

One of them, Suzann Wilson of Jonesboro, Arkansas, is here tonight with the First Lady. After she lost her daughter, she came to the White House with a powerful plea: "Please, please, for the sake of your children, lock up your guns. ... Don't let what happened in Jonesboro happen in your town." In memory of all the children who lost their lives to school violence, let's strengthen the Safe and Drug-Free School Act ... let's pass legislation to require child trigger locks ... let's keep our children safe.

A century ago, President Theodore Roosevelt defined our "great, central task" as "leaving this land even a better land for our descendants than it is for us." Today, we are restoring the Florida Everglades, saving Yellowstone, preserving the red-rock canyons of Utah, protecting California's redwoods and our precious coasts.

But our most fateful new challenge is the threat of global warming. 1998 was the warmest year ever recorded. Last year's heat waves, ice storms, and floods are but a hint of

what future generations may endure if we don't act now.

So tonight, I propose a new clean air fund to help communities reduce pollution, and tax incentives and investments to spur clean energy technologies. And I will work with Congress to reward companies that take early, voluntary action to reduce greenhouse gases.

All communities face a preservation challenge, as they grow, and green space shrinks. 7,000 acres of farmland and open space are lost every day.

In response, I propose two major initiatives: first, a one billion dollar Livability Agenda to help communities save open space, ease traffic congestion, and grow in ways that enhance every citizen's quality of life; second, a one billion dollar Lands Legacy Initiative to preserve places of natural beauty all across America -- from the most remote wilderness to the nearest city park. I thank Vice President Gore for his visionary leadership in helping to develop these historic proposals.

To get the most out of your community, you have to give something back. That's why we created AmeriCorps -- our national service program that gives today's generation a chance to serve their communities and earn money for college.

So far, in just four years, 100,000 young people have built low-income homes with Habitat for Humanity ... helped churches tutor children ... worked with FEMA to ease the burden of natural disasters ... and performed countless other acts of service that have made America better.

Some of them are here with us tonight. I thank them for their service -- and I ask Congress to give more young Americans the chance to follow their lead.

We must work to renew our national community for the 21st Century.

Last year, the House passed the bipartisan campaign finance reform legislation sponsored by Reps. Shays and Meehan and Sens. McCain and Feingold. But a partisan minority in the Senate blocked reform. To the House I say: Pass it again, quickly. And to the Senate: Say yes to a strong democracy in the Year 2000.

Since 1997, our Initiative on Race has sought to bridge the divides between our people. In its report last fall, the Initiative's Advisory Board found that Americans want to bring our people together across racial lines -- but that we must do more to close the opportunity gaps that remain. The economic, health care, and education initiatives in my balanced budget will do a lot to close those gaps.

But we have more to do.

Discrimination or violence because of race or religion, ancestry or gender, disability or sexual orientation, is wrong. It should be illegal. Therefore I call upon Congress to make the Employment Non-Discrimination Act and the Hate Crimes Prevention Act the law of the land.

And since every person must count in America, our census must count every American. Let's have a census that uses the most modern scientific measures.

Our newest immigrants must be part of One America. They are revitalizing our cities, energizing our culture, building our new economy. We have a responsibility to make immigrants welcome here, and they have a responsibility to enter the mainstream of American life. That means learning English, and learning about our democratic system of government. There are now long waiting lines of immigrants seeking to do just that. Therefore, my budget expands significantly our efforts to help them meet their responsibility.

Whether our ancestors came here on the Mayflower or on slave ships, whether they landed on Ellis Island or at Los Angeles Airport, whether they arrived yesterday or walked this land a thousand years ago -- we can be, and we must be One America. We have no greater obligation to the 21st Century.

PERORATION: THE MILLENNIUM

Barely more than 300 days from now, we will cross that bridge into the new millennium. This is a moment, as the First Lady has said, to honor the past and imagine the future.

I honor her -- for leading our Millennium Project -- for all she has done for our children -- and for her historic role in serving our nation and advancing our best ideals at home and abroad.

Last year, I called on Congress and every citizen to mark the millennium by saving America's treasures. Hillary has traveled across the country to inspire recognition and support for saving places like Thomas Edison's Invention Factory and Harriet Tubman's Home.

We must preserve our treasures in every community. I invite every American town, city, and county to become nationally recognized "Millennium Communities" by launching projects that save our history, promote the arts and humanities, and prepare our children for the 21st Century.

Already, the response has been remarkable, and I thank Congress and our private sector partners for their support. Because of you, the Star Spangled Banner will be preserved for the ages.

We are keeping alive, in ways large and small, what George Washington called "the

sacred fire of liberty.”

Six years ago tomorrow, I came to office in a time of doubt for America, with our economy troubled, our deficit high, our people divided. Some even wondered whether our best days were behind us. But across this nation, in a thousand neighborhoods, I had seen, even amid the pain and uncertainty of recession, the heart and character of America.

I knew then we Americans could renew our country.

Tonight, as I deliver the last State of the Union message of the 20th Century, no one can doubt the enduring resolve and boundless capacity of Americans to work toward that “more perfect union” of our founders’ dreams.

We must acknowledge the magnificent achievement of our forbears.

We near the end of a century when generation after generation of Americans answered the call to greatness, overcoming Depression, lifting up the dispossessed, bringing down barriers of racial prejudice, building the largest middle class in history, winning two world wars and the “long twilight struggle” of the Cold War.

Perhaps in the daily press of events, in the clash of controversy, we do not see our time for what it truly is – a new dawn for America.

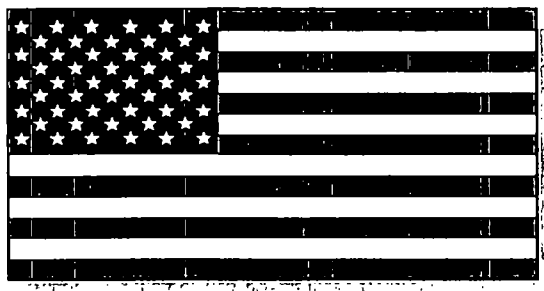
A hundred years from tonight, an American President will stand in this place to report on the State of the Union. He – or she – will look back on a 21st Century shaped in so many ways by the decisions we make here and now.

Let it be said of us then that we were thinking not only of our time, but of their time; that we reached as high as our ideals; that we put aside our divisions and found a new hour of healing and hopefulness; that we joined together to serve and strengthen the country we love.

My fellow Americans, this is our moment. Let us lift our eyes as one nation, and from the mountaintop of this American century, look ahead to the next one -- asking God’s blessing on our endeavors and our beloved country.



**Background on President Clinton's
Agenda for the Nation
State of the Union Address
January 19, 1999**



Background on President Clinton's Agenda for the Nation
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21st Century Schools

- Accountability for Results
- Accountability for Results: End Social Promotion
- Accountability for Results: Turn Around Low Performing Schools
- Accountability for Results: Put Qualified Teachers in the Classroom
- Accountability for Results: Issue School Report Cards
- Accountability for Results: Adopt Discipline Policies
- A National Effort to Reduce Class Size in the Early Grades
- Modern School Buildings to Improve Student Learning
- Recruiting Outstanding New Teachers for Our Nation's Public Schools

21st Century Support for American Families

Labor

- Minimum Wage Increase
- Ensuring Equal Pay

Child Care

- Expanding the Child Care Block Grant
- Expanding After-School Opportunities
- Giving Greater Tax Relief for Child Care to Three Million Working Families
- Providing Tax Relief to Parents Who Stay at Home
- FMLA Expansion
- Prohibiting Discrimination Against Parents

Health Care

- Addressing Growing Long-Term Care Needs
- The Potential of New Biomedical Research
- Protecting Patients through a Strong, Enforceable Patients Bill of Rights
- Protecting Privacy of Medical Records
- Encouraging Small Businesses to Purchase Health Insurance
- Providing New Options for Americans Ages 55 to 65 to Obtain Health Insurance
- Improving Economic Opportunities for Americans With Disabilities
- Improving Health Care Access for Uninsured Workers
- Providing Critical Mental Health Prevention and Treatment Services
- Protecting Our Children From Tobacco
- Largest Increase in Family Planning Grants in 15 Years

21st Century Economy

- Re-employment Initiative
- Helping Adults Who Lack Basic Skills
- Welfare Rolls Decline as More Recipients go to Work
- Additional Welfare-to-Work Assistance
- New Markets Investments Initiative
- Empowerment Zones
- Community Development Financial Institutions Fund (CDFI)
- Crop Insurance Program
- Information Technology Research
- Y2K
- Financial Architecture
- A Firm Commitment to Free and Fair Trade

- Traditional Trade Negotiating Authority
- Caribbean Basin Trade Enhancement
- African Growth and Opportunity Act
- New WTO Round of Global Trade Negotiations
- International Labor Rights
- Child Labor
- U. S. Manufacturing Exports

A Strong America in a New World

- Bringing Hope to Northern Ireland
- Securing Peace in the Balkans
- Promoting Peace in the Middle East
- Defending Against New Threats to America's Security
- Cooperative Threat Reduction Initiative
- Containing and Opposing Saddam Hussein
- Comprehensive Test Ban Treaty
- Strengthening America's Military
- Strengthening Alliances and Promoting Freedom
- Payment of United Nations Arrears
- Hurricane Mitch Response
- U.S. - Africa Partnership for Economic Growth and Opportunity

21st Century Communities

Crime/Drugs

- 21st Century Policing Initiative
- Zero Tolerance Drug Supervision
- Making the Brady Waiting Period Permanent
- Preventing Violent Juveniles from Buying Guns
- Child Safety Locks for Handguns
- Helping Make All Schools Safe, Disciplined, and Drug-Free

Environment

- Climate Change
- Livability Agenda: Easing Traffic Congestion and Community Planning and Collaboration
- Livability Agenda: Better America Bonds
- Lands Legacy Initiative
- Clean Air Partnership Fund

Service

- AmeriCorps

Political and Government Reform

- Enact Bipartisan Campaign Finance Reform
- Reinventing Government

One America

- English Literacy/Civics Initiative
- Civil Rights Enforcement
- The Employment Non-Discrimination Act ("ENDA")
- The Hate Crimes Prevention Act

Peroration: the Millennium

- Millennium Communities Program
- Save America's Treasures Program

21ST CENTURY SCHOOLS

Accountability for Results

In his State of the Union Address, President Clinton will announce a package of accountability measures designed to hold students, teachers, and schools to high standards, and to ensure that school districts and states provide students with a high quality education. These proposals will help to lift student achievement in every public school and close the achievement gap by giving special attention to disadvantaged students in low-performing schools.

The President's plan marks a sea change in national education policy -- for the first time holding states and school districts accountable for progress and rewarding them for results. While insisting that states and local governments retain primary responsibility for education, President Clinton will call on Congress to make sure federal dollars support what works and not what doesn't. His proposal emphasizes reforms that a growing number of states, cities, and schools across the nation are implementing and that are producing clear results.

Specifically, the President will announce that he will send Congress legislation to reauthorize the Elementary and Secondary Education Act (ESEA) to ensure that schools end social promotion; teachers are qualified to teach the subjects they are assigned; states turn around their lowest-performing schools; parents get annual report cards on school performance; and schools institute effective discipline policies.

Accountability for Results: End Social Promotion

The President's ESEA proposal will require states and school districts to end social promotion -- the practice of promoting students from grade to grade regardless of whether they have mastered the appropriate material and are academically prepared to do the work at the next level. Students who are promoted without regard to their achievement fall even further behind their classmates, and are more likely to lack basic skills upon graduating from high school.

To ensure that this requirement helps more students succeed, rather than simply increasing the number held back, states and school districts would have to show how they will help students meet promotion standards on time by (1) strengthening learning opportunities in the classroom with clear standards, small classes with well-prepared teachers, high quality professional development, and use of proven instructional practices; (2) identifying students who need help at the earliest possible moment; (3) providing extended learning time, including after-school and summer school for students who need extra help; and (4) developing an effective remedial plan, with intensive intervention, for students who still do not meet the standards, so they can get back on track in their schooling.

In 1996 President Clinton challenged every state and school district to adopt policies to end social promotion and require students to pass high school graduation exams. Twenty six states now have high school exit exams, and last year four states adopted policies to stop promoting unprepared students from grade to grade. A growing number of urban school districts, including Boston, Philadelphia, New York City, and Washington D.C. are adopting similar policies. In Chicago, which three years ago ended the practice of social promotion in a way that gives students who need it substantial extended learning time, citywide math and reading scores have gone up every year, with the largest gains among the most disadvantaged students. President Clinton's FY 2000 budget proposes to triple federal funding for after-school and summer school programs (from \$200 million to \$600 million) to help schools ending social promotion give students the extra help they need to succeed.

Accountability for Results: Turn Around Low Performing Schools

The President's ESEA proposal will require states to identify the schools with the lowest achievement levels and least improvement and take corrective action to turn them around. These corrective actions, based on a careful assessment of each school's needs, would include steps such as intensive teacher training, support to improve school discipline, and the implementation of proven approaches to school reform. If these actions do not result in improved student achievement within two years, the proposal would require states to take additional corrective actions, such as permitting students to attend other public schools; reconstituting the school, by fairly evaluating the staff and making staff changes as appropriate; or closing the school and reopening it as a charter school or with an entirely new staff. Nineteen states currently take similar actions to help improve low-performing schools, and experience demonstrates that when these interventions are carefully implemented and accompanied by the resources to support change, schools improve and student achievement increases. The President's FY 2000 budget contains \$200 million to help states begin taking these steps immediately.

Accountability for Results: Put Qualified Teachers in the Classroom

According to the National Commission on Teaching and America's Future, one of the most important factors in improving student achievement is the knowledge and skills teachers bring to the classroom. Yet every year, approximately 50,000 individuals teach on "emergency" certificates, which means they do not meet the standards the state has set for certification. In addition, numerous teachers teach subjects for which they lack adequate preparation, with fully one quarter of secondary school teachers lacking even a minor in their main teaching field. Students in schools with the highest concentrations of poverty -- those who often need the most help from the best teachers -- are most likely to be in classrooms with teachers who are not fully qualified: for example, in schools with the highest minority enrollment, students have a less than 50 percent chance of having a math or science teacher with a license and degree in the field.

The President's ESEA proposal will require states to adopt performance examinations for all new teachers, requiring them to demonstrate both subject-matter knowledge and teaching expertise. The proposal also will require states and school districts to phase out, over five years, the use of teachers with emergency certificates and the practice of assigning teachers to subjects for which they lack adequate preparation. To support these new teacher quality standards, the proposal will provide resources to help states strengthen teacher certification standards, test new teachers, provide training to current teachers, and give incentives to recruit more highly qualified teachers.

Accountability for Results: Issue School Report Cards

The President's ESEA proposal will require states to distribute to all parents annual report cards for each school and school district, as well as the state as a whole. The report cards will include information on student achievement, teacher professional qualifications, class size, school safety, and other factors that will help parents to judge the performance of the schools. Where appropriate, the report cards also will show the academic achievement of ethnic and racial subgroups, to ensure accountability for helping all students achieve. Thirty-six states currently publish or require local school districts to publish school report cards, and five additional states will begin the practice in the next two years. A recent report by Public Agenda, however, shows that only 31 percent of parents had seen these report cards. The President's ESEA proposal will help ensure that all parents in all states have access to the information they need to evaluate the quality of their schools and identify the areas in which improvement is needed.

Accountability for Results: Adopt Discipline Policies

Schools must be a place of learning. President Clinton already has challenged states, communities, and schools to take a number of steps to restore order and safety, such as adopting school uniforms, enforcing truancy laws,

and imposing curfews. But in some schools, the breakdown of classroom discipline remains one of the biggest obstacles to learning and one of the greatest concerns for teachers, students, and parents alike. The President's proposal will require states and school districts to adopt discipline policies to make sure students have the chance to learn and teachers have the chance to teach.

A National Effort to Reduce Class Size in the Early Grades

In his 1998 State of the Union address, President Clinton proposed to help local school schools hire 100,000 well-prepared teachers in order to reduce class size in grades 1-3 to a national average of 18, and make sure that every child gets a solid foundation in the basics. Studies show that smaller classes help teachers provide more personal attention to students and spend less time on discipline; this helps students to learn more and get a stronger foundation in the basic skills. In these studies, minority and disadvantaged students showed the largest achievement gains. Last year, Congress provided a down payment on the President's seven year, \$12.4 billion proposal by appropriating \$1.2 billion to help local communities hire about 30,000 teachers. Now Congress must finish the job by providing the next installment of funds for local schools to continue progress toward hiring 100,000 new teachers over seven years.

Modern School Buildings to Improve Student Learning

For students to learn, schools must be well-equipped and be able to accommodate smaller class sizes. In 1998, the American Society of Civil Engineers said that school buildings represent the nation's most pressing infrastructure need. To address this critical need, President Clinton is proposing federal tax credits as incentives to help states and school districts to build and renovate public schools. Half of the bond authority will be allocated to the 100 school districts with the largest number of low-income children, and the other half will be allocated to the states.

Recruiting Outstanding New Teachers for Our Nation's Public Schools

With more than 2 million teachers to be hired in the next ten years to accommodate record student enrollments and an aging teaching force, the nation must not only recruit an adequate *number* of teachers, but ensure a *quality* teaching force through effective teacher recruitment and preparation. The President's budget will contain a series of new initiatives and funding increases to help recruit well prepared individuals to teach where they are needed the most, in high poverty urban and rural communities. In particular, the President's FY 2000 budget will increase funding for his teacher recruitment effort enacted in last year's Higher Education Act — to \$35 million from \$7.5 million — to recruit 7,000 outstanding new teachers into high need public schools by giving them scholarships in exchange for a commitment to teach. The President will announce other initiatives to improve teacher quality at an event later in the week.

21ST CENTURY SUPPORT FOR AMERICAN FAMILIES

LABOR

Minimum Wage Increase

The President called on Congress to pass an increase in the minimum wage. Despite the strongest economy in a generation, there are still millions of workers trying to raise a family and struggling to make ends meet. The President believes that parents who work hard and play by the rules should not have to raise their children in poverty. That is why, in 1993, he expanded the Earned Income Tax Credit (EITC) and, in 1996, fought for and won a minimum wage increase. The President's proposal would increase the minimum wage from \$5.15 to \$6.15 over two years -- through a 50-cent increase on September 1, 1999 and a 50-cent increase on September 1, 2000 -- helping to restore the real value of the minimum wage to what it was when President Reagan took office in 1981. This increase will help ensure that -- as costs continue to increase -- parents who work hard and play by the rules can bring up their children out of poverty. For someone who works full-time, this minimum wage increase will mean an additional \$2,000 per year. According to data from the Bureau of Labor Statistics, about 12 million hourly paid workers would benefit directly from this pay raise.

Ensuring Equal Pay

According to the Department of Labor, the average woman who works full-time earns just 74 cents for each dollar that an average man earns. For women of color, the gap is even wider. This gap is, in part, attributable to differing levels of experience, education, and skill. However, even after accounting for these factors, a significant pay gap still remains between men and women in similar jobs. Recognizing this wage disparity, the President is proposing a \$14 million equal pay initiative for the Equal Employment Opportunity Commission (EEOC) and the Department of Labor. Additional details of this initiative will be announced at a later date. The President also will continue to support the Paycheck Fairness Act, which improves the enforcement of wage discrimination laws and provides for research, education, training of EEOC staff, and outreach on this important subject.

CHILD CARE

Expanding the Child Care Block Grant

The President is proposing to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. The President's proposal will: (1) increase funding for child care subsidies by \$7.5 billion over five years, enabling the program to serve an additional 1.15 million children by FY 2004; (2) provide \$3 billion over five years to promote early learning; and (3) provide \$173 million to improve child care quality. Additional funds for subsidies are necessary because millions of families who are eligible for assistance with their child care costs currently do not receive any help: in FY 1997, states provided child care assistance to only 1.25 million of the 10 million low-income children eligible. Additional funding to improve early learning through challenge grants to communities for children ages zero to five responds to research showing that children's experiences in the earliest years are critical to their development and ability to reach school ready to learn. Finally, increased investment in improving child care is needed to support quality enhancement efforts such as performing inspections of child care facilities, providing resource and referral services for parents, assisting providers with training and scholarships, and creating networks for family day care providers.

Expanding After-School Opportunities

The President is committed to triple funding for the 21st Century Learning Center Program, which supports the creation and expansion of after-school and summer school programs throughout the country. Experts agree that school-age children who are unsupervised during the hours after school are far more likely to use alcohol, drugs, and tobacco, commit crimes, receive poor grades, and drop out of school than those who are involved in supervised, constructive activities. The program increases the supply of after-school care in a cost-effective manner, primarily by funding programs that use public school facilities and existing resources. In awarding these new funds, the Education Department will give priority to school districts that are ending social promotion by requiring that students meet academic standards in order to move to the next grade. The President's budget will include \$600 million in FY 2000 to help roughly 1.1 million children each year participate in after-school and summer school programs.

Giving Greater Tax Relief for Child Care to Three Million Working Families

The Child and Dependent Care Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$354 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that claim the maximum allowable child care expenses. The President's budget will include \$5 billion over five years to expand the Child and Dependent Care Tax Credit for nearly three million working families paying for child care. The President's plan also includes a new tax credit to businesses that provide child care services for their employees.

Providing Tax Relief to Parents Who Stay at Home

The President believes that we should support parents in whatever choice they make for the care of their children. He therefore is proposing to enable parents who stay at home with children under one year old to take advantage of the Child and Dependent Care Tax Credit by claiming assumed child care expenses of \$500. The President's budget proposal will provide an average tax credit of \$178, at a cost of \$1.3 billion over five years, which will benefit 1.7 million families.

FMLA Expansion

The President is proposing again to extend the benefits of the Family and Medical Leave Act (FMLA) -- the first piece of legislation that the President signed into law -- to ten million more American workers. Today, workers are eligible for up to 12 weeks of FMLA-protected leave to care for a newborn or adopted child, to attend to their own serious health needs, or to care for a seriously ill parent, child or spouse -- if they work at a business with 50 or more employees. By covering workers in businesses with 25 or more workers, 10 million more American workers will be covered by the FMLA. The President is also calling for expanding the law to allow FMLA-eligible workers to take up to 24 hours of additional leave each year to meet specified family obligations. Leave could be taken to: (1) participate in school activities, such as parent-teacher conferences; (2) accompany one's child to routine dental or medical appointments; and (3) accompany an elderly relative to routine medical appointments or other professional services.

Prohibiting Discrimination Against Parents

The President proposed new federal legislation to protect parents from discrimination in the workplace. Building on laws in Alaska, Michigan, New Jersey and other states, this legislation would protect workers from unfair assumptions about their commitment to their job that can affect hiring, advancement, and other employment decisions. This law would not prohibit employers from making hiring and promotion decisions on the basis of

job performance, but would ensure that workers are not unfairly discriminated against simply because they are parents.

HEALTH CARE

Addressing Growing Long-Term Care Needs

Over five million Americans, most of whom are elderly, have significant limitations due to illness or disability and thus require long-term care. The aging of Americans will only increase the need for quality long-term care options: by 2030, the number of elderly Americans will have doubled, so that one in five Americans will be elderly. President Clinton has proposed an historic new \$6.2 billion initiative to support elderly and disabled Americans with long-term care needs and the millions of family members who care for them. This initiative includes over five years a \$5.5 billion investment in a \$1,000 tax credit to compensate for the cost of long-term care services; a new \$625 million National Family Caregiver Program; a \$10 million national campaign for FY 2000 to educate Medicare beneficiaries about long-term care options; and \$15 million to allow the Federal government to offer long-term care insurance to its employees at group rates.

The Potential of New Biomedical Research

Advances in biomedical research have captured the imagination of all Americans, with scientists now poised to make advances that could revolutionize the way we treat diseases. The President's new \$320 million investment in NIH will allow us to make progress in preventing the complications of diabetes, combating diseases associated with aging, like Alzheimers and Parkinson's, and developing vaccines for tuberculosis, malaria, and AIDS.

Protecting Patients through a Strong, Enforceable Patients Bill of Rights

Once again, the President is calling on Congress to pass a strong federally enforceable patients' bill of rights. This Health Care Bill of Rights should contain a range of protections, including guaranteed access to needed specialists, access to emergency room services when and where the need arises, access to a meaningful independent and external appeals process for consumers to resolve differences with their health plans, and the right to be compensated when a health plan's decision causes a patient to be harmed or die. The President is already doing everything he can to implement these protections, by extending them to the 85 million Americans covered by Federal health plans.

Protecting Privacy of Medical Records

The President is challenging the Congress to pass strong bipartisan legislation to protect the privacy of medical records. The President also pledged that if Congress does not pass this legislation this summer, he will take action to implement protections for electronic medical records under the authority given to him by the Health Insurance Portability and Accountability Act of 1996.

Encouraging Small Businesses to Purchase Health Insurance

Many small businesses cannot offer health insurance because of their higher administrative costs and premiums relative to large businesses. As a result, workers in small firms are less likely to have access to affordable, job-based health insurance. Nearly half of uninsured workers are in firms with fewer than 25 employees (relative to 30 percent of all workers). The President is proposing a new \$44 million initiative to encourage small businesses to offer health insurance to their workers by developing and/or joining coalitions for purchasing health insurance. This three-part initiative would provide a tax credit to small businesses that decide to offer coverage by joining coalitions; encourage private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; and offering technical assistance to new small business coalitions.

Providing New Options for Americans Ages 55 to 65 to Obtain Health Insurance

Americans ages 55 to 65 are one of the fastest growing groups of uninsured Americans. They are also extremely difficult to insure: they have less access to and a greater risk of losing employer-based health insurance; and they are twice as likely to have health problems as the population generally. The President's \$1.4 billion proposal gives this vulnerable population three new ways to gain access to health insurance by: (1) allowing Americans ages 62 to 65 to buy into Medicare, through a mechanism that preserves the Medicare trust fund; (2) assisting vulnerable displaced workers 55 and over by offering those who have involuntarily lost their jobs and health care coverage a similar Medicare buy-in option; and (3) giving Americans 55 and over who have lost their retiree benefits access to their former employers' health insurance.

Improving Economic Opportunities for Americans With Disabilities

Since President Clinton and Vice President Gore took office, the American economy has added 17.7 million new jobs. However, the unemployment rate among working-age adults with disabilities is still nearly 75 percent. People with disabilities can bring tremendous energy and talent to the American workforce, yet institutional barriers often limit their ability to work. The President's budget proposes a historic new \$2 billion initiative that removes significant barriers to work for people with disabilities. It includes the Work Incentives Improvement Act, which invests \$1.2 billion in providing options for workers with disabilities to buy into Medicaid and Medicare; a new \$700 million investment in a \$1,000 tax credit for workers with disabilities; and more than double the government's current investment, an increase of \$35 million, in assistive technologies that make it possible for individuals with disabilities to work.

Improving Health Care Access for Uninsured Workers

This new initiative invests \$1 billion over 5 years in local communities to integrate providers that traditionally provide services to the uninsured, such as public hospitals and clinics, into networks that provide a comprehensive range of services to uninsured people. Providers will receive funds to develop the financial, information, and telecommunication systems necessary to monitor and manage patient needs, as well as funds to expand the range of services they deliver.

Providing Critical Mental Health Prevention and Treatment Services

Approximately 44 million adults and 14 million children suffer from a mental disorder each year. The Clinton/Gore Administration's new FY 2000 budget includes a \$70 million increase -- the largest ever -- in the mental health block grant. This 24 percent increase, totaling \$358 million, will enable states to enhance and expand their efforts to assist people with mental illnesses, by targeting particularly-hard-to-reach adults and children with severe mental illnesses, improving school violence abatement programs, helping states provide new effective medications for people with mental illnesses, and providing services to older Americans who are reluctant to reach mental health services in traditional mental health settings. This spring, the Administration will also hold the first ever White House Conference on Mental Health.

Protecting Our Children From Tobacco

Every day, 3000 children become regular smokers and 1000 have their lives shortened because of it. Almost 90 percent of adult smokers began smoking by age 18 and today 4.5 million children -- 37 percent of all high school students -- smoke cigarettes. The state tobacco settlement is an important step in the right direction, but the President believes additional measures must be taken to reduce youth smoking and hold the tobacco industry accountable: 1) raise the price of cigarettes, so fewer young people start to smoke; 2) reaffirm the Food and Drug Administration's full authority to keep cigarettes out of the hands of children; 3) fund critical public health efforts to prevent youth smoking and hold the tobacco industry accountable for reducing youth smoking; and 4) protect farmers and farming communities. The President's budget will use all the funds resulting from this plan to help

reimburse the federal government for its annual tobacco-related health costs.

Largest Increase in Family Planning Grants in 15 Years

The President's FY 2000 budget proposal will call for a substantial increase in Title X Family Planning grants, which helps provide women with vital services, including contraception, pregnancy testing, STD screening and treatment. Further details of this increase will be announced later this week.

21ST CENTURY ECONOMY

Re-employment Initiative

In 1995, President Clinton proposed a G.I. Bill for America's Workers to reform our employment and training system for the 21st-century economy by empowering individuals, streamlining services, enhancing accountability, and increasing flexibility. For over three years, President Clinton repeatedly pressed Congress to pass job-training reform based on his original proposal. Last year, the Congress finally passed and the President signed comprehensive job training reform. This year, the President proposes a long-term commitment to ensuring that Americans who are displaced from their jobs can get the training and re-employment services they want and need to get new jobs.

Helping Adults Who Lack Basic Skills

President Clinton will soon announce a major effort to help the more than 44 million adults who perform at the lowest level of literacy to obtain the skills they need to succeed in today's economy and to help immigrants more fully integrate into our civic and social life. This effort includes the 10% tax credit for employers who provide workplace education programs for their employees and a new award to recognize "High Skills" communities for their outstanding achievement in promoting adult education as announced by the Vice President on January 12. Later this month, the President will announce the other parts of this initiative.

Welfare Rolls Decline as More Recipients go to Work

The President announced that welfare is at its lowest level in 30 years and the welfare rolls have fallen by nearly half since he took office. The percent of welfare recipients working has tripled since 1992, and all states met the first work overall participation rates required under the welfare reform law. Two years ago the President challenged the business community to create jobs so that people can move from welfare to work. Today, 10,000 companies of all sizes, industries, and from all regions have joined the Welfare to Work Partnership and are successfully hiring and retaining hundreds of thousands of welfare recipients.

Additional Welfare-to-Work Assistance

The President announced that he will propose \$1 billion for his Welfare-to-Work program to ensure that those remaining on the welfare rolls who face the greatest challenges can succeed in the workforce and to increase the employment of fathers of children on welfare so they can better support their children. This funding will help 200,000 people move from welfare to work and will help increase child support collections, which have gone up 80 percent since 1992. The President will announce further details of this proposal next week.

New Markets Investments Initiative

One of the great still unmet challenges for the start of the 21st century is building economically vibrant communities in those places that our prosperity has not yet reached -- inner cities and distressed rural areas. These new markets here at home have great potential. We must build a bridge between Wall Street and our great untapped markets. The President's new markets initiative will spur \$15 billion in new capital investment in businesses in these underserved areas through a package of tax credits and guarantees.

Specifically:

- *New Markets Tax Credit:* A billion dollars of tax credits over five years worth up to 25% of the amount of equity invested in a variety of vehicles for providing equity and credit to businesses in underserved areas.

- **America's Private Investment Companies (APICs):** Modeled after the Overseas Private Investment Corporation's (OPIC) successful investment fund program, this program would create, each year, five new private investment partnerships of up to \$300 million. For each new APIC, HUD and the SBA would provide up to \$200 million in loan guarantees to match \$100 million in private investment, creating a fund of \$300 million for investment in mid-sized firms expanding or relocating into underserved areas.
- **New Market Venture Capital Firms (NMVCs):** SBA will match equity investment and technical assistance funds to finance 10-20 new investment partnerships selected to provide both patient growth capital and expert guidance to entrepreneurs who need both in order to transform their small businesses and great ideas into thriving companies.
- **SBICs targeted to new markets:** Over 40 years, the SBIC program has helped more than 85,000 small companies grow, some from start-ups to household names like AOL; but the program has not done enough to help spur growth in underserved areas. SBA will provide more flexibility and new financing terms, along with aggressive outreach, to promote investment in low- and moderate-income areas by SBICs.
- **New Market Lending Companies (NMLCs):** SBA will approve approximately 10 new non-bank lenders who have a strategy to target their lending to underserved areas.
- **Other:** Other elements include seed money to expand BusinessLINC partnerships to encourage large businesses to work with small businesses in new markets and reforms to the Specialized Small Business Investment Company (SSBIC) tax credit to make it easier to use.

Empowerment Zones

Last week, Vice President Gore named 20 economically distressed communities as new Empowerment Zones (EZs). Tonight, the President is reaffirming his Administration's commitment to securing full funding of flexible grant funding for the new EZs. If Congress approves full funding for the EZs, federal investment is expected to help create and retain about 90,000 jobs and stimulate \$20.3 billion in private and public investment in the next 10 years.

Community Development Financial Institutions Fund (CDFI)

In 1994, the President proposed and Congress established the CDFI Fund. This Fund further expands the availability of credit, investment capital, financial services, and other development services in distressed communities. The President is proposing to expand funding for the CDFI program to \$125 million -- a \$30 million increase from FY 1999.

Crop Insurance Program

In the midst of the strongest economy we have enjoyed in decades, many farmers are suffering and others are at risk through no fault of their own. Natural disasters, coupled with declining demand abroad (exports have accounted for roughly a third of our farm products) brought historic losses last year. The President fought for and got an additional \$6 billion in emergency aid for farmers in 1998. But this is not an unexpected or one-time-only problem. When the President signed the 1996 Freedom to Farm Act, he called for additional work to be done to create an adequate safety net for farmers. In his State of the Union, he pledged to work with Members of both parties to achieve the needed reforms --both in the crop insurance program and in farm income assistance --this year.

Information Technology Research

President Clinton and Vice President Gore will propose at least \$366 million, an increase of approximately 30 percent, for the government's investment in information technology research. The Vice President will announce the specifics of this initiative later this week.

Y2K

The year 2000 problem results from a computer programming practice that for over 30 years designated a year by its last two digits, such as "99" for "1999." When the program has to deal with the year 2000, or "00," malfunctions may occur in software applications or operating processes because the program stops, reads the year as "1900," or otherwise produces erroneous information. The President and Vice President have been leading the attack on this problem by establishing a goal for all Federal programs to be year 2000 compliant by March 31, 1999 and by establishing the President's Council on Year 2000 Conversion. The December quarterly report from the Office of Management and Budget indicated that 61% of the Federal Government's mission critical systems, such as those for issuing Social Security checks, were already year 2000 compliant and 90% of the work to repair such systems had been completed with testing of the fixes underway. The Council's mandate is to coordinate the work of Federal agencies as they correct their own systems and to reach out to governments at all levels as well as internationally and to the private sector to help facilitate their efforts to meet the challenge of crossing into the next century without noticeable difficulty.

Financial Architecture

As the world's strongest economy and largest exporter, we have a major interest in addressing the global financial crisis and in designing a global financial architecture for the 21st century. Starting last year, the President laid out a strategy working with key emerging and industrial economies to address the current crisis and restore recovery, by providing the IMF expanded resources and new tools, strengthening social safety nets to protect the most vulnerable, developing systemic approaches to rebuilding financial and banking sectors, and establishing "precautionary" means for assisting countries with strong policies ward off contagion. Longer term, we must prevent the disruptive cycle of boom and bust by increasing openness and accountability, strengthening national financial systems and international surveillance, providing more orderly mechanisms for crisis response, and ensuring the participation of the private sector in crisis prevention and mitigation. This work will culminate in the meeting of G-7 leaders in Cologne Germany in June.

A Firm Commitment to Free and Fair Trade

The global financial crisis has touched the lives of many Americans. The surge in low-priced steel imports into the United States has adversely impacted our steel companies, workers and communities. This Administration is taking forceful steps to vigorously enforce our trade laws, to engage major exporting and importing nations to trade fairly and to bear their fair share of the import burden, to help crisis-stricken countries achieve recovery, and to provide American steel communities, workers and companies with the resources they need to adjust to the forces of globalization. Japan accounts for almost half of the surge in steel imports into the United States, and has increased exports of hot rolled sheet steel by 400 percent from 1997 to 1998. We have informed Japan it must trade fairly, and we expect its exports to fall to appropriate pre-crisis levels. We are prepared to take appropriate WTO-consistent actions under our trade laws to ensure that happens including, if necessary, self-initiated actions under section 201 and our anti-dumping laws. The President has made clear that open, rules-based trade is essential for both global economic recovery and continued U.S. prosperity.

Traditional Trade Negotiating Authority

The President called for a new consensus granting him "fast track" trade authority to expand America's opportunities in the global economy while ensuring that expanded trade benefits all citizens, promoting

prosperity, respecting worker rights, and protecting the environment. With a global round of trade negotiations just around the corner and with the global financial crisis threatening America's hard won economic gains, it is more important than ever to give the President traditional trade authority to break down trade barriers that put American products made by American workers at a disadvantage. This authority has been given to every president since 1974 in order to pursue America's national interest in the global economy. Without trade authority, America's role as the largest exporter in the world could be put in jeopardy and America's ability to continue creating higher-paying jobs for more Americans could be undermined.

Caribbean Basin Trade Enhancement

The President will work with Congress toward swift passage of legislation expanding Caribbean Basin Initiative (CBI) trade ties with Caribbean and Central American countries. This trade legislation will create opportunities for American companies and workers even as it provides enhanced market access and economic stimulus for countries devastated by Hurricane Mitch. The Administration is strongly committed to the negotiations to conclude the Free Trade Area of the Americas by 2005, and expects to achieve commercially-meaningful outcomes by the end of the year, which will expand U.S. export opportunities in Latin America.

African Growth and Opportunity Act

In the State of the Union, President Clinton called upon Congress to pass the African Growth and Opportunity Act, an important and groundbreaking piece of legislation which recognizes African countries' efforts to institute sound economic policies and reform. The philosophy of this bill is simple: America stands ready to help those African countries that undertake difficult reforms to build a better future. Effective aid, combined with strong reforms and increased trade and investment, will help bring Africa into the global economy and create new markets for U.S. exports. American businesses, farmers, and workers all stand to benefit from expanding our trade with the largest underdeveloped market in the world.

New WTO Round of Global Trade Negotiations

The President is calling for the launch of an ambitious new WTO Round when world trade ministers meet in the United States this November to shape the world trading system in the 21st century. The President is calling for a new type of Round for the new century, which could yield concrete early results in key areas, ensure that labor and environmental standards are fully protected so that trade opening does not lead to a race to the bottom and result in a more open and accountable WTO system. The United States must play a leadership role: as the world's largest exporter, we have the most at stake. A successful accelerated Round of negotiations will create important new opportunities for America's world class farmers and ranchers, manufacturers, and service providers to increase sales in foreign markets. We will see new opportunities to sell our goods and services (such as express delivery, environmental and energy services, electronic commerce and professional services) where the preponderance of global trade is not subject to WTO rules, and further removal of tariffs because many of our trading partners in Asia, Latin America, and elsewhere retain far higher tariff rates than the United States. We will also seek to further open government procurement practices, ensure fair global competition, and protect intellectual property rights (IPR) in areas where the United States leads the world (software, film/video, music, pharmaceuticals). The U.S. Trade Representative will chair the 1999 meeting of WTO trade ministers in the United States.

International Labor Rights

The global economy holds the promise of a higher standard of living for more people in more countries, but we must ensure that spirited competition among nations never becomes a race to the bottom on labor standards. President Clinton's FY 2000 budget will provide \$40 million for the first time ever to help developing countries implement core labor standards and build social safety net programs such as unemployment insurance and

pensions. Specifically, the United States will provide: \$25 million to establish a new multilateral program at the International Labor Organization (ILO) to provide technical assistance to core labor standards efforts; \$9.5 million to the Department of Labor to help our trading partners strengthen their implementation mechanisms; and \$5 million to the Department of State to encourage cooperative efforts to eliminate international sweatshops.

Child Labor

Last year the President fought for and obtained a ten-fold increase in the U.S. contribution to the International Program for the Elimination of Child Labor -- a \$30 million contribution making the U.S. the world's leader in the fight to reduce the most intolerable forms of child labor. This year, we will insist on maintaining that level of IPEC funding while adding a new \$10 million program -- "School Works" -- through U.S. AID to improve access to education to make it easier to get kids out of hazardous workplaces. In addition, the proposal calls for additional agents for the U.S. Customs Service to enforce the ban on the importation of goods made with forced or indentured child labor (almost doubling the enforcement budget from \$3 million to \$5 billion) and an increase of \$4 million (above last year's \$3 million) for domestic enforcement of labor laws in industries vulnerable to child labor -- garment and "salad bowl" farms.

U. S. Manufacturing Exports

Manufacturing exports have been a key engine of America's sustained economic expansion. However, the global financial crisis has put that progress at risk. To help American manufacturers safeguard their hard-won gains in foreign markets and expand into new growth areas, the Administration is launching a \$108 million initiative to spur nearly \$2 billion in additional U.S. exports, which will sustain or create 16,000 high-wage American manufacturing jobs. First, the initiative boosts funding for the Export-Import Bank by 10 percent (\$81 million) to keep U.S. products -- from aircraft parts to capital equipment to environmental technology -- flowing to emerging markets where commercial banks have withdrawn. Second, the Trade Development Agency will receive an additional \$4 million for feasibility studies to enable U.S. companies to participate in major export-generating infrastructure projects overseas. Third, the initiative provides \$14 million for the Department of Commerce's International Trade Administration (ITA) to increase resources for export advocacy and service delivery to small manufacturers. Finally, the initiative provides \$9 million for ITA and Commerce's National Institute of Standards and Technology to help developing countries establish a legal and regulatory infrastructure to make it easier for U.S. firms to export.

A STRONG AMERICA IN A NEW WORLD

Bringing Hope to Northern Ireland

President Clinton's intensive diplomatic efforts helped achieve the landmark Good Friday Accord last spring, bringing new governing structures and a new era of cooperation to Northern Ireland. By an overwhelming margin, the people of Northern Ireland and Ireland have chosen a peaceful future after a generation of bloodshed. President Clinton reaffirmed his support for full implementation of the agreement, so Northern Ireland can pursue a prosperous, democratic course, free of violence and terror. The U.S. will also continue to support the International Fund for Ireland, which promotes reconciliation through economic regeneration projects targeting disadvantaged Irish border counties and Northern Ireland.

Securing Peace in the Balkans

The U.S. continues to help its European allies in consolidating the peace in Bosnia and Herzegovina. Through 1999, our priorities will be to accelerate Bosnia's transition to a market economy, increase the momentum on refugee returns, improve the rule of law, reinforce central institutions and press ahead with media and education reform. The NATO-led Stabilization Force, which continues to play a vital role in implementing Dayton, will continue to draw down. This will allow a further reduction in the U.S. troop contribution, which is already one-third the size of the U.S. contribution to the previous Implementation Force. The U.S. is also leading efforts to end the repression and a peaceful solution to the Kosovo crisis.

Promoting Peace in the Middle East

President Clinton believes that the best long-term strategy for Israeli security includes a secure peace with the Palestinians, recognition of their legitimate rights, and a comprehensive, secure peace in the Middle East. The President's efforts at Wye River helped put the peace process back on track after eighteen months of stalemate. At a time when the U.S. is calling on Israel and the Palestinians to meet the commitments they undertook at Wye, the U.S. must meet its responsibilities. The President's supplemental request would bolster Israel's security, strengthen the Palestinian economy and lend a hand to a trusted friend of peace, Jordan.

Defending Against New Threats to America's Security

In an era of rapid technological change, Americans are faced with new challenges to our national security from biological and chemical attacks, and attacks on our computer networks. President Clinton has taken the lead in addressing these threats by developing new strategies to combat terrorism, prepare for weapons of mass destruction attacks, and protect our critical infrastructure. To prepare for the threat of biological and chemical weapons, President Clinton has called for an increase in funding for vaccine research and public health surveillance in his FY 2000 budget. He has also established a National Domestic Preparedness Office, which will provide a integrated federal program to train and equip those who would first respond to a biological or chemical weapons attacks, and develop emergency plans for 120 metropolitan areas nationwide. To protect our computer networks from cyber terrorism, he has called for an initiative to train and hire information technology experts to safeguard government computer networks, and an initiative to integrate systems designed to monitor computer intrusion. The President has also launched new public-private information sharing centers to foster better preparation for cyberattacks and a computer security initiative aimed at safeguarding networks from covert installation of destructive computer code.

Cooperative Threat Reduction Initiative

President Clinton announced an enhanced effort to work with Russia and other former Soviet countries to reduce the risk that materials, technologies, and expertise for weapons of mass destruction and ballistic missiles will fall into the hands of rogue nations or terrorists -- and to help former Soviet countries implement existing arms

control agreements. The President's five year budget plan calls for a 70% expansion of threat reduction programs. Our initiative emphasizes engaging weapons scientists and institutes in civilian research, promoting nuclear security by dismantling and destroying warheads and dangerous materials, tightening export controls, and accelerating Russian efforts to withdraw troops stationed outside Russia. None of these funds will be available to entities that engage in dangerous missile or nuclear assistance to Iran. The Administration will continue to help Russia to develop an effective export control system that keeps dangerous technologies away from Iran and others. And we will continue to apply penalties against Russian entities that violate international nonproliferation standards.

We will also continue our efforts to restrain North Korea's nuclear and missile programs, halt a nuclear and missile race between India and Pakistan, and press China to play a more constructive role in efforts to contain the spread of mass destruction weapons and missiles. And we will move forward with international negotiations on the President's proposal to strengthen our ability to determine whether nations are complying with the Biological Weapons Convention.

Containing and Opposing Saddam Hussein

President Clinton stressed that we will continue to contain Iraq as long as it poses a threat to its neighbors and continues to conceal its weapons of mass destruction programs. Saddam Hussein's actions demonstrate that he does not intend to comply with UN security council resolutions, even in the face of international pressure. We therefore are pursuing a two-track policy: advancing initiatives aimed at increasing availability of food and medicine for the Iraqi people while actively supporting efforts by Iraqi opposition groups to replace Saddam's regime.

Comprehensive Test Ban Treaty

The President's call for the Senate to act without delay to give its advice and consent to ratification of the Comprehensive Test Ban Treaty (CTBT) will help prevent a new arms race and make it more difficult for non-nuclear states to develop these devices of destruction. The CTBT will allow America to maintain a safe and reliable nuclear deterrent while constraining the proliferation of nuclear material and technology to rogue states' weapons programs. CTBT will improve America's ability to detect and deter nuclear explosive testing. CTBT's global network of sensors will strengthen America's ability to monitor nuclear explosive testing across the globe, as well as deter any nation from believing it can conduct a nuclear explosive test undetected by the international community. If the United States fails to ratify before September, we will undercut our own efforts to strengthen the global nonproliferation regime and curb further nuclear arms development, particularly in South Asia.

Strengthening America's Military

President Clinton proposed a six-year, sustained increase in defense spending to ensure that America's armed forces are fully prepared to meet the challenges of the next century and remain the world's best-trained, best-equipped fighting force – reversing a trend begun a decade ago. The President's budget for next year will provide \$12 billion more than we had planned last year for FY 2000 to meet readiness and modernization needs. These funds will strengthen recruitment and retention programs; enhance training, unit operations and flight hour programs, and provide additional spare parts. Funds will also be devoted to modernizing weapons programs, by replacing aging equipment with more technologically advanced systems, taking advantage of cutting edge computer technology, and developing defense systems against both theater and strategic ballistic missiles. Finally, the President's defense spending proposal will improve pay and benefits for America's men and women in uniform, ensuring that they enjoy the quality of life they deserve.

Strengthening Alliances and Promoting Freedom

Promoting freedom by strengthening our alliances and building partnerships in Europe, Asia, and Latin America is central to President Clinton's foreign policy agenda. President Clinton will convene a NATO Summit in Washington this April to commemorate its first fifty years and to chart a course for the next century. Unprecedented in size and scope, this golden anniversary summit marks a milestone in President Clinton's efforts to strengthen the alliance and build a more integrated, democratic and peaceful Europe. It will reaffirm NATO's commitment to building its relationships with Russia and Ukraine and to the continuing evolution of the Partnership for Peace as a pillar of transatlantic security. Forty-four leaders from both sides of the Atlantic will come to Washington to welcome its newest members -- Poland, Hungary, and the Czech Republic -- and to forge a new consensus about the need for joint action to face new challenges to our shared security, including regional conflicts and the growing threat posed by the proliferation of weapons of mass destruction. NATO will also develop a new Strategic Concept, the blueprint guiding the Alliance's defense planning and policies, and take steps towards ensuring that NATO's door remains open to prospective new members.

Payment of United Nations Arrears

President Clinton highlighted the need for congressional action to meet U.S. financial obligations to the United Nations. From critical peacekeeping operations to life sustaining relief and development efforts in Africa, the Middle East, Europe, and around the globe, the United Nations is an essential institution for the promotion of U.S. objectives across a broad spectrum of issues. Our interests abroad -- from maintaining political stability, to averting human rights and humanitarian catastrophe, to promoting international standards in areas such as aviation safety -- demand that we meet our international obligations and increase our leverage in international organizations.

Hurricane Mitch Response

President Clinton reaffirmed our commitment to assist in the reconstruction of those Central American countries devastated by Hurricane Mitch. Over the past three months, more than 5,000 of our armed forces have provided critical relief and rehabilitation assistance to the people of Honduras, Nicaragua, Guatemala and El Salvador. This has included the initial response -- in which U.S. troops rescued many hundreds of Central Americans and delivered food, medical equipment and other essential supplies -- as well as more recent reconstruction efforts that have included bridge building and road repair. In addition, the U.S. Agency for International Development and the U.S. Department of Agriculture have provided food, medical aid, reconstruction material and other support. The U.S. contribution to the relief effort has totaled \$300 million thus far, and President Clinton intends to increase substantially our aid to longer term reconstruction in the weeks and months to come.

U.S. - Africa Partnership for Economic Growth and Opportunity

The United States has important and growing strategic interests in Africa. Africa supplies over 13% of our oil imports and represents the largest untapped market in the world. Unfortunately, conflict still undermines Africa's vast potential and our own strategic interests. That is why we aim to build a stable and prosperous Africa -- a strong partner for security and peace, and an ally against drug trafficking, international crime, terrorism, the spread of disease and environmental degradation. President Clinton's historic trip to the continent last year highlighted the new opportunities for partnership between our nation and the nations of Africa.

21ST CENTURY COMMUNITIES

CRIME/DRUGS

21st Century Policing Initiative

In order to keep crime coming down to record low levels and the number of officers walking the beat at an all-time high, the President is committing nearly \$1.3 billion for a new 21st Century Policing Initiative. The new 21st Century Policing Initiative builds on the President's successful COPS program by: (1) helping communities to hire and redeploy between 30,000 and 50,000 more law enforcement officers over five years, with an effort to target new police officers to crime "hot spots" and to help retain those officers recently hired; (2) giving law enforcement access to the latest crime-fighting technologies, such as improved police communications, crime mapping software, laptop computers, and crime lab improvements; and (3) making an unprecedented commitment to engage entire communities in the hard work of preventing and fighting crime -- by funding new community-based prosecutors, and partnerships with probation and parole officers, school officials, and faith-based organizations.

Zero Tolerance Drug Supervision

Numerous studies confirm that the vast majority of prisoners report drug use and that many prisoners commit their crimes to buy drugs or while high. To help break this iron link between crime and drugs, the President will propose \$215 million for Zero Tolerance Drug Supervision that works to keep offenders drug- and crime-free. This initiative will provide new funds to help states and localities implement tough new systems to drug test, treat, and punish prisoners, parolees, and probationers. In addition, this initiative provides increased funds for innovative drug courts throughout the country and intensive drug treatment for state prisoners with the most serious drug problems.

Making the Brady Waiting Period Permanent

The Brady Law, which requires background checks of all prospective firearms purchasers, has stopped well over a quarter of a million illegal handgun sales since its enactment in 1993 -- proving itself to be one of the most effective law enforcement tools ever. But the Brady Law's "cooling off" or waiting period recently expired, and handguns can now be purchased on the spot in some states. To make sure that local law enforcement officers have enough time to conduct the best background check possible, the President will call for a new national waiting period of up to five days before the purchase of a handgun.

Preventing Violent Juveniles from Buying Guns

Violent juveniles should be treated as adults for their adult crimes, and stopped from getting weapons to hurt again. The President will propose legislation to ban violent juveniles from buying guns for life. The President's proposal would extend the Brady Law to violent juveniles, closing the loophole under current law which permits youths convicted in juvenile court for certain violent and drug offenses to buy handguns on their 21st birthday.

Child Safety Locks for Handguns

Child safety locking devices can reduce the unauthorized use of handguns, by a child at play or a teen looking to commit a crime. And many youths have to look no further than their own home to get access to a gun: a third of all privately-owned handguns are left both loaded and unlocked. To address this problem, the President's proposal would require federally-licensed firearms dealers to sell a child safety lock with every handgun -- to help prevent youths from hurting themselves or each other.

Helping Make All Schools Safe, Disciplined, and Drug-Free

President Clinton is proposing a significant overhaul of the nearly \$600 million Safe and Drug-Free Schools and Communities Program to provide more effective prevention programs for the reduction of drugs and violence in schools, more accountability for results, and better targeting to those schools that need the most assistance.. Under the President's proposal, schools would be required to adopt rigorous, comprehensive school safety plans that include: tough, but fair, discipline policies; safe passage to and from schools; effective drug and violence policies and programs; annual school safety and drug use report cards; links to after school programs; efforts to involve parents; and crisis management plans.

ENVIRONMENT

Climate Change

On the heels of the announcement that 1998 surpassed 1997 as the warmest year on record, the President's FY 2000 budget will propose a package of investments and tax cuts to help address global climate change. It includes start-up funding for a new Clean Air Partnership Fund (discussed below) and tax incentives to promote the purchase of energy-efficient cars, homes, and appliances, spurring the swift movement of innovative technologies into the market. Proposed increases in Federal spending would help foster a new generation of clean, energy-efficient technologies and renewable energy, as well as support research to identify and quantify carbon sinks in forests and farmlands. This package complements the other elements of the Administration's climate change plan, which include working cooperatively with industry sectors on initiatives to cut greenhouse gas emissions, strengthening efforts to incorporate energy efficiency goals into Federal procurement and energy use, working with Congress to reward companies taking early, voluntary action to reduce their emissions, and restructuring the electricity industry. In addition, the Administration will continue its vigorous diplomatic efforts to fill in key details of the Kyoto Protocol in areas such as international emissions trading, as well as to encourage the meaningful participation of developing countries in efforts to address global warming.

Livability Agenda: Easing Traffic Congestion and Community Planning and Collaboration

To help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth, President Clinton and Vice President Gore are proposing a comprehensive Livability Agenda providing new tools and resources for state and local governments. The initiative includes: a record \$6.1 billion for public transit, plus \$2.4 billion for other innovative programs to promote improved transportation planning and ease traffic congestion so commuters can spend less time in traffic and more with their families; \$50 million in matching grants to help neighboring communities develop collaborative "smart growth" strategies; and \$10 million to encourage citizen participation in the design of schools as centers of their communities, provide communities with new information tools so they can grow according to their values, and improve public safety by sharing crime data among communities. By delivering tools and resources to the local level, where issues of growth are most appropriately addressed, this initiative helps empower citizens to build more "livable communities" for the 21st century.

Livability Agenda: Better America Bonds

To help communities reconnect with their land and water, preserve green space for future generations, and provide attractive settings for economic development, the Administration is proposing a new financing tool generating \$9.5 billion in bond authority for investments by state, local and tribal governments. The President's budget will propose tax credits totaling almost \$700 million over five years -- to support Better America Bonds, which can be used to preserve green space, create or restore urban parks, protect water quality, and clean up brownfields

(abandoned industrial sites). The program will be coordinated through an interagency process.

Lands Legacy Initiative

To meet the conservation challenges of a new century, President Clinton and Vice President Gore are proposing a \$1 billion Lands Legacy Initiative -- the largest one-year investment ever proposed for the protection of America's land resources. This FY 2000 budget proposal -- a 125 percent increase over FY 1999 -- expands federal efforts to save America's natural treasures, and provides significant new resources to states and communities to protect local green spaces. To sustain these efforts in the new century, the President commits to work with Congress to create a permanent funding stream beginning in FY 2001. In addition, the President calls on Congress to extend permanent wilderness protection to more than 5 million acres within 17 national parks and monuments. This landmark initiative charts a new conservation vision for the 21st century, preserving irreplaceable pieces of our natural legacy within easy reach of every citizen.

Clean Air Partnership Fund

To help protect public health and ease the threat of global warming, President Clinton is proposing \$200 million in FY 2000 funding for a new Clean Air Partnership Fund supporting state, local and private efforts that achieve early reductions in both greenhouse gas emissions and ground-level air pollutants. The Fund, to be included in the President's FY 2000 budget proposal, will direct new resources to state and local governments to provide financing for public and private sector projects that accelerate pollution reductions. This new financing will support demonstration projects that go beyond legal requirements and enable communities to achieve clean air goals sooner. Targeting the financing to projects that reduce both carbon emissions and health-threatening pollutants -- such as smog, soot or air toxics -- will stimulate integrated, cost-effective pollution control strategies. In addition, the Fund will spur technological innovation, encourage public-private partnerships, and leverage substantial non-federal investment in improved air quality. The Fund will be administered by the Environmental Protection Agency under existing authority.

SERVICE

AmeriCorps

President Clinton called on Congress to increase support for AmeriCorps. When he came into office, the President outlined a vision for a national service program which would allow young people to serve our nation while earning funds for college. Since 1994, more than 100,000 Americans have served their country and community through AmeriCorps. Serving in more than 4,000 communities, AmeriCorps members have taught, tutored or mentored more than 2.6 million children, operated after-school programs for more than 500,000 at-risk youth, recruited or organized more than 1.7 million volunteers, and operated more than 40,000 neighborhood safety patrols. In the FY 2000 budget, the President is proposing a \$133 million dollar increase over FY 1999 for the Corporation for National Service in order to expand AmeriCorps and support other national service programs.

POLITICAL AND GOVERNMENT REFORM

Enact Bipartisan Campaign Finance Reform

The President remains committed to the enactment of bipartisan campaign finance reform. Tonight he is challenging the Congress to pass bipartisan reform early this year. Acceptable campaign finance reform legislation must meet five criteria: 1) it must be bipartisan; 2) it must be comprehensive; 3) it must reduce the

amount of money that is raised and spent on federal elections; 4) it must help level the playing field between challengers and incumbents; and 5) it cannot favor one party over the other.

Reinventing Government

We have already cut the size of the Federal civilian work force by more than 333,000 people, creating the smallest work force in 35 years and, as a share of total civilian employment, the smallest since 1933. But can be done. As part of its reinvention effort to create a government that works better and costs less, the administration will propose legislation creating new buyout authorities for agencies to reduce the further the size of government. To improve customer satisfaction, the 32 agencies that serve over 90% of the government's customers will participate in a government-wide customer satisfaction survey that will compare the quality of their services to the private sector's. To produce better results for children, the federal government will enter into ten partnerships with state and local governments that will increase their flexibility in using federal program dollars using key indicators that reliably chart measurable improvements in the lives of children. Finally, to assist Federal agencies to provide better customer service and ensure that taxpayer dollars are spent to produce results, President Clinton is proposing significant civil service improvement initiatives. these improvements, which will result in the most dramatic change in the Federal workplace in 20 years, will increase the link between pay and good performance, and provide agencies with flexibilities to hire, reward, and retain the high-quality, diverse workforce they need to meet their mission and respond to increasing customer and workplace demands.

ONE AMERICA

English Literacy/Civics Initiative

President Clinton is proposing an initiative to help states and communities provide expanded access to high-quality English-language instruction, linked to practical instruction in civics and life skills including how to navigate the workplace and public education system. This initiative is designed both to help meet the extraordinary demand for English and civics instruction in immigrant communities and to demonstrate our shared commitment to fully integrating new Americans into our social and civic life. The initiative is part of a broader effort to reduce adult literacy. Further details of this initiative will be provided at a later date.

Civil Rights Enforcement

The Clinton Administration's Fiscal Year 2000 budget contains \$663 million for civil rights enforcement agencies and offices -- an increase of \$84 million, or 15 percent, over last year's funding. This budget maintains the President's commitment to ensure equal opportunity for all Americans: that no one should be denied such essentials as a job, a home, or a chance at an education because of the color of their skin, a disability, their gender, or their religion. Highlights of the President's package include: (1) a \$13 million increase for the Civil Rights Division at the Department of Justice -- the largest increase in nine years -- to permit the Division to expand investigations and prosecutions of criminal civil rights cases (including hate crimes), fair housing and lending cases, and violations of the Americans with Disabilities Act; (2) a \$14 million Equal Pay Initiative at the EEOC and the Department of Labor; (3) a \$33 million overall increase for the EEOC -- from \$279 to \$312 million; (4) an \$11 million overall increase for the Office of Federal Contract Compliance (OFCCP) at the Department of Labor to expand the compliance assistance strategy to encourage Federal contractor compliance through increased outreach, education, and technical assistance; (5) a \$7 million overall increase from last year -- from \$40 million to \$47 million -- for HUD's efforts to reduce housing discrimination, including funding for the second year of a three-year audit-based enforcement initiative; and (6) \$5 million to the Department of Justice for the creation of a Civil Rights Enforcement Partnership that will provide competitive grants to help build the capacity of States

to address specific enforcement issues within their jurisdictions by hiring additional staff.

The Employment Non-Discrimination Act ("ENDA")

This bill would outlaw discrimination in hiring, firing, and promotions based on sexual orientation. It is designed to protect the rights of all Americans to participate in the job market without fear of unfair discrimination. The Act provides an exemption for small businesses, the Armed Forces, and religious organizations, including schools and other educational institutions that are substantially controlled or supported by religious organizations. The bill specifically prohibits preferential treatment on the basis of sexual orientation, including quotas. President Clinton and Vice President Gore are the first President and Vice President ever to back civil rights legislation for gays and lesbians. President Clinton originally announced his support for the legislation in October 1995.

The Hate Crimes Prevention Act

This measure expands the principal federal hate crimes statute. The current statute prohibits any use of force that is based on a person's race, color, religion, or national origin and that is intended to interfere with certain specified federally protected activities. The Hate Crimes Prevention Act would strengthen and expand the ability of the Justice Department to prosecute hate crimes by removing needless jurisdictional requirements for existing crimes. Further, it would give Federal prosecutors the power to prosecute hate crimes committed because of the victim's sexual orientation, gender or disability. President Clinton originally announced his support for the bill on November 10, 1997 at the first-ever White House Conference on Hate Crimes.

PERORATION: THE MILLENNIUM

Millennium Communities Program

The President invites community leaders and all Americans to be part of our national Millennium program, using the millennium as an opportunity to engage in meaningful activities that mark this milestone in human history. Millennium Communities is a new program of the White House Millennium Council in partnership with major intergovernmental associations which represent local elected officials and Native American leaders. The special designation of "Millennium Community" will be awarded to those communities which propose plans to carry out the national theme, "Honor the Past -- Imagine the Future." Elected officials will submit plans that preserve their history and prepare citizens for the 21st century, and their respective associations will recommend the official designation. Millennium Communities will receive the use of the national millennium logo and motto, register their projects on a new web site and be honored in other ways.

Save America's Treasures Program

Save America's Treasures is a national millennium program, designed as a public-private partnership, to preserve our deteriorating historic sites, art, artifacts, documents and monuments, so that they may inform future generations of the American story. President Clinton requested, and Congress appropriated \$30 million to Save America's Treasures in FY99. The private sector partner, the National Trust for Historic Preservation, created the Millennium Committee to Save America's Treasures, with Hillary Rodham Clinton as the Honorary Chair. That group has sparked attention and raised contributions which already surpass the federal commitment. Mrs. Clinton has visited over twenty historic sites and collections since last July, bringing recognition and support to the places and objects that embody our heritage and culture. Some of the preservation projects underway are the conservation of the Star-Spangled Banner at the Smithsonian Institution, the re-encasement of the Declaration of Independence and the Constitution at the National Archives, and the new exhibition space at the Thomas Edison National Historic Site. The Administration's forthcoming budget will propose additional funding for Save America's Treasures.

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Equal Pay
Act

Draft 1/18/99 3pm

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

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This is a complete
draft - w/ tobacco.
Mahr.
for

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

Tonight, I have the honor of reporting on the State of the Union.

Let me begin by saluting the new Speaker of the House, and thank him for extending invitations to two special guests who are sitting in the gallery with Mrs. Hastert. Lyn Gibson and Wei Ling Chestnut are the widows of the two brave Capitol Police Officers who gave their lives to defend freedom's house.

Speaker Hastert: At your swearing in, you asked us to work in a spirit of civility and bipartisanship. Mr. Speaker, let's do exactly that.

Tonight, we begin anew our work together for the people of America.

I stand before you to report that America has created the longest peacetime economic expansion in our history -- with nearly 18 million new jobs, wages rising at more than twice the rate of inflation, the highest homeownership in history, the smallest welfare rolls in 30 years -- and the lowest peacetime unemployment since 1957.

For the first time in three decades, the budget is balanced. From a deficit of \$290 billion in 1992, we had a budget surplus of \$70 billion last year. We are on course for budget surpluses for the next 25 years.

Violent crime is the lowest in a quarter century -- and our environment is the cleanest in a quarter century.

America is a strong force for peace from Northern Ireland, to Bosnia, to the Middle East.

Thanks to the pioneering leadership of Vice President Gore, we have a government for the Information Age. Once again, our government is a progressive instrument of the common good -- offering opportunity to all, demanding responsibility from all, building a community of all Americans. A modern government, devoted to fiscal responsibility and determined to give our people the tools they need to make the most of their own lives. A 21st Century government for 21st Century America.

My fellow Americans, I stand before you to report that the state of our union is strong.

America is working again. The promise of our future is limitless. But we cannot realize that promise if we allow the hum of our prosperity to lull us into complacency. How we fare as a nation far into the 21st Century depends upon what we do as a nation today.

With our budget surplus growing, our economy expanding, and our confidence rising, now is the moment for this generation to meet our historic responsibility to the 21st Century. Let's get to work.

THE AGING OF 21ST CENTURY AMERICA

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

With the number of elderly Americans set to double by 2030, the Baby Boom will become a Senior Boom.

So first and above all, we must save Social Security for the 21st Century.

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

Today, Social Security is strong. But by 2032, the Trust Fund will be exhausted, and Social Security will be unable to pay out the full benefits older Americans have been promised.

The best way to keep Social Security a rock-solid guarantee is not to make drastic cuts in benefits; not to raise payroll tax rates; and not to drain resources from Social Security in the name of saving it.

Instead, I propose that we make the historic decision to invest the surplus to save Social Security.

Specifically, I propose that we commit half the budget surplus for the next 15 years to Social Security, investing a small portion in the private sector just as any private or state government pension would do. This will earn a higher return and keep Social Security sound for 50 years.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. And we should reduce poverty among elderly women, who are nearly twice as likely to be poor as other seniors -- and eliminate the limits on what senior citizens on Social Security can earn.

These changes will require difficult but achievable choices. They must be made on a bipartisan basis. They should be made this year. Tonight, together, let us say: We will Save Social Security now.

Last year, we wisely reserved all of the surplus until we knew what it would take to save Social Security. Although our best analysis is that we will need just half of the surplus, again this year we should not spend any of it until after Social Security is truly secure. First things first.

Second, once we have set aside sufficient funds from the surplus to save Social Security, we must fulfill our obligation to save and improve Medicare. Already, we have extended the life of Medicare by 10 years -- but we should extend it for at least another decade. Tonight I propose that we use one out of every five dollars in the surplus over the next 15 years to guarantee the soundness of Medicare, until the year 2020.

But again, we should aim higher. We must be willing to work in a bipartisan way and look at new ideas, including the upcoming report of the bipartisan Medicare commission. If we work together, we can secure Medicare for the next two decades and cover seniors' greatest need, affordable prescription drugs.

Third, we must help all Americans, from their first day on the job, to save, to invest, to create wealth. From its beginning, Social Security has been supplemented by private pensions and savings. Yet today, tens of millions of people retire with little to live on other than Social Security. Americans living longer than ever must save more than ever.

Tonight, in addition to saving Social Security and Medicare, I propose a new pension initiative for retirement security in the 21st Century. [Building on the private pension system], I propose that we use 10% of the surplus to establish Universal Savings Accounts -- USA Accounts -- to give all Americans the means to save. With these new accounts, Americans can invest as they choose, and receive funds to match a portion of their savings, with extra help for those least able to save.

USA Accounts will help all Americans to save, to share in the nation's wealth, and to enjoy a more secure retirement.

Fourth, we must invest in long-term care. I propose a tax credit of \$1,000 for the elderly or disabled, or the families who care for them. This kind of care is invaluable. Let us show that we honor and reward it.

I was born in 1946, the first year of the Baby Boom. Our generation is determined not to let our growing old place an intolerable burden on our children and their ability to raise our grandchildren. There is no better use for America's surplus than lifting that burden.

With these four measures -- saving Social Security, strengthening Medicare, establishing

USA Accounts, and supporting long-term care -- we can begin to meet our historic responsibility to establish true security for 21st Century seniors.

21st CENTURY SCHOOLS

There are more children, from more diverse backgrounds, in our public schools than at any time in our history. Their education must provide the knowledge and nurture the creativity that will allow them to thrive for the new economy.

Today we can say something we could not say six years ago: with more affordable student loans, more Pell grants and work-study jobs, education IRAs, and the new HOPE scholarship tax cut that more than 5 million Americans will receive this year, we have opened the doors of college to all.

With our help, nearly every state has set higher academic standards for public schools, and we are developing a voluntary national test to measure the progress of our students. We are marshaling a volunteer army of college students to teach young children to read, and to mentor middle school children and prepare them for college.

With the leadership of Vice President Gore, we have helped communities connect more than one million classrooms to the Internet. And with over one billion dollars in discounts available this year, we can meet our goal of connecting every classroom and library to the Internet.

Last fall, you passed our proposal to start hiring 100,000 new teachers to reduce class size in the early grades. Now I call on Congress to finish the job.

Our children are doing better. SAT scores are up. Math scores have risen in nearly all grades. But there is a problem: While our fourth graders outperform their peers in other countries in math and science, our eighth graders are around average, and our twelfth graders rank near the bottom.

We must do better. Each year the national government invests more than \$15 billion in our public schools. I believe we must change the way we invest that money, to support what works and stop supporting what doesn't.

Later this year, I will send Congress a plan that for the first time holds states and school districts accountable for progress and rewards them for results. My Education Accountability Agenda would require every school district receiving federal help to take the following five steps.

First, all schools must end social promotion.

No child should graduate from high school with a diploma he or she can't read. We do our children no favors when we allow them to pass from grade to grade without mastering the material.

But we can't just hold students back when the system fails them. So my balanced budget triples the funding for summer school and after school programs. We can keep one million students learning beyond regular school hours, when parents work and juvenile crime soars.

If you doubt this will work, look at Chicago, which ended social promotion and made summer school mandatory for those who don't master the basics. Math and reading scores are up three years running -- with some of the biggest gains in some of the poorest neighborhoods.

Second, all states and school districts must turn around their worst-performing schools -- or shut them down. That is the policy established by Gov. Jim Hunt in North Carolina, where test scores made the biggest gains in the nation last year. My budget includes \$200 million to help states turn around their failing schools.

Third, all states and school districts must be held responsible for the quality of their teachers. The great majority of teachers do a fine job. But in too many schools, teachers don't have college majors -- or even minors -- in the subjects they teach.

All new teachers should be required to pass performance exams and to know the subject they are teaching. My balanced budget contains new resources to help teachers reach these high standards.

To attract talented young teachers to the toughest assignments, I recommend a five-fold increase in scholarships for college students who commit to teach in the inner cities, in isolated rural areas and in Indian communities.

Fourth, we must empower parents, with more information and more choices. In too many communities, it is easier to get information on the quality of local restaurants than the quality of local schools. Every school district should issue report cards on every school.

And parents should have more choice in selecting their public schools. When I became President, there was one independent, public charter school in all of America. With our support, there are 900 today. My budget assures that early in the next century, there will be 3000.

Fifth, all states and school districts must adopt discipline policies to ensure our classrooms are places of learning.

Let's do one more thing for our children. Today, too many of our schools are so old they're falling apart, or so overcrowded students must learn in trailers. Last fall, Congress missed the opportunity to change that. This year, with more than 53 million children in our schools, Congress must not miss that opportunity again. I ask you to help our communities to build or modernize 5000 schools.

If we do these things -- end social promotion, turn around failing schools, build modern ones, support qualified teachers, and promote innovation, competition and discipline -- we will begin to meet our generation's historic responsibility to create 21st Century schools.

21st CENTURY SUPPORT FOR AMERICAN FAMILIES

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

The most basic tool of all is a decent income. Let's raise the minimum wage by one dollar an hour over the next two years.

And let's make sure women and men get equal pay for equal work by strengthening enforcement of equal pay laws. ✓

Working parents also need quality child care. Again, I ask the Congress to support our plan for tax credits and subsidies for working families, training for child care providers, and expanded after school programs. Our plan also includes a new tax credit for stay-at-home parents. They need support too.

The Family Medical Leave Act -- the first bill I signed into law -- has helped millions of Americans care for a new baby or an ailing relative without risking their jobs. We should extend Family Leave to 10 million more Americans working in smaller companies.

Parents should never face discrimination in the workplace. I will ask Congress to prohibit companies from refusing to hire or promote workers simply because they have children.

America's families deserve the world's best medical care.

Thanks to federal support for medical research, we have begun testing the first drugs to prevent cancer, and introduced the first effective drugs to treat AIDS. With new discoveries about the process of aging itself, we are on the verge of new treatments to prevent or delay diseases from Parkinsons to Alzheimers to arthritis.

As we continue our advances in medical science, we cannot let our health care system lag behind.

Managed care has transformed medicine in America -- driving down costs, but threatening to drive down quality as well. Every American should have the right to know all their medical options -- not just the cheapest. The right to see a specialist. And the right to emergency care.

I am now extending these rights by executive authority to the 85 million Americans served by Medicare, Medicaid, and other federal health plans. But only Congress can enact the Patients' Bill of Rights for all Americans. Last year, Congress missed that opportunity. This year, for the sake of our families, Congress must not miss that opportunity again.

As more of our medical records are stored electronically, the threats to our privacy increase. Either by an act of Congress or by executive authority we will protect the privacy of medical records, this year.

Two years ago, we extended health insurance that will cover up to 5 million children. Now, we should make it easier for small businesses to offer health insurance, and give people between the ages of 55 and 65 who lose their health insurance the chance to buy in to Medicare.

No one should have to choose between keeping health care and taking a job. We should pass the historic bipartisan legislation, proposed by Senators Jeffords, Kennedy, Roth and Moynihan, to allow people with disabilities to keep Medicaid health insurance when they go to work.

Many small businesses and working families still can't afford health insurance. We need to enable community health centers and public hospitals to provide basic, affordable care for families that lack coverage. My budget makes a down payment toward that goal.

And we must continue to ensure access to family planning and reproductive health care -- free from the fear of violence.

We must step up our efforts to treat and prevent mental illness. No American should ever be afraid to recognize and treat this disease. This year, we will host a White House Conference on Mental Health. With sensitivity and commitment, Tipper Gore is leading our efforts here -- and I thank her.

As everyone knows, our children are targets of a massive media campaign to hook them on cigarettes. I ask this Congress to resist the tobacco lobby. Together, let's reaffirm the FDA's authority to protect children from tobacco, hold the tobacco companies accountable, and protect

tobacco farmers.

Smoking has cost taxpayers hundreds of billions of dollars under Medicare and other programs. Tonight, I am announcing that the Department of Justice is preparing a litigation plan to take the tobacco companies to court. American taxpayers shouldn't pay for the costs of lung cancer, emphysema and other tobacco related illnesses -- the tobacco companies should. And with the funds we recover, we should strengthen Medicare.

In all these areas -- minimum wage, family leave, child care, health care and the safety of our children -- we can begin to meet our historic responsibility to strengthen our families for the 21st Century.

A 21st CENTURY ECONOMY

Today, America is the most dynamic, competitive, job creating economy in history.

But we can do better -- if we act to build a 21st Century economy for all Americans.

Today's income gap is largely a skills gap. Because of a law I signed last year, workers now can get a skills grant to choose the training they need. This year, I call for a half a billion dollar investment for training Americans who lose their jobs and a national campaign to increase adult literacy for the millions of working people who read at less than a fifth grade level.

In the past six years, we have cut the welfare rolls nearly in half. Two years ago, from this podium, I asked five companies to lead a national effort to hire people off welfare.

Tonight, our Welfare to Work Partnership includes 10,000 companies who have hired hundreds of thousands of people. My budget provides funds to help another 200,000 people move from the dependency of welfare to the dignity and pride of work. ✓

We also must bring the spark of private enterprise into inner cities, remote rural areas, [and Indian reservations], with more support for community development banks, empowerment zones and 100,000 vouchers for affordable housing.

I ask Congress to support our new plan to help businesses raise up to \$15 billion of private sector capital to bring jobs and opportunity to our inner cities and rural areas -- with tax credits and loan guarantees, including new American Private Investment Companies modeled on our Overseas Private Investment Corporation. Our greatest untapped markets are not overseas -- they are right here at home.

We must bring prosperity back to the family farm. Dropping prices and the loss of foreign markets have devastated too many family farmers. I am ready to work with lawmakers of both parties to create a farm safety net including crop insurance reform and farm income assistance. ✓

We must strengthen our lead in technology.

Government investment in information technology led to the creation of the Internet. I propose a 30% increase in long-term computing research.

We must be ready for the 21st Century from its very first moment, by solving the "Y2K" computer problem. We have already made sure Social Security checks will come on time. If we work hard and work together -- business and government at all levels -- the "Y2K problem" can be remembered as the last headache of the 20th Century, not the first crisis of the 21st.

For our own prosperity, we must support economic growth abroad.

Until recently, one third of our economic growth came from exports. But over the past year and a half, financial turmoil overseas has put that growth at risk. Today, much of the world is in recession, with Asia hit especially hard.

This is the most serious financial crisis in a half century. To meet it, the U.S. and other nations have reduced interest rates and we strengthened the International Monetary Fund. While the turmoil is not over, we are working with other nations to contain it.

This June, I will meet with other world leaders to continue to build a global financial system for the 21st Century that tames the cycles of boom and bust. Our new rules will call for open accounting, stronger international bank regulations, an aggressive response to prevent regional problems from becoming global crises, and a strong social safety net for the most vulnerable victims of financial upheaval.

We must also create a freer and fairer trading system for the 21st Century. Trade has divided Americans for too long. We must find the common ground on which business, workers, environmentalists and government can stand together.

We must tear down barriers, open markets, and press for expanded trade. At the same time, we must ensure that ordinary citizens in all countries benefit from trade -- pressing for trade that promotes the dignity of work, the rights of workers and protection of the environment. And we must insist that international trade organizations be open to public scrutiny.

With this new consensus, we can enact legislation granting the President the trade authority long used to advance our prosperity.

Tonight, I issue a call to the nations of the world to join the United States in a new round of global negotiations to expand exports of services, of manufactures, and most of all, of our farm products.

We will work with the International Labor Organization on a new initiative to lift labor standards around the world. And this year, we will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world.

As we do this, we must act now to help American manufacturers hit hard by the present crisis -- with loan guarantees to increase U.S. exports by \$2 billion. And when imports unlawfully flood our nation, we must enforce our trade laws. I have already informed the government of Japan that if Japan's sudden surge of steel imports into our country is not reversed, America will respond.

If we do these things -- invest in our own people, invest in our own communities, invest in our technology, and lead in the global economy -- then we can begin to meet the historic responsibility of this generation to build a 21st Century prosperity for America.

A STRONG AMERICA IN A NEW WORLD

No nation in history has had the opportunity and the responsibility we now have to shape a world more peaceful, secure and free.

All Americans can be proud that our leadership helped to bring peace in Northern Ireland.

All Americans can be proud that our leadership has put Bosnia on the path to peace. And we are working with our NATO allies in Kosovo to stop the bloody repression and find a peaceful path to self government.

All Americans can be proud that our leadership renewed hope for lasting peace in the Middle East. Some of you were with me in December as we watched the Palestinian National Council completely renounce its call for the destruction of Israel. I ask Congress to act now to provide resources to implement the Wye Agreement . . . to protect Israel's security, stimulate the Palestinian economy, and support our friends in Jordan. We must not, we cannot, let them down.

As we work for peace, we must also meet threats to our nation's security – including increased dangers from outlaw nations and terrorism. We will defend our security wherever we are threatened -- as we did this summer when we struck at Osama bin Laden's network of terror. The bombing of our embassies in Kenya and Tanzania remind us of the risks faced every day by those who represent America to the world. Let's give them our support, the safest possible workplaces, and the resources they need so America can continue to lead.

We will work to keep terrorists from disrupting computer networks, to prepare local communities for biological and chemical emergencies, and to support research into vaccines and treatments.

We must increase our efforts to restrain the spread of nuclear weapons, from North Korea to India and Pakistan.

We must expand our work with Russia, Ukraine, and the other former Soviet nations to safeguard nuclear weapons and technology so they never fall into the wrong hands. My balanced budget will increase funding for these critical efforts by 70% for the next 5 years.

With Russia, we must continue to reduce our nuclear arsenals. With the START II treaty, the framework we have already agreed to for START III could cut them by 80% from their Cold War height. We must keep moving forward.

There is another vital step Congress can take. It's been two years since I signed the Comprehensive Test Ban Treaty. If we don't act, other nations won't. By acting to ratify it now, the Senate can make it harder for new nations to develop nuclear arms, and we can end nuclear testing forever.

For nearly a decade, Iraq has defied its obligation to destroy its weapons of terror and the missiles to deliver them. America will continue to contain Saddam – and we will work for the day when Iraq has a government worthy of its people.

Last month, in our action over Iraq, our troops were superb. Their mission was so flawlessly executed risk taking for granted the bravery and skill it required. Captain Jeff Taliaferro [*tolliver*], pilot of an XX fighter, flew xx nighttime missions as we attacked Saddam's war machine. He is here with us tonight. Let us him and all the 10,000 men and women of Desert Fox.

It is time to reverse the decline in defense spending that began in 1985. Since April, together we have added nearly \$6 billion to maintain our readiness. My balanced budget calls for an increase of \$12 billion for readiness and modernization, and for more support for our troops and their families.

We are the heirs of a legacy of bravery represented today by millions of veterans.

America's defenders today stand ready at a moment's notice to go where comforts are few and dangers are many, doing what needs to be done as no one else can. They always come through for America. We must come through for them. ✓

The new century demands new partnerships for peace and security.

[This spring, I will convene the leaders of NATO in Washington for its 50th anniversary summit, to prepare for the missions of the next 50 years, to welcome Hungary, Poland and the Czech Republic as our first new allies from Central Europe, and to reaffirm our determination that Europe must never again be divided by concrete and barbed wire.] [cuttable]

The United Nations plays a crucial role in so many of the areas I have mentioned tonight. America needs a strong relationship with an effective UN. I want to work in this new year with this new Congress to pay our dues and our debts.

We must also support stability in Asia. I have worked to strengthen the bonds with our allies Japan and Korea. Last year, I also traveled to China because our relationship with the world's largest country helps determine prospects for peace and security all across Asia. I said to the leaders of China, and I say again tonight: Stability can no longer be bought at the expense of liberty.

And I say again the American people: it is important not to isolate China. The more we bring China into the world, the more the world will bring change and freedom to China.

Last spring, with some of you, I traveled to Africa, where I saw democracy and reform rising, but still held back by violence and disease. We must fortify African democracy and peace -- and support transitions to democracy, including in Nigeria. And because trade and investment are the keys to African development -- we must finally pass the Africa Growth and Opportunity Act.

We are strengthening our ties to the Americas -- to educate children, fight drugs, deepen democracy. We must increase shared prosperity with a Free Trade Area of the Americas and with expanded trade with our neighbors in Central America and the Caribbean.

In our own hemisphere, every government but one is freely chosen by its people. We are determined that Cuba, too, will know the blessings of liberty.

The American people have opened their arms and their hearts to our Central America and Caribbean neighbors in the wake of devastating hurricanes -- and working with Congress, we

will help them rebuild. When the First Lady led a mission there, she saw thousands of American troops and volunteers. And she rededicated a hospital, rebuilt by Dominicans and Americans working arm in arm -- and led by Sammy Sosa. Sammy represents our oldest traditions and the best of the new America. He has been taken into our hearts -- and he has not forgotten where he came from. Thank you, Sammy, for your remarkable example, on the field and off.

And if we do all these things -- pursue peace, fight terrorism, increase our strength, and renew our alliances for shared progress -- then we will begin to meet the historic responsibility of our generation to build a safer and more secure 21st Century America in a freer and more peaceful world.

21ST CENTURY COMMUNITIES

As the world has changed, so have our own communities. We must make them safer, more livable, and more united.

We will soon reach our goal of putting 100,000 community police officers on the street -- ahead of schedule and under budget. The Brady Bill has stopped a quarter million felons, fugitives, and stalkers from buying guns. Now, the murder rate is the lowest in 30 years, and the crime rate has dropped for six straight years.

Tonight, I propose a 21st Century Crime Bill to marshal the latest technologies and tactics to make our communities even safer.

My budget provides funds to put up to 50,000 more police on the beat in the areas hardest hit by crime, and equips them with new tools, from crime-mapping computers to digital mug shots.

We must break the deadly cycle of drugs and crime. My budget strengthens support for drug testing and treatment. It says to prisoners: If you stay on drugs, you must stay behind bars. And it says to those on parole: To keep your freedom, keep free of drugs.

Congress should restore the mandatory 5-day waiting period for buying a handgun, and extend the Brady Bill to prevent juveniles who commit violent crimes from ever buying a handgun again.

And we must keep our schools the safest places in our communities.

Last year, we were horrified and heartbroken by the tragic killings in our schools -- in

Jonesboro, Paducah, Pearl, Edinboro, Springfield. We will never forget the courage of the parents who have dedicated themselves to keeping guns out of the hands of children -- so no other parent ever has to live through their loss.

One of them, Suzann Wilson of Jonesboro, Arkansas, is with us tonight in the gallery with the First Lady's. After she lost her daughter, she came to the White House with a powerful plea: "Please, please, for the sake of your children, lock up you guns. ... Don't let what happened in Jonesboro happen in your town." In memory of all the children who lost their lives to school violence, let us redouble our efforts to make our schools safe.

Let's pass legislation to require child trigger locks. Let's strengthen the Safe and Drug-Free School Act. Let's keep our children safe.

A century ago, President Theodore Roosevelt defined our "great, central task" as "leaving this land even a better land for our descendants than it is for us." Today, we are restoring the Florida Everglades, saving Yellowstone, preserving the red-rock canyons of Utah, protecting California's redwoods and our precious coasts.

But our most fateful new challenge is the threat of global warming. Last year's heat waves, ice storms, and floods are but a hint of what future generations may endure if we don't act now.

So tonight, I propose a new clean air fund to help communities reduce pollution, and tax incentives and investments to spur clean energy technologies. And I will work with Congress to reward companies that take early, voluntary action to reduce greenhouse gases.

All communities face a preservation challenge, as they grow and green space shrinks. 7,000 acres of farmland and open space are lost every day.

In response, I propose two major initiatives: first, a one billion dollar Livability Agenda to help communities save open space, ease traffic congestion, and grow in ways that enhance every citizen's quality of life; second, a one billion dollar Lands Legacy Initiative to preserve places of natural beauty all across America -- from the most remote wilderness to the nearest city park. I thank Vice President Gore for his visionary leadership in developing this historic proposal.

To get the most out of your community, you have to give something back. That's why we created AmeriCorps -- our national service program that gives today's generation a chance to serve their community and earn money for college.

So far, in just four years, 100,000 young people have built low-income homes with

Habitat for Humanity ... helped churches tutor children ... worked with FEMA to ease the burden of natural disasters ... and performed countless other acts of service that have made America better.

Some of them are here with us tonight. I thank them for their service -- and I ask Congress to give more young Americans the chance to follow their lead. And I challenge more young people to give something back to the country that has given them so much.

We must work to renew our national community for the 21st Century.

Last year, the House passed the bipartisan campaign finance reform legislation sponsored by Reps. Shays and Meehan and Sens. McCain and Feingold. But a partisan minority in the Senate blocked reform. To the House I say: Pass it again, quickly. And to the Senate: Say yes to a strong democracy in the Year 2000.

Since 1997, our Initiative on Race has sought to bridge the divides between our people. In its report last fall, the Initiative's Advisory Board found that Americans want to bring our people together across racial lines -- but that we must do more to close the opportunity gaps that remain. The economic, health care, and education initiatives in my balanced budget will do a lot to close those gaps.

But we have more to do.

Discrimination or violence because of race or religion, ancestry or gender, disability or sexual orientation, is wrong. It should be illegal. Therefore I call upon Congress to make the Employment Non-Discrimination Act and the Hate Crimes Prevention Act the law of the land. ✓

Our newest immigrants must be part of One America. They are revitalizing our cities, energizing our culture, building our new economy. We have a responsibility to make immigrants welcome here, and they have a responsibility to enter the mainstream of American life.

That means learning English, and learning about our democratic system of government. There are now long waiting lines of immigrants seeking to do just that. Therefore, my budget contains a substantial increase in funds to help them meet their responsibility.

Whether our ancestors came here on the Mayflower or on slave ships, whether they landed on Ellis Island or at Los Angeles Airport, whether they arrived yesterday or walked this land for thousands of years -- we can be, and we must be One America. We have no greater

obligation to the 21st Century.

PERORATION: THE MILLENNIUM

Barely more than 300 days from now, we will cross that bridge into the new millennium. This is a moment, as the First Lady has said, to honor the past and imagine the future.

I honor her -- for leading our Millennium Project -- for all she has done for our children -- and for her historic role in serving our nation and advancing our best ideals at home and abroad.

Last year, I called on Congress and every citizen to mark the millennium by saving America's treasures. Hillary has traveled across the country to inspire recognition and support for saving places like Thomas Edison's Invention Factory and Harriet Tubman's Home. We must preserve our treasures in every community. I invite every American town, city, and county to become nationally recognized "Millennium Communities" by launching projects that save our history, promote the arts and humanities, and prepare our children for the 21st Century.

Already, the response has been remarkable, and I thank Congress and our private sector partners for their support. Because of you, the Star Spangled Banner will be preserved for the ages.

We are keeping alive, in ways large and small, what George Washington called "the sacred fire of liberty."

Six years ago tomorrow, I came to office in a time of doubt for America, with our economy troubled, our deficit high, our people divided. Some even wondered whether our best days were behind us. But across this nation, in a thousand neighborhoods, I had seen, even amid the pain and uncertainty of recession, the heart and character of America.

I knew then we Americans could renew our country.

Tonight, as I deliver the last State of the Union message of the 20th Century, no one can doubt the enduring resolve and boundless capacity of Americans to work toward that "more perfect union" of our founders' dreams.

We near the end of a century when generations of Americans answered the call to greatness, overcoming Depression, lifting up the dispossessed, bringing down barriers of racial prejudice, building the largest middle class in history, winning two world wars and the "long twilight struggle" of the Cold War.

Perhaps in the daily press of events, in the clash of controversy, we do not see our time for what it truly is -- a new dawn for America.

A hundred years from tonight, an American President will stand in this place to report on the State of the Union. He – or she – will look back on a 21st Century shaped in so many ways by the decisions we make here and now.

Let it be said of us then that we were thinking not only of our time, but of their time; that we reached as high as our ideals; that we put aside our divisions and found a new hour of healing and hopefulness; that we joined together to serve and strengthen the country we love.

My fellow Americans, this is our moment. Let us lift our eyes as one nation, and from the mountaintop of this American century, look ahead to the next one -- asking God's blessing on our endeavors and our beloved country.

Bill Summary & Status for the 105th Congress**Item 20 of 105**

PREVIOUS BILL | NEXT BILL
PREVIOUS BILL:ALL | NEXT BILL:ALL
NEW SEARCH | HOME | HELP

ZMDA

S.869SPONSOR: **Sen Jeffords** (introduced 06/10/97)RELATED BILLS: **H.R.1858**Jump to: [Titles](#), [Status](#), [Committees](#), [Amendments](#), [Cosponsors](#), [Summary](#)**TITLE(S):**

- SHORT TITLE(S) AS INTRODUCED:
Employment Non-Discrimination Act of 1997
- OFFICIAL TITLE AS INTRODUCED:
A bill to prohibit employment discrimination on the basis of sexual orientation.

STATUS: Floor Actions

NONE

STATUS: Detailed Legislative Status**Senate Actions****Jun 10, 97:**

Read twice and referred to the Committee on Labor and Human Resources.

Oct 23, 97:

Committee on Labor and Human Resources. Hearings held. Hearings printed: S.Hrg. 105-279.

STATUS: Congressional Record Page References06/10/97 Introductory remarks on Measure (CR [S5457-5458](#))06/10/97 Full text of Measure as introduced printed (CR [S5458-5460](#))**COMMITTEE(S):**

- COMMITTEE(S) OF REFERRAL:
[Senate Labor and Human Resources](#)

AMENDMENT(S):

NONE

34 COSPONSORS:

<u>Sen Kennedy</u> - 06/10/97	<u>Sen Lieberman</u> - 06/10/97
<u>Sen Torricelli</u> - 06/10/97	<u>Sen Wyden</u> - 06/10/97
<u>Sen Bingaman</u> - 06/10/97	<u>Sen Kerry</u> - 06/10/97
<u>Sen Wellstone</u> - 06/10/97	<u>Sen Harkin</u> - 06/10/97
<u>Sen Landrieu</u> - 06/10/97	<u>Sen Feingold</u> - 06/10/97
<u>Sen Murray</u> - 06/10/97	<u>Sen Boxer</u> - 06/10/97
<u>Sen Levin</u> - 06/10/97	<u>Sen Sarbanes</u> - 06/10/97
<u>Sen Akaka</u> - 06/10/97	<u>Sen Lautenberg</u> - 06/10/97
<u>Sen Durbin</u> - 06/10/97	<u>Sen Chafee</u> - 06/10/97
<u>Sen Kohl</u> - 06/10/97	<u>Sen Inouye</u> - 06/10/97
<u>Sen Mikulski</u> - 06/10/97	<u>Sen Robb</u> - 06/10/97
<u>Sen Moynihan</u> - 06/10/97	<u>Sen Feinstein</u> - 06/10/97
<u>Sen Dodd</u> - 06/10/97	<u>Sen Reid</u> - 06/10/97
<u>Sen Leahy</u> - 06/10/97	<u>Sen Bryan</u> - 06/10/97
<u>Sen Moseley-Braun</u> - 06/10/97	<u>Sen Glenn</u> - 06/10/97
<u>Sen Kerrey</u> - 06/10/97	<u>Sen Reed</u> - 06/10/97
<u>Sen D'Amato</u> - 06/10/97	<u>Sen Cleland</u> - 06/10/97

SUMMARY:

(AS INTRODUCED)

Employment Non-Discrimination Act of 1997 - Prohibits employment discrimination on the basis of sexual orientation by covered entities, including an employing authority or office to which specified provisions of the Government Employee Rights Act of 1991 or the Congressional Accountability Act of 1995 apply. Prohibits related retaliation and coercion.

Declares that: (1) this Act does not apply to the provision of employee benefits for the benefit of an employee's partner; and (2) a disparate impact does not establish a prima facie violation of this Act. Prohibits: (1) quotas and preferential treatment; and (2) the Equal Employment Opportunity Commission from entering into a consent decree that includes a quota or preferential treatment. Declares that this Act does not apply to: (1) religious organizations (except regarding employment in a position the duties of which pertain solely to activities of the organization that generate unrelated business income subject to taxation under specified Internal Revenue Code provisions); (2) the armed forces; or (3) laws creating special rights or preferences for veterans. Provides for enforcement. Disallows State immunity. Makes the United States or a State liable for all remedies (except punitive damages, with compensatory damages available to the extent specified in certain existing provisions of law) to the same extent as

under specified provisions of the Civil Rights Act of 1964. Allows recovery of attorney's fees. Requires posting notices for employees and applicants.

Bill Summary & Status for the 105th Congress

[NEW SEARCH](#) | [HOME](#) | [HELP](#) | [ABOUT COSPONSORS](#)

H.R.1858

SPONSOR: [Rep Shays](#) (introduced 06/10/97)

RELATED BILLS: [S.869](#)

160 COSPONSORS:

<u>Rep Frank</u> - 06/10/97	<u>Rep Abercrombie</u> - 06/10/97
<u>Rep Ackerman</u> - 06/10/97	<u>Rep Allen</u> - 06/10/97
<u>Rep Andrews</u> - 06/10/97	<u>Rep Baldacci</u> - 06/10/97
<u>Rep Barrett, T.</u> - 06/10/97	<u>Rep Becerra</u> - 06/10/97
<u>Rep Berman</u> - 06/10/97	<u>Rep Blagojevich</u> - 06/10/97
<u>Rep Blumenauer</u> - 06/10/97	<u>Rep Boehlert</u> - 06/10/97
<u>Rep Bonior</u> - 06/10/97	<u>Rep Brown, G.</u> - 06/10/97
<u>Rep Brown, S.</u> - 06/10/97	<u>Rep Campbell, Tom</u> - 06/10/97
<u>Rep Capps, Walter</u> - 06/10/97	<u>Rep Cardin</u> - 06/10/97
<u>Rep Carson</u> - 06/10/97	<u>Rep Christian-Green</u> - 06/10/97
<u>Rep Clay</u> - 06/10/97	<u>Rep Clayton</u> - 06/10/97
<u>Rep Clyburn</u> - 06/10/97	<u>Rep Conyers</u> - 06/10/97
<u>Rep Coyne</u> - 06/10/97	<u>Rep Cummings</u> - 06/10/97
<u>Rep Davis, D.</u> - 06/10/97	<u>Rep DeFazio</u> - 06/10/97
<u>Rep DeGette</u> - 06/10/97	<u>Rep Delahunt</u> - 06/10/97
<u>Rep DeLauro</u> - 06/10/97	<u>Rep Dellums</u> - 06/10/97
<u>Rep Deutsch</u> - 06/10/97	<u>Rep Dicks</u> - 06/10/97
<u>Rep Dixon</u> - 06/10/97	<u>Rep Engel</u> - 06/10/97
<u>Rep Eshoo</u> - 06/10/97	<u>Rep Evans</u> - 06/10/97
<u>Rep Faleomavaega</u> - 06/10/97	<u>Rep Farr</u> - 06/10/97
<u>Rep Fattah</u> - 06/10/97	<u>Rep Fazio</u> - 06/10/97
<u>Rep Filner</u> - 06/10/97	<u>Rep Flake</u> - 06/10/97
<u>Rep Foglietta</u> - 06/10/97	<u>Rep Ford</u> - 06/10/97
<u>Rep Frelinghuysen</u> - 06/10/97	<u>Rep Frost</u> - 06/10/97
<u>Rep Furse</u> - 06/10/97	<u>Rep Gejdenson</u> - 06/10/97
<u>Rep Gephardt</u> - 06/10/97	<u>Rep Gilman</u> - 06/10/97
<u>Rep Gonzalez</u> - 06/10/97	<u>Rep Greenwood</u> - 06/10/97
<u>Rep Gutierrez</u> - 06/10/97	<u>Rep Harman</u> - 06/10/97
<u>Rep Hastings, Alcee</u> - 06/10/97	<u>Rep Hinchey</u> - 06/10/97

Rep Hooley - 06/10/97	Rep Horn - 06/10/97
Rep Hoyer - 06/10/97	Rep Jackson-Lee - 06/10/97
Rep Jackson, Jesse L., Jr. - 06/10/97	Rep Jefferson - 06/10/97
Rep Johnson, E. - 06/10/97	Rep Johnson, N. - 06/10/97
Rep Kelly - 06/10/97	Rep Kennedy, J. - 06/10/97
Rep Kennedy, P. - 06/10/97	Rep Kennelly - 06/10/97
Rep Kildee - 06/10/97	Rep Kilpatrick - 06/10/97
Rep Kind - 06/10/97	Rep Kolbe - 06/10/97
Rep Kucinich - 06/10/97	Rep Lantos - 06/10/97
Rep Leach - 06/10/97	Rep Levin - 06/10/97
Rep Lewis, John - 06/10/97	Rep Lofgren - 06/10/97
Rep Lowey - 06/10/97	Rep Luther - 06/10/97
Rep Maloney, C. - 06/10/97	Rep Maloney, J. - 06/10/97
Rep Markey - 06/10/97	Rep Martinez - 06/10/97
Rep Matsui - 06/10/97	Rep McCarthy, C. - 06/10/97
Rep McCarthy, K. - 06/10/97	Rep McDermott - 06/10/97
Rep McGovern - 06/10/97	Rep McHale - 06/10/97
Rep McKinney - 06/10/97	Rep Meehan - 06/10/97
Rep Meek - 06/10/97	Rep Menendez - 06/10/97
Rep Millender-McDonald - 06/10/97	Rep Miller, G. - 06/10/97
Rep Mink - 06/10/97	Rep Moakley - 06/10/97
Rep Moran, James P. - 06/10/97	Rep Morella - 06/10/97
Rep Nadler - 06/10/97	Rep Neal - 06/10/97
Rep Norton - 06/10/97	Rep Olver - 06/10/97
Rep Owens - 06/10/97	Rep Pallone - 06/10/97
Rep Pascrell - 06/10/97	Rep Pastor - 06/10/97
Rep Payne, D. - 06/10/97	Rep Pelosi - 06/10/97
Rep Rangel - 06/10/97	Rep Reyes - 06/10/97
Rep Rivers - 06/10/97	Rep Rothman - 06/10/97
Rep Roybal-Allard - 06/10/97	Rep Rush - 06/10/97
Rep Sabo - 06/10/97	Rep Sanchez - 06/10/97
Rep Sanders - 06/10/97	Rep Sawyer - 06/10/97
Rep Schumer - 06/10/97	Rep Serrano - 06/10/97
Rep Sherman - 06/10/97	Rep Skaggs - 06/10/97
Rep Slaughter - 06/10/97	Rep Smith, Adam - 06/10/97
Rep Stabenow - 06/10/97	Rep Stark - 06/10/97
Rep Stokes - 06/10/97	Rep Tauscher - 06/10/97
Rep Thompson - 06/10/97	Rep Tierney - 06/10/97

Rep Torres - 06/10/97

Rep Traficant - 06/10/97

Rep Velazquez - 06/10/97

Rep Waters - 06/10/97

Rep Waxman - 06/10/97

Rep Weygand - 06/10/97

Rep Wynn - 06/10/97

Rep Thurman - 06/20/97

Rep Hilliard - 09/08/97

Rep Klink - 11/07/97

Rep McNulty - 01/27/98

Rep Meeks - 03/31/98

Rep Lee, Barbara - 06/22/98

Rep Towns - 06/10/97

Rep Underwood - 06/10/97

Rep Vento - 06/10/97

Rep Watt - 06/10/97

Rep Wexler - 06/10/97

Rep Woolsey - 06/10/97

Rep Yates - 06/10/97

Rep Manton - 07/09/97

Rep Johnson, J. - 09/08/97

Rep Rodriguez - 11/07/97

Rep Hinojosa - 03/10/98

Rep Capps, Lois - 04/21/98

Rep Brady, Robert - 09/25/98

THE WHITE HOUSE

Office of the Press Secretary

207A

For Immediate Release

April 24, 1997

Statement by the President
Employment Non-Discrimination Act

Today, Vice-President Gore and I met with a bi-partisan delegation from Congress, representing the lead House and Senate sponsors of the Employment Non-Discrimination Act ("ENDA") -- an important piece of civil rights legislation which would extend basic employment discrimination protections to gay and lesbian Americans. At our meeting, I underscored my strong support of the bill, which will soon be re-introduced in Congress, and our intention to work hard for its passage.]

As I said in my State of the Union address this January, we must never, ever believe that our diversity is a weakness, for it is our greatest strength. People on every continent can look to us and see the reflection of their own great potential -- and they always will, as long as we strive to give all of our citizens an opportunity to achieve their own greatness. We're not there yet -- and that is why ENDA is so important. It is about the right of each individual in America to be judged on their merits and abilities and to be allowed to contribute to society without facing unfair discrimination on account of sexual orientation. It is about our ongoing fight against bigotry and intolerance, in our country and in our hearts.

I applaud the bi-partisan efforts of Senators Jeffords, Kennedy and Lieberman and Congressmen Shays and Frank to make the Employment Non-Discrimination Act the law. I also thank the members of the Human Rights Campaign and the Leadership Conference on Civil Rights, whose executive directors joined in our meeting, for their early support and hard work on behalf of this bill. It failed to win passage by only one vote in the Senate last year. My Administration worked hard for its passage then and we will continue our efforts until it becomes law.]

Discrimination in employment on the basis of sexual orientation is currently legal in 41 states. Most Americans don't know that men and women in those states may be fired from their jobs solely because of their sexual orientation, even when it has no bearing on their job performance. Those who face this kind of job discrimination have no legal recourse, in either our state or federal courts. This is wrong.

Individuals should not be denied a job on the basis of something that has no relationship to their ability to perform their work. Sadly, as the Senate Labor and Human Resources Committee has documented during hearings held in the last Congress, this kind of job discrimination is not rare.

The Employment Non-Discrimination Act is careful to apply certain exemptions. It provides an exemption for small businesses, the Armed Forces, and religious organizations, including schools and other educational institutions that are substantially controlled or supported by religious organizations. This later provision respects the deeply held religious beliefs of many Americans. The bill specifically prohibits preferential treatment on the basis of sexual orientation, including quotas. It does not require employers to provide special benefits.]

As I indicated when I originally announced my support of this

legislation in October of 1995, the bill in its current form appears to answer all the legitimate objections previously raised against it, while ensuring that Americans, regardless of their sexual orientation, can find and keep their jobs based on their ability and the quality of their work. It is designed to protect the rights of all Americans to participate in the job market without fear of unfair discrimination. I support it and I urge all Americans to do so. And I urge Congress to pass it expeditiously.

-30-30-30-

The legislation would ban discrimination based on sexual orientation in the workplace, extending basic employment protections to gay and lesbian Americans.

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last year

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Bill Summary & Status for the 106th Congress

[NEW SEARCH](#) | [HOME](#) | [HELP](#) | [ABOUT STATUS](#)

H.R.77

SPONSOR: [Rep Jackson-Lee, Sheila](#) (introduced 01/06/99)

STATUS: Detailed Legislative Status

House Actions

Jan 6, 99:

Referred to the House Committee on the Judiciary.

Bill Summary & Status for the 105th Congress

Item 1 of 5000

PREVIOUS BILL | NEXT BILL
NEW SEARCH | HOME | HELP

S.1529

SPONSOR: Sen Kennedy (introduced 11/13/97)

RELATED BILLS: H.R.3081

A bill to enhance Federal enforcement of **hate crimes**, and for other purposes.

All Bill Summary & Status Info (except Bill Text)

Titles

Status:

- Detailed Legislative Status
- Floor/Executive Actions
- Congressional Record Page References

Committees:

- Referral, Reporting, Origin, Subcommittees
- Other Committee Information

Amendments

Subjects

Cosponsors (33)

Summary

Text of Legislation

Bill Summary & Status for the 105th Congress

Item 1 of 5000

PREVIOUS BILL | NEXT BILL**PREVIOUS BILL:COSPONSORS | NEXT BILL:COSPONSORS****NEW SEARCH | HOME | HELP | ABOUT COSPONSORS**

S.1529SPONSOR: Sen Kennedy (introduced 11/13/97)RELATED BILLS: H.R.3081

33 COSPONSORS:

<u>Sen Specter</u> - 11/13/97	<u>Sen Wyden</u> - 11/13/97
<u>Sen Feinstein</u> - 11/13/97	<u>Sen Torricelli</u> - 11/13/97
<u>Sen Johnson</u> - 04/01/98	<u>Sen Moseley-Braun</u> - 04/20/98
<u>Sen Wellstone</u> - 04/20/98	<u>Sen Bumpers</u> - 04/20/98
<u>Sen Durbin</u> - 04/20/98	<u>Sen Murray</u> - 04/20/98
<u>Sen Robb</u> - 04/20/98	<u>Sen Boxer</u> - 04/30/98
<u>Sen Biden</u> - 05/12/98	<u>Sen Mikulski</u> - 05/21/98
<u>Sen Kerry</u> - 06/04/98	<u>Sen Lautenberg</u> - 06/15/98
<u>Sen Inouye</u> - 06/24/98	<u>Sen Jeffords</u> - 07/06/98
<u>Sen Sarbanes</u> - 07/07/98	<u>Sen Akaka</u> - 07/07/98
<u>Sen Harkin</u> - 07/24/98	<u>Sen Levin</u> - 07/27/98
<u>Sen Dodd</u> - 09/01/98	<u>Sen D'Amato</u> - 09/08/98
<u>Sen Reed</u> - 09/24/98	<u>Sen Reid</u> - 10/01/98
<u>Sen Chafee</u> - 10/01/98	<u>Sen Daschle</u> - 10/02/98
<u>Sen Kerrey</u> - 10/05/98	<u>Sen Rockefeller</u> - 10/05/98
<u>Sen Moynihan</u> - 10/14/98	<u>Sen Leahy</u> - 10/15/98
<u>Sen Landrieu</u> - 10/21/98	

Bill Summary & Status for the 105th Congress**Item 37 of 52****PREVIOUS BILL | NEXT BILL****PREVIOUS BILL:COSPONSORS | NEXT BILL:COSPONSORS****NEW SEARCH | HOME | HELP | ABOUT COSPONSORS****H.R.3081**SPONSOR: **Rep Schumer** (introduced 11/13/97)RELATED BILLS: **S.1529****169 COSPONSORS:**

<u>Rep Conyers</u> - 11/13/97	<u>Rep Morella</u> - 11/13/97
<u>Rep McCollum</u> - 11/13/97	<u>Rep Gephardt</u> - 11/13/97
<u>Rep Waxman</u> - 11/13/97	<u>Rep Clement</u> - 11/13/97
<u>Rep Nadler</u> - 11/13/97	<u>Rep Hinchey</u> - 11/13/97
<u>Rep Levin</u> - 11/13/97	<u>Rep Ford</u> - 11/13/97
<u>Rep Meehan</u> - 11/13/97	<u>Rep Dellums</u> - 11/13/97
<u>Rep Engel</u> - 11/13/97	<u>Rep Lewis, John</u> - 11/13/97
<u>Rep Lantos</u> - 11/13/97	<u>Rep Olver</u> - 11/13/97
<u>Rep Lowey</u> - 11/13/97	<u>Rep Romero-Barcelo</u> - 11/13/97
<u>Rep Carson</u> - 11/13/97	<u>Rep Pallone</u> - 11/13/97
<u>Rep Kennelly</u> - 11/13/97	<u>Rep Filner</u> - 11/13/97
<u>Rep Reyes</u> - 11/13/97	<u>Rep Gutierrez</u> - 11/13/97
<u>Rep Hastings, Alcee</u> - 11/13/97	<u>Rep Owens</u> - 11/13/97
<u>Rep Payne, D.</u> - 11/13/97	<u>Rep Mink</u> - 11/13/97
<u>Rep Price</u> - 11/13/97	<u>Rep Roybal-Allard</u> - 11/13/97
<u>Rep Woolsey</u> - 11/13/97	<u>Rep McCarthy, C.</u> - 11/13/97
<u>Rep Baldacci</u> - 01/27/98	<u>Rep Bonior</u> - 01/27/98
<u>Rep Delahunt</u> - 01/27/98	<u>Rep Frank</u> - 01/27/98
<u>Rep Frost</u> - 01/27/98	<u>Rep Green</u> - 01/27/98
<u>Rep Maloney, C.</u> - 01/27/98	<u>Rep Manton</u> - 01/27/98
<u>Rep McDermott</u> - 01/27/98	<u>Rep Norton</u> - 01/27/98
<u>Rep Rivers</u> - 01/27/98	<u>Rep Slaughter</u> - 01/27/98
<u>Rep Stark</u> - 01/27/98	<u>Rep Tauscher</u> - 02/12/98
<u>Rep Sabo</u> - 02/12/98	<u>Rep Wexler</u> - 02/12/98
<u>Rep DeGette</u> - 02/12/98	<u>Rep Rothman</u> - 02/12/98
<u>Rep Blagojevich</u> - 02/12/98	<u>Rep Jackson-Lee</u> - 02/12/98

<u>Rep Lampson</u> - 02/12/98	<u>Rep Velazquez</u> - 02/12/98
<u>Rep Clyburn</u> - 03/19/98	<u>Rep Horn</u> - 03/19/98
<u>Rep Leach</u> - 03/19/98	<u>Rep Foley</u> - 03/19/98
<u>Rep Kleczka</u> - 03/19/98	<u>Rep Kolbe</u> - 03/31/98
<u>Rep Barrett, T.</u> - 03/31/98	<u>Rep Miller, G.</u> - 03/31/98
<u>Rep Pryce</u> - 04/01/98	<u>Rep Boswell</u> - 04/01/98
<u>Rep Ackerman</u> - 04/23/98	<u>Rep McGovern</u> - 04/23/98
<u>Rep Gejdenson</u> - 04/23/98	<u>Rep Eshoo</u> - 04/23/98
<u>Rep Torres</u> - 05/21/98	<u>Rep Rush</u> - 05/21/98
<u>Rep Luther</u> - 05/21/98	<u>Rep Pelosi</u> - 05/21/98
<u>Rep Greenwood</u> - 05/21/98	<u>Rep Cummings</u> - 05/21/98
<u>Rep Moran, James P.</u> - 05/21/98	<u>Rep Jefferson</u> - 05/21/98
<u>Rep Harman</u> - 05/21/98	<u>Rep Kelly</u> - 06/05/98
<u>Rep Jackson, Jesse L., Jr.</u> - 06/05/98	<u>Rep Furse</u> - 06/09/98
<u>Rep Towns</u> - 06/09/98	<u>Rep DeLauro</u> - 06/18/98
<u>Rep Clay</u> - 06/18/98	<u>Rep Lee, Barbara</u> - 06/18/98
<u>Rep Andrews</u> - 06/18/98	<u>Rep Deutsch</u> - 06/18/98
<u>Rep Shays</u> - 06/23/98	<u>Rep Boehlert</u> - 06/23/98
<u>Rep Smith, Adam</u> - 06/23/98	<u>Rep Scott</u> - 06/23/98
<u>Rep Johnson, E.</u> - 06/23/98	<u>Rep Vento</u> - 06/23/98
<u>Rep Markey</u> - 06/23/98	<u>Rep Hilliard</u> - 06/24/98
<u>Rep Rahall</u> - 07/14/98	<u>Rep McCarthy, K.</u> - 07/14/98
<u>Rep Davis, D.</u> - 07/14/98	<u>Rep Martinez</u> - 07/14/98
<u>Rep Sandlin</u> - 07/14/98	<u>Rep Dixon</u> - 07/14/98
<u>Rep Berman</u> - 07/16/98	<u>Rep McKinney</u> - 07/16/98
<u>Rep Brown, S.</u> - 07/21/98	<u>Rep Yates</u> - 07/21/98
<u>Rep Brown, G.</u> - 07/21/98	<u>Rep Christian-Green</u> - 07/21/98
<u>Rep Brady, Robert</u> - 07/21/98	<u>Rep Stokes</u> - 07/21/98
<u>Rep Waters</u> - 07/21/98	<u>Rep Wynn</u> - 07/21/98
<u>Rep Poshard</u> - 07/21/98	<u>Rep Kildee</u> - 07/21/98
<u>Rep Clayton</u> - 07/24/98	<u>Rep Maloney, J.</u> - 07/24/98
<u>Rep Blumenauer</u> - 07/29/98	<u>Rep Stabenow</u> - 07/29/98
<u>Rep Capps, Lois</u> - 08/04/98	<u>Rep Kennedy, P.</u> - 08/04/98
<u>Rep Kilpatrick</u> - 08/04/98	<u>Rep Dicks</u> - 09/10/98
<u>Rep Faleomavaega</u> - 09/10/98	<u>Rep Sherman</u> - 09/10/98
<u>Rep Allen</u> - 09/10/98	<u>Rep Sawyer</u> - 09/10/98
<u>Rep Farr</u> - 09/23/98	<u>Rep Kucinich</u> - 09/23/98
<u>Rep Cardin</u> - 09/23/98	<u>Rep Weygand</u> - 09/28/98

Rep Hooley - 09/28/98

Rep Brown, C. - 09/28/98

Rep Bilbray - 09/28/98

Rep Coyne - 09/28/98

Rep Johnson, N. - 09/28/98

Rep Sanchez - 09/28/98

Rep Meek - 09/28/98

Rep Pascrell - 10/01/98

Rep Quinn - 10/01/98

Rep Thurman - 10/01/98

Rep Johnson, J. - 10/01/98

Rep Abercrombie - 10/01/98

Rep Matsui - 10/01/98

Rep Gilman - 10/01/98

Rep Kennedy, J. - 10/01/98

Rep McNulty - 10/01/98

Rep Hoyer - 10/02/98

Rep Underwood - 10/07/98

Rep Lofgren - 10/15/98

Rep Walsh - 10/20/98

Rep Rodriguez - 10/20/98

Rep Boucher - 09/28/98

Rep Neal - 09/28/98

Rep Tierney - 09/28/98

Rep DeFazio - 09/28/98

Rep Thompson - 09/28/98

Rep Bentsen - 09/28/98

Rep Evans - 10/01/98

Rep Sanders - 10/01/98

Rep Kind - 10/01/98

Rep Frelinghuysen - 10/01/98

Rep Oberstar - 10/01/98

Rep Millender-McDonald - 10/01/98

Rep Moakley - 10/01/98

Rep Becerra - 10/01/98

Rep Pastor - 10/01/98

Rep Fattah - 10/01/98

Rep Rangel - 10/02/98

Rep Forbes - 10/15/98

Rep Menendez - 10/15/98

Rep Franks, B. - 10/20/98

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 10, 1997

*Hate
crimes*

THE WHITE HOUSE CONFERENCE ON HATE CRIMES

November 10, 1997

Today, the President will convene the first-ever White House Conference on Hate Crimes, a day-long event to be held at The George Washington University. At the Conference, the President will announce new law enforcement and prevention initiatives that draw the line further on hate crimes. The Conference will examine the positive actions that communities are taking and outline the steps we all can take to prevent hate crimes.

A hate crime is the embodiment of intolerance -- an act of violence against a person or property based on the victim's race, color, gender, national origin, religion, sexual orientation or disability. Every year, thousands of Americans are victims of hate crimes and it is suspected that many more go unreported. Teenagers and young adults account for a significant proportion of the country's hate crimes, both as perpetrators and victims. Every time one of these crimes is committed it creates tension and fear, and tears at the fabric of community life.

Today's Conference is an important element of the President's Initiative on Race and of his vision for One America. Members of the President's Advisory Board on Race will participate in the Conference at satellite locations across the country.

Attached please find summary of the new policy initiatives along with a list of Clinton Administration accomplishments that draw the line against hate crimes.

PRESIDENT CLINTON ANNOUNCES NEW LAW ENFORCEMENT AND EDUCATIONAL INITIATIVES TO COMBAT HATE CRIMES
November 10, 1997

President Clinton today convened a White House Conference on Hate Crimes to call national attention to the problem of hate crimes, highlight effective law enforcement and educational strategies, and announce new federal initiatives to prevent and punish hate crimes. The initiatives focus on: expanding federal hate crimes legislation; ensuring effective and coordinated enforcement of hate crimes laws; promoting improved collection of data on hate crimes; and educating the public -- especially youth -- about the harm caused by hate crimes.

Ensuring Effective and Coordinated Enforcement of Hate Crimes Law

Creating a Network of Local Hate Crime Working Groups. The President announced that each U.S. Attorney in the United States will establish a local hate crimes working group in his or her district. These working groups -- essentially federal-state-local partnerships -- will include representation from the U.S. Attorney's office, the FBI, state and local law enforcement and prosecutors' offices, educators, and community groups. The groups will ensure close coordination on hate crimes investigations and prosecutions among responsible law enforcement agencies; promote training of police, investigators, and prosecutors in identifying and dealing with hate crimes; encourage

victims to report hate crimes; and educate the public about the harm they cause. A National Hate Crimes Working Group, located at the Department of Justice in Washington, D.C., will coordinate the work of all working groups across the country and distribute, on an ongoing basis, information on promising practices.

Additional FBI Agents and Federal Prosecutors for Hate Crimes Enforcement. The President announced that the Justice Department will add upwards of 50 FBI agents and federal prosecutors to enforce hate crimes laws. This addition will more than double the number of federal agents and prosecutors currently assigned to work in this area.

Hate Crimes Training for Law Enforcement. The President announced the development of a model training curriculum on hate crimes for investigators and other law enforcement officials. In addition to using these materials to train federal law enforcement agents and prosecutors, the Justice Department will make these materials available to local and state law enforcement training centers.

Make Them Pay Initiative. The President announced an initiative to assist victims of housing-related hate crimes to seek monetary remedies from the perpetrators. The Department of Housing and Urban Development will act to increase the size of penalties payable by perpetrators of housing-related hate crimes. Additionally, HUD and the Department of Justice will assist the victims of such crimes to bring actions to collect these penalties.

Expanding Federal Hate Crimes Law

The President announced his support for new federal legislation, which will soon be introduced by Senators Kennedy and Specter, to expand the principal federal hate crimes statute. The current statute prohibits any use of force that is based on a person's race, color, religion, or national origin and that is intended to interfere with certain specified federally protected activities. The proposed legislation would make illegal any act of force based on these prohibited characteristics and leading to bodily injury, even if the act did not interfere with federally protected activities. Further, the proposed legislation would prohibit any hate crime causing bodily injury that is based on sexual orientation, gender, or disability, as long as there is a connection with interstate commerce.

Improving Data on Hate Crimes

The President announced plans to add questions about hate crimes to the National Crime Victimization Survey (NCVS), an annual survey conducted by the Department of Justice's Bureau of Justice Statistics, to measure levels of crime through a national sampling of victims of crime. This measure will bring hate crimes into line with other crimes for purposes of data collection. Expanded questioning regarding hate crimes will also be a part of a pilot project to take place next spring to improve the NCVS.

Educating Our Children About Hate Crimes

The President announced that the Departments of Justice and Education will distribute to every school district in the country a manual for educators that encourages schools to confront hate-motivated behavior among students; promotes development of comprehensive responses to prejudice and violence; and makes educators aware of resources that can be used for this purpose. The President also announced the creation of a new Department of Justice website called Hateful Acts Hurt Kids,

which is designed to address prejudice, discrimination, and related issues in an interactive, graphic format for children in kindergarten through fifth grade, as well as for parents and teachers.

The Clinton Administration: Drawing a line against hate crimes

The Clinton Administration: Fighting Hate in Our Communities

In Richland, Mississippi, four members of a neo-Nazi skinhead organization pled guilty to conspiracy and interfering with the housing rights of an interracial couple by throwing a molotov cocktail at their trailer home.

Three defendants, one of whom is a racist skinhead and a member of the white supremacist group South Bay Nazi Youth, were convicted of a civil rights conspiracy after they drove through the streets of Lubbock, Texas, hunting African-American men, luring them to the conspirators' car, and shooting the men at close range with a short-barreled shotgun. One victim died, one was seriously wounded in the face, and another had a finger blown off.

In Livingston, Texas, six defendants pled guilty to civil rights charges for beating randomly selected African-American men with a rifle and a rodeo belt buckle, and punching them repeatedly as they tried to escape. The defendants had been angered at seeing other black men in the presence of white women.

In Livermore Falls, Maine, two defendants pled guilty to civil right charges after firing shots at a Latino victims' fleeing car, wounding one victim in the arm.

[Source: Department of Justice, Civil Rights Division, 10/97]

Fighting Hate Crimes Through Tough Law Enforcement:

Vigorously Prosecuting Hate Crimes Under the Civil Rights Statutes. Several federal statutes provide jurisdiction to prosecute hate crimes --crimes where the perpetrator selects the victim on the basis of certain characteristics such as race, color, religion, and national origin. Since 1989, over 500 defendants in more than half of the 50 states have been convicted on federal criminal civil rights charges for interfering with various federally protected rights of minority victims. Virtually all defendants charged in these cases have been convicted. President Clinton's Justice Department has vigorously prosecuted hate crime incidents, including where the defendants were members of organized hate groups, such as the Ku Klux Klan and various skinhead gangs.

Enhanced Penalties For Hate Crimes. As part of the historic 1994 Crime Act, the President signed the Hate Crimes Sentencing Enhancement Act which provides for longer sentences where the offense is determined to be a hate crime. In 1996 alone, 27 cases received enhanced sentences.

The Bureau of Alcohol, Tobacco and Firearms (ATF) Provides Expertise in Arson and Explosives Investigations to Help Fight Hate Crimes Throughout America. While enforcing explosives and arson laws over which it has jurisdiction, ATF has participated in the investigations of bombing and arson incidents triggered by animus against characteristics such as race and sexual orientation. The ATF, for example, has investigated the bombing of predominantly gay bars and nightclubs. Sensible Gun Regulation Helps Stem the Flow Of Firearms that Can Fuel Hate Group Activity. Many organized hate groups use guns to carry out violent offenses covered by hate crime statutes. Treasury

bureaus work to intercept gun shipments into the U.S. and to regulate the illegal sale and possession of firearms by potential perpetrators of hate crimes and other offenses.

Prosecuting Hate Crimes Aimed At Our Houses of Worship:

Fighting Hate Crimes Aimed at Houses of Worship. The President fought for and signed the Church Arson Prevention Act of 1996, which facilitates prosecutions of racially motivated arsons and other acts of desecration against houses of worship.

Creating the National Church Arson Task Force. President Clinton established the National Church Arson Task Force (NCATF) in June 1996 to oversee the investigation and prosecution of arsons at houses of worship around the country. The NCATF has brought together the FBI, ATF, and Justice Department prosecutors in partnership with state and local law enforcement officers and prosecutors. Well over 200 ATF and FBI investigators have been deployed in these investigations. In addition, the NCATF has coordinated with other agencies, such as the Federal Emergency Management Agency and the Department of Housing and Urban Development, in the federal government's efforts to promote arson prevention and provide resources for church rebuilding.

Many of the 508 incidents investigated by NCATF have been solved, mainly by a combination of federal and state arrests and prosecutions. Since January 1995, there have been 240 arrests and over 100 convictions, including the first convictions under the Church Arson Prevention Act. This rate of arrest (35%) for crimes that may have been motivated by hate or bias is more than double the 16% rate of arrest for arsons in general.

Working with Communities Against Hate:

Bringing Communities Together to Fight Hate. The Department of Justice's Community Relations Service often becomes involved when a hate crime incident threatens harmonious racial and ethnic relations in a community. The Service uses mediation to provide representatives of community groups and local governments with an impartial forum to restore stability through dialogue and discussion. It conducts training conferences on how to prevent and respond to hate crimes for state and local law enforcement and agencies, academic institutions, and civic, business, and community organizations.

Focusing on Youth Attitudes that Create Hate Crimes. The Department of Education is supporting efforts at the local level to develop and implement innovative and effective strategies for preventing hate crimes, including funding programs aimed at reducing violent, hate-motivated behavior among youth.

Understanding the Problem of Hate Crimes:

Gathering Information on the National Scope of the Problem. The FBI Uniform Crime Report collects the only national data on hate crimes through the Uniform Crime Reporting (UCR) Program. In 1996, 11,355 law enforcement agencies, representing 84% of the nation's population, participated in the FBI's data collection efforts. These departments reported 8,759 incidents of hate crimes in 1996.

Studying Hate Crimes: The National Institute of Mental Health (NIMH) has funded the first large-scale study of the mental health consequences of hate crimes, focusing on anti-gay hate crimes. The preliminary findings of this research are that hate crimes have more serious psychological effects on victims than do non-bias motivated, but otherwise similar crimes. The study also provides information about the

prevalence of anti-gay hate crimes and the rate at which these crimes are reported to the police.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 10, 1998

STATEMENT BY THE PRESIDENT

I was deeply grieved by the act of violence perpetrated against Matthew Shepard of Wyoming.

The Justice Department has assured me that local law enforcement officials are proceeding diligently to bring those responsible to justice. And I am determined that we will do everything we can and offer whatever assistance is appropriate.

Hillary and I ask that your thoughts and your prayers be with Mr. Shepard and his family, and with the people of Laramie, Wyoming. In the face of this terrible act of violence, they are joining together to demonstrate that an act of evil like this is not what our country is all about. In fact it strikes at the very heart of what it means to be an American and at the values that define us as a Nation. We must all reaffirm that we will not tolerate this.

Just this year there have been a number of recent tragedies across our country that involve hate crimes. The vicious murder of James Byrd last June in Jasper, Texas and the assault this week on Mr. Shepard are only among the most horrifying examples.

Almost one year ago I proposed that Congress enact the Hate Crimes Prevention Act. Our Federal laws already punish some crimes committed against people on the basis of race or religion or national origin, but we should do more. This crucial legislation would strengthen and expand the ability of the Justice Department to prosecute hate crimes by removing needless jurisdictional requirements for existing crimes and by giving Federal prosecutors the power to prosecute hate crimes committed because of the victim's sexual orientation, gender, or disability. All Americans deserve protection from hate.

There is nothing more important to the future of this country than our standing together against intolerance, prejudice, and violent bigotry. It is not too late for Congress to take action before they adjourn and pass The Hate Crimes Prevention Act. By doing so they will help make all Americans more safe and secure.

30-30-30

THE WHITE HOUSE
Office of Communications

The Clinton-Gore Administration
A Record of Progress for Gay and Lesbian Americans

October 1998

"[W]e have to make sure that for every single person in our country -- all Americans means all Americans."

-- President Clinton, November 8, 1997

"It is time for all Americans to recognize that the issues that face gays and lesbians in this country are not narrow, special interests -- they are matters of basic human and civil rights."

-- Vice President Gore, September 15, 1997

Working for Basic Fairness and Against Hate

Fighting For Hate Crimes Legislation. Last year, the President announced his sponsorship of the Hate Crimes Prevention Act during the historic White House Conference on Hate Crimes. This crucial legislation would strengthen and expand the ability of the Justice Department to prosecute hate crimes by removing needless jurisdictional requirements for existing crimes. And it would give Federal prosecutors the power to prosecute hate crimes committed because of the victim's sexual orientation, gender or disability.

The President and Vice President continue to push Congress to pass this important legislation and to speak out against hate. As the Vice President said on September 19, 1998: "If we allow even a small number of Americans to harbor and act upon malice and intolerance, we all feel the bitter sting of injustice. Let us send a clear message to those would commit crimes of hate: it is wrong, it is illegal, and we will punish you with the full force of our laws... Crimes of hate against all people -- including gays and lesbians -- should carry a punishment that is swift and severe."

Additionally, as part of the 1994 Crime Act, President Clinton signed the Hate Crimes Sentencing Enhancement Act, providing for longer sentences where the offense is determined to be a hate crime based on sexual orientation.

Ending Discrimination Against Gays and Lesbians in the Federal Civilian Workforce. President Clinton issued an Executive Order prohibiting discrimination based on sexual orientation in the Federal civilian workforce. This makes the Federal Government the largest employer in the world (1.8 million civilian employees) with a non-discrimination policy covering sexual orientation. And the President, working with a bipartisan coalition in the House of Representatives, successfully defeated an attempt to overturn this policy. The President also issued an Executive Order mandating that security clearances no longer be denied based on sexual orientation.

Endorsing Legislation that Outlaws Discrimination in the Workplace. President Clinton and Vice President Gore endorsed and are fighting for passage of the Employment Non Discrimination Act, a bill outlawing

discrimination in hiring, firing and promotions based on sexual orientation. This makes them the first U.S. President and Vice President ever to back civil rights legislation for gays and lesbians. The legislation would ban discrimination based on sexual orientation in the workplace, extending basic employment protections to gay and lesbian Americans.

Standing Up for Basic Fairness. President Clinton blocked Republican efforts to pass legislation prohibiting unmarried couples from jointly adopting children in the District of Columbia and legislation which would have denied certain Federal funds to localities with domestic partnership laws.

Working to Stop Discrimination Against People With AIDS. President Clinton directed the Justice Department and the Equal Employment Opportunity Commission to vigorously prosecute those who discriminate against people with AIDS, leading to actions against health care providers and facilities that violate the Americans with Disabilities Act.

Opposing Anti-Gay Ballot Initiatives. President Clinton strongly opposed anti-gay ballot initiatives in Colorado and Oregon. His two nominees to the Supreme Court voted to overturn Colorado's Amendment 2, declaring such initiatives unconstitutional violations of the Equal Protection clause of the Constitution.

Fighting Discrimination Against People with AIDS in the Military. President Clinton successfully fought for the repeal of the Dornan amendment, which required the expulsion of all HIV-positive military service members regardless of their ability to do their jobs. Prior to its repeal, President Clinton took the highly unusual step of unilaterally declaring the law unconstitutional and instructing the Department of Justice not to defend it in court, becoming the first president since Franklin Roosevelt to take such action.

Helping Those Fleeing Persecution Because of Their Sexual Orientation. President Clinton's Administration is the first ever to grant asylum for gays and lesbians facing persecution in other countries. The President sent gay human rights activist Keith Boykin to Zimbabwe as part of an official United States delegation. Mr. Boykin investigated human rights abuses of gays and lesbians there.

Banning Insurance Discrimination. President Clinton fought for and signed the Kennedy-Kassebaum Health Insurance Portability and Accountability Act, which bans insurance discrimination against people with pre-existing medical conditions including HIV/AIDS. In addition, President Clinton issued a directive that ensures that all providers of Federal health insurance abide by non-discrimination rules including sexual orientation.

Fighting Harassment of Students Based on Sexual Orientation. President Clinton's Department of Education has issued landmark guidance that explains Federal standards against sexual harassment and that prohibits sexual harassment of all students regardless of their sexual orientation.

An Administration that Includes All Americans

President Clinton Has Created an Administration That Is Highly Talented and the Most Inclusive Administration in History. President Clinton is the first President to appoint an openly gay or lesbian person to an Administration post. The President has appointed more than 150 openly gay and lesbian appointees, including:

- Virginia Apuzzo, Assistant to the President for Management and Administration, the highest ranking openly gay or lesbian person ever to serve in the Federal Government and the first openly gay or lesbian Assistant to the President;
- Director of the U.S. Patent and Trademark Office Bruce Lehman, the first openly gay man to be confirmed by the U.S. Senate;
- Fred Hochberg, Deputy Administrator of the Small Business Administration, the first openly gay person to be appointed Deputy in a U.S. cabinet-level agency;
- Assistant Secretary of Housing and Urban Development Roberta Achtenberg, who served in this position from 1993 to 1995;
- Gail Shibley, the Director of External Communications for the Federal Highway Administration;
- The President has also nominated, and continues to fight for, James Hormel to be U.S. Ambassador to Luxembourg -- if confirmed he would be the first-ever openly gay United States ambassador.

Reaching Out to All Communities. This Administration is committed to a policy of inclusion. President Clinton named the first Presidential Liaison to the gay and lesbian community, Marsha Scott. Later, he named the first openly gay senior policy adviser on civil rights issues, Richard Socarides. President Clinton became the first sitting president to speak before a gay and lesbian organization on November 8, 1997, when he delivered the keynote address to the Human Rights Campaign National Dinner. In September 1997, the Vice President addressed the National Gay and Lesbian Task Force, the first Vice President to speak at a gay rights event. This year, the Vice President spoke before the Human Rights Campaign in Washington, D.C., and the Empire State Pride Agenda in New York City. Both the President and the Vice President regularly meet with gay and lesbian leaders.

Improving Health Care Quality and Increasing Access

Providing National Leadership. President Clinton has worked hard to invigorate the response to HIV and AIDS, providing new national leadership, substantially greater resources and a closer working relationship with affected communities. Funding for AIDS research has increased by over 65 percent, and funding for HIV prevention has increased 34 percent. Funding for the Ryan White CARE Act has increased by over 240 percent. Although much work remains to find a cure, progress has been made. In 1996, the first time in the history of the AIDS epidemic, the number of Americans diagnosed with AIDS declined. And between 1996 and 1997, HIV/AIDS mortality declined 47 percent, falling from the leading cause of death among 25-44 year olds in 1995 to the fifth leading cause of death in that age group. There has been a decline in the number of AIDS cases overall and a sharp decline in new AIDS cases in infants and children.

Protecting Medicaid and Social Security Coverage. The President fought for and won the preservation of the Medicaid guarantee of coverage which serves more than 50 percent of people living with AIDS -- and 92% of children with AIDS -- who rely on Medicaid for health coverage. He also revised eligibility rules for Social Security Disability Insurance to increase the number of HIV+ persons who qualify for benefits.

Focusing National Efforts on an AIDS Vaccine. On May 18, 1997, the President challenged the nation to develop an AIDS vaccine within the next ten years. He announced a number of initiatives to help

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 15, 1998

REMARKS BY THE PRESIDENT
AT WHITE HOUSE CONFERENCE ON SCHOOL SAFETY

The East Room

1:28 P.M. EDT

THE PRESIDENT: Thank you. Your kindness is interfering with my determination to stay on schedule. (Laughter.) But thank you very much. I want to thank Secretary Riley and Attorney General Reno for their devotion and consistent work on this matter. I thank the Vice President. He and Hillary and I are delighted to have all of you here at the White House today, and the many, many people all across America who are joining us, thanks to the technological revolution.

I thank the members of Congress who are here. And, Governor, thank you for coming -- and the mayors and the other members of the administration, and all the distinguished citizens who are here. Our good friend, Edward James Olmos, thank you for being here.

I saw a survey, a public opinion survey a few months ago that asked the American people what they thought the most important story of the first six months of 1998 was, and dwarfing everything else was the concern our people had for the children who were killed in their schools. And I think that your presence here and the number of people who are involved all across America, the quality of the panelists and, indeed, the courage of many of them -- the mother of one of the children killed at Jonesboro, Arkansas, in my home state, was on the morning panel with Hillary -- this is truly a moving thing. And it's a very important thing for our country.

You know, when I leave here -- and I hope I don't have to leave before this panel is over, but I think all of you know that we have been able to put together a conference for several days, a meeting between the Prime Minister of Israel and the Chairman of the PLO in our attempts to make the next big step toward peace in the Middle East. And I got to thinking about it on the way over here today, as I was walking over from the Oval Office, and all the things I'm trying to get these people to lay down and get over and give up, so they can go on with their children's future, so that we can stop innocent children from being killed in the place in the world that is the home of the world's three great monotheistic religions.

It's all a part of our attempt not to give up on anybody and not to permit hatred or anger to destroy even one child's life anywhere. And if we're going to do that elsewhere in the world, to try to be a force for good, then we have to be as good as we can here at home. And all of you are trying to help us achieve that, and I'm very, very grateful to you.

Because this is the only chance I'll have to do it today, and because all of you care so much about education, I'd like to just take a moment to talk about where these budget negotiations are on Capitol Hill. They're about to concluded, I hope -- they've certainly gone on

long enough. But we're not quite there yet. However, even though there are still points outstanding, I believe we'll succeed. And as the Vice President said, one thing we know already, we know that now this budget will reflect a major commitment to education and to the future of our children.

I am very pleased it will make the first installment on our plan to hire 100,000 new teachers. (Applause.) You heard the Vice President's catalogue of the class size issue, but the Secretary of Education tells me that we haven't fully grasped it because, unlike the baby boom, we think that this increase in our children will go on more or less indefinitely, and we've got a lot of very fine teachers in the classroom who will be retiring in the next few years. So this is a huge challenge for us.

The United States has never before done anything like this. And there were a lot of people who honestly thought I was wrong to fight for this or they disagreed with me, but it seems to me that we had enough experience when we put 100,000 police on the street. I was told the United States had never done anything like that before. We didn't have anything to do with telling the cities where the police should go, but the results have been pretty satisfactory. And everywhere I go, someone mentions it to me.

If it worked there and we have crime at a 25-year low, how much more important is it to put the children in the classroom? And this will make a major down payment toward our goal of an average class size of 18 in the early grades -- very different from what has been reported.

And I should also say that when the Attorney General and the Secretary of Education went out across the country in the wake of all of these school shootings, and they met with educators and they met with people talking about how we can prevent these things from happening in the first place, one of the things that they were told was, get us small classes in the early grades so that we can get to know these children, find out the ones who obviously have got some serious problems, and try to get them the help they need before their lives and others' are irrevocably changed. So this is a very, very good day for the United States.

There were some other very important educational initiatives that will be fully supported -- our child literacy drive, to make sure every child can read independently by the end of the 3rd grade; our college mentoring drive to help lower-income students prepare for college and to be able to tell every one of them what kind of financial aid they'll get if they stay in school and learn their lessons and stay out of trouble.

It increases support for Head Start, expands the number of innovative charter schools. There are now 1,000 of those schools in America; there was one when I became President, and there will be 3,000 before we're done in 2000.

We will provide for half a million summer jobs for our young people, a program that many had sought to eliminate. It will provide for after-school programs for a quarter million young people. And I think we all know how important that is.

I'm very, very grateful for the strong support I have received from the members of my party in the Congress to turn away attempts to actually cut funds from our public schools and instead to renew our historic commitment to them, to more and better-trained teachers, to smaller classes, to hooking up all those classrooms to the Internet by the year 2000, for extra support for children who need it, for accountability and choice.

This is what I mean by putting partisanship behind progress, by putting people ahead of politics. And I am grateful to all those in both parties who are responsible for pulling this agreement together.

There's still a lot to be done. A lot of these teachers we'll hire will have to hold class in trailers or hallways, or crowded or crumbling classrooms. I proposed in the State of the Union a targeted tax cut for school modernization that was fully paid for, wouldn't take a dime from the surplus, won't create a single new federal bureaucracy, but it will lower the cost of building these buildings. It could mean as much as 300 new schools in Florida alone next year.

If our children are learning in trailers and schools with broken windows and where the wiring won't even permit them to be hooked up to computers, then we're not getting them ready for the 21st century. So I do want to say, while I am profoundly grateful for the 100,000 teachers, I am determined to see that we finish the job next year in the next Congress. (Applause.)

Now, I also want to thank the First Lady for her role in this conference. We've been at this a long time. In 1983, when I was governor of our state, I asked Hillary to chair a commission on school standards, and one of the things that we fought hardest for, that was very controversial at the time, was to have a class size limit of 20 in the early grades. And 15 years ago, it was a hard fight, and we got it. And I haven't checked the numbers yet, but I bet, given the growth in population in our schools, they're being swamped and hard-pressed to meet it. And we really believe that making this a national goal and sticking with it will pay major, major benefits to our children all across the country.

Let me also say what I've already said a little bit of. The American people -- if I had been polled, I would have been right there with them. I think that all of us were shocked by the violence we saw in Springfield and Paducah and Jonesboro and Edinboro and Pearl. I think we're still disturbed when we see the sights of metal detectors in school doorways or see gangs of young people who are on the streets when they ought to be in the halls of their schools.

We know that there are still some schools where children are afraid to go to school. And doing something about school violence, therefore, is very important, but also we have to understand the nature, the magnitude of the problem. Why do some teenagers from some troubled backgrounds pick up guns and open fire on their classmates? Why do some teenagers who don't appear to have trouble at home do the same thing? What is at the bottom of this and what can we really do?

You know, I have to say this -- and I'm not blaming anybody because I've done it myself, so I will posit the fact that I have done this -- but when people are in elected office and they hear about a problem like this, and they know the people they're doing their best to represent are afraid, the first impulse is always to say, well, if we just punish them a little harder and a little faster and kept them a little longer, everything would be all right. Now, the truth is that some people are so far gone and what they have done is so heinous that that is the appropriate thing to do. But I have never met a police officer in my life who believed that we could punish our way out of our social problems without other appropriate actions -- not one time. And I think we're all here because we believe in a good society we would stop more bad things from happening in the first place.

The report that's being released today tells us that the vast majority of our schools are safe, that the majority of our children are learning in peace and security. But it also tells us that in too many schools students feel unsafe. Even if they're not, if they feel unsafe

it's going to have a huge detrimental impact on their ability to learn and grow and relate to their fellow students in an appropriate way.

In too many schools, there is still too much disrespect for authority and still too much intolerance of other students from different backgrounds. Our schools, all of them, must be sanctuaries of safety and civility and respect.

Now, here are some things that I think we can do to help you meet the challenge. First, in the schools with the biggest violence problems, security has to be the top priority. Today, I am pleased to announce a new \$65-million initiative to help schools hire and train 2,000 new community police and school resource officers to work closely with principals and teachers and parents and the students, themselves, to develop antiviolence and antidrug plans, based on the actual needs of individual schools. Community policing has helped to make our streets safe; it can work for our schools, too.

I'm also very pleased that Congressman Jim Maloney of Connecticut has sponsored a bill to help schools use the funds available for hiring the community police officers to hire officers to work with the schools. This bill was passed by the House and Senate and it will get up here to me in a day or two and I'll look forward to signing it into law.

Second, we have to help schools recognize the early warning signs of violence and to respond to violence when it does strike. Today, I want to tell you that soon I will be sending to Congress a plan to create a School Emergency Response to Violence, the SERV Program, that will work just as FEMA does when it responds to natural disasters. Project SERV will travel to where the trouble is and help communities respond quickly to school violence, from helping schools to meet increased security needs, to providing emergency and longer-term mental health crisis counseling for students, faculty and their families.

Now, let me just say a word here of appreciation to somebody who is not here, to Tipper Gore, who, once she became 50, fell victim to the Vice President and my propensity for leg injuries -- (laughter) -- but, you know, more than any other person in America since we've been here in the White House, she has tried to elevate the importance of proper mental health care and the fundamental dignity of it. And I think that we have got to, all of us, keep working until we remove any last vestige of stigma that attaches to getting treatment for children who have troubling mental problems. We know that most of them, the vast majority of them, can be treated successfully. And we know that it is not a cause for shame or denial among families. And we have to keep working on that. And all of you, I ask you to join Tipper Gore and others who understand this and try to make that a part of our approach to this issue as well.

Third, we can't stop the prevention efforts at the schoolhouse door. As I said, the budget agreement we reached today will double or more the after-school programs that keep young people safe after the bell rings. But if young people leave the safe school and enter an unsafe community, they're in trouble.

Today we want to announce two new steps to help them meet that challenge. Our Safe Schools-Safe Communities initiative will help 10 targeted communities develop plans to reduce youth violence and drug use in and out of school -- not only more police, but after-school programs, mentoring, counseling, conflict resolution, mental health services, and more. We wanted to put together in at least 10 places that don't have it now, a truly comprehensive approach.

I'm also pleased to announce that in response to constructive criticism and suggestions from many members of Congress and educators

and community leaders across this country, we're going to overhaul our Safe and Drug-Free Schools program, which we have dramatically increased in the last few years, to require schools who get the funds to establish tough, but fair discipline rules; to put in place proven drug prevention strategies; to issue yearly school safety and drug use report cards to measure their own progress. These methods have worked so well in cities like Boston, they can work around the country, and it will guarantee that the money that's being spent will actually achieve the results that it's been appropriated to achieve.

Fourth, we have to expect more from young people themselves. Given the facts, the resources, the encouragement, almost all of them will do the right thing. This year we launched a huge media campaign to tell young people that drugs are wrong, illegal and can kill you. Now we have to tell them they, too, have responsibilities to prevent youth violence, to help their fellow students who are violence prone, to report trouble signs they see and try to help kids get the help they need.

I am pleased that MTV is going to work with us to launch a new campaign to encourage people to become mentors -- young people -- to help their peers resolve their conflicts peacefully. And, again, I'm very grateful and I'd like for all of you to join me in thanking MTV for their willingness to invest in this important endeavor. (Applause.)

Lastly -- I've spoken a little longer than I meant to because I wanted to really hear the panelists, but I return to the theme on which I began and what I will do when I leave here in working for the peace process in the Middle East. We have got to do more to teach our young people to have tolerance and respect for one another; to understand the rich and only superficial dichotomy that the more we appreciate each other's diversity, the more we reaffirm the fundamental core values and existence we have in common.

The recent death of young Matthew Shepard in Wyoming makes it all too clear to us that violence still can be motivated by prejudice and hatred. Yes, we do need a new hate crimes law. And I have directed the Education Department Civil Office to step up its enforcement to stop discrimination and harassment against students. But, again, ultimately, we have to be reconciled to one another. We have to believe in one another's fundamental humanity and equal right to be here and to become whatever they can become.

And I hope that all of us -- the young people of this country, because our school population is more diverse than ever before, and because to some extent they are unburdened by some of the problems that their parents and grandparents grew up with, can go either way with this issue. If they become the victims of a kind of a current climate of prejudice and bigotry and a sense of opposition and isolation, because of our increasing diversity it could wreak total havoc in this country, in a way that we can't even imagine and even couldn't have imagined in the old days of the civil rights years. But if they do what they will do left to their own better selves, then the increasing diversity of America is something that will guarantee us renewed strength, unparalleled opportunities in the 21st century world.

So I don't think we should forget that, either. In the end, the human heart still counts for quite a great deal, and we ought to bring out the best in all the ones we can.

Now, I would like to start the program -- and I'm going to sit down to do it -- and I'd like to begin with Mr. Kent, Jamonn Kent, who is the Superintendent of the Springfield, Oregon, public schools, that I had the honor the visit after the terrible incident there. And because we're running a little late, I'm going to do something a little bit

unconventional. I'm going to call on the all the panelists to make their remarks and then open for questions, starting with Mr. Kent. (Applause.)

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THE PRESIDENT: I don't want to violate my own rule, so I won't ask a question, but I do want to highlight one thing he said, because if it resonates with your experience, then we need your feedback to the Attorney General and to the Secretary of Education, ultimately to the Congress.

We now have a national policy of zero tolerance for guns in schools. Last year, I believe the number of -- the Secretary of Education can correct me if I make a mistake -- last year, I believe there were 6,000 children who were found -- students who were found with guns. Guns were taken, and they were sent home. This actually happened in Oregon to this young man right before he came back the next day and killed the kids.

So the question is what is -- we have to find the constitutional fix here, and then the schools have to have the resources so that you don't just take a gun and expel somebody because there's obviously something going on inside the child that is just as important as the physical manifestation of having the gun. So that was the one thing that they've really done in Springfield, is to sort of spark a nationwide reassessment of what we ought to do with the children besides just send them home.

And they've proposed a period of 72 hours or some sort of period of evaluation, and we're trying to work out the details of it. But if any of you have any thoughts about this, I would ask you to give it to us, because that's a very clear issue that was raised in the Springfield case, that I must confess until I went and talked to them had never occurred to me before.

I'd like to now call on Commissioner Paul Evans, the Police Commissioner from Boston who led Boston's innovative operation Cease-fire. I spent a half a day up there with the Mayor and the Commissioner and others several months ago. And many of you know that Boston went for over two years without having a single child under 18 killed by a gun. That's astonishing. (Applause.)

And so I would like for Commissioner Evans to make whatever remarks he'd like to make on this subject.

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THE PRESIDENT: I would like to make one brief observation about what the Commissioner said, because I have spent a great deal of time in Boston -- and I don't want to single them out in derogation of the astonishing efforts that have been made elsewhere, many of which have already been featured. But the thing that strikes me -- it struck me when I spent a day up there and I met with -- the Mayor's got a nun who represents him, who has this youth council for the city. The city has its own youth council, like others have the city council. But the thing that struck me about Boston is they do things that seem obvious when you hear about them, but a lot of people don't do it. The systematic contact that they have in a personal, one-to-one way, with a huge percentage of the young people in their cities is quite astonishing.

And if somebody asked me, in a sentence, why have they been so successful, I would say they mobilize in a systematic way a consistent contact with a huge percentage of the young people. The idea of, you know, well, we hear we're going to have a gang problem in middle school,

why don't we go interview the customers. You know, if you were running a business that's exactly what you'd do. But I think they deserve a lot of appreciation, but also a lot of modeling for that.

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THE PRESIDENT: I have two brief things to say. First of all, don't you feel better knowing that there are people like her in the classrooms of America? (Applause.)

And second, I want to thank you for what you said about school uniforms. When Secretary Riley and I set out to promote school uniforms around the country, there were some here in Washington who derided this as one of those "little ideas" that we were constantly harping on. It may be a little idea, but I have never been to a school that had them that didn't think it made a huge difference in the lives of the children there. And so I thank you for giving a boost to that endeavor.

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THE PRESIDENT: First of all, I want to apologize to all of you, and in particular to Mayor Corradini, who made a terrific presentation, according to the First Lady. I got a call -- we just completed our agreement on the budget and the negotiations -- (applause.) In a half hour or so, for the members of the press, we'll have a statement about that.

But let me say, first, I think about Congressman Etheridge, it is -- one of the things that we desperately -- that we need so much in Congress -- Congress works better when there are people in the Congress who have all kinds of different experiences that are relevant. It's an incredible gift that we have a member of the House of Representatives that was actually a state superintendent of public instruction. And the influence he can have on other members and the role he can play in the years ahead I think is virtually limitless just because of the life he lived before he came there. And I'm very grateful for what he said today and for what he's done.

I would also like to thank Mayor Corradini for the report, for the recommendations and for the Best Practices booklet. I think that we need -- every single challenge we've got in this country, we'd be a lot better off if everybody who was working on it issued a Best Practices book, because one of my pet theories is that everybody solved every problem somewhere, but we're not very good at playing copycat when we ought to. So I thank her for that.

The only other thing I want to say, and then I want to turn it over to the Vice President and let him ask a question, is that the mayors recommended new youth counselors, and Bob talked about other kinds of support personnel on security issues. One of the things that we had to fight hardest for in 1983, that Hillary convinced me we ought to do 15 years ago, was to require every elementary school to have a counselor. But 15 years later, it looks like a pretty good decision.

And I think we have to -- with people who have to pay for these things, with the taxpayers and others who may not deal with it, we need to let them know that a well-trained counselor dealing with the kind of challenges these children face is a terrific investment. And I appreciate the recommendation of the mayors and I like forward to following up on them.

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THE PRESIDENT: I would have an elementary school that would have

classes between 15 and 20 in the early grades. I would have a maximum number of kids in the school of about 300. I would have -- and about 1,000 for the high school. I would have the support personnel, I'd have all the teachers trained, and I'd have a parent coordinator that had huge numbers of the parents coming in and out of the schools all the time.

And then I'd try to figure out how to make young people like Liberty the rule rather than the exception. That is -- I was sitting here when she was telling her story -- I was thinking about she got to the Boys and Girls Club, and that's a good thing, but there's a whole bunch of kids that live in the place where she does that didn't get there, and that's not a good thing. And so I think that would mean you'd either have comprehensive before- and after-school programs and summer school programs for the kids on-site, or there would be some system by which the school, in effect, connected every child to responsible adult community groups of some kind that Professor Earles says works so well.

I think those are the things that I would -- I basically believe you've got to have problem-solving mechanisms, but I think the prevention approach is by far the best approach. And I think almost all -- so that's what I would do.

In the high schools, it's more complicated. I'd also have a uniform policy. I think they're very important. I'd be in a community that had a strong antitruancy policy. If I had a violence problem, I'd have a curfew. I'd be interconnected with all of the churches and synagogues and other faith institutions. I would have the school bringing people in in a systematic way, and I would be connected with the police department that would do what the Commissioner explained that they tried to do in Boston.

But I think -- in the high schools, I think that, as I said, I'd make sure that we had programs that would keep every child who needed it, give them all an opportunity to be in the school.

Let me just say one other thing that I think is worth saying. It may have been put on the table while I was out briefly. But twice -- if you read what the mayors say here, twice, they say, they talk about the importance of the arts programs, the music programs, the physical education programs -- not the kids that are on the athletic teams, the other things. I have seen school after school after school all across this country, because of the financial burdens on the schools, have to abandon these programs. And I think it is terrible.

I think that -- basically, all of these people are saying you've got to treat the whole child here, deal with the whole child, deal with the family situation, deal with the community situation. And I just wanted to put in a little plug for that. I think that there are a lot of ways to learn in this life, a lot of ways to communicate in this life, and a lot of ways for people to find greater peace and connection. And I think it's been a terrible setback to American education that so many schools have had to abandon their art programs, their music programs and their physical education programs for the non-team athletes. Anything we can do to advance that I think would also be positive. (Applause.)

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THE PRESIDENT: Let me say, I wish we could stay here another hour, but we have another panel. We don't want to deprive them of the opportunity to make their contributions and to be heard. Perhaps at the

end of that, you could have a more free-flowing question and answer session.

But again, let me thank all of you. And let me ask you to join me in thanking all of our remarkable panelists for their contributions. Thank you. (Applause.)

END

3:00 P.M. EDT

THE WHITE HOUSE

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October 12, 1998

REMARKS BY THE PRESIDENT
AT DSCC/CHARLES SCHUMER RECEPTION

Hilton Hotel
New York, New York

7:40 P.M. EDT

THE PRESIDENT: Thank you very much. What a gift. Thank you. Now you all have us in the right frame of mind. Let me say to all of you, I thank you for the warm welcome. I thank Iris and Jessica and Alison and all of Chuck's and Iris' family for being here. And I thank you for being part of Chuck's family at this important time.

I'm delighted to have the chance to be here with a number of distinguished New Yorkers, and I just want to mention a few. First I'd like to thank Gerry Ferraro and Mark Green for being here and showing their support. (Applause.) It means a great deal to me to see them put the profoundly important issue of this Senate seat first, and their concern for the people of New York first. I'll never forget it, and I hope none of you do as well. (Applause.)

I'd like to welcome City Councilman Tony Weiner, the successor to Chuck Schumer in the United States Congress, for being here. (Applause.) And I don't want of you to forget how terribly important it is to reelect our wonderful State Comptroller, Carl McCall, is also here. Thank you very much, Carl. (Applause.) Our candidate for Attorney General, Eliot Spitzer, who's here -- thank you, Eliot, for being here. (Applause.)

I told Eliot earlier tonight that's the best job I've ever had. (Laughter.) When I was Attorney General, I didn't have to hire people or fire them, appoint people or disappoint them, raise taxes or cut spending, and if I did the first thing unpopular, I could always blame it on the Constitution. (Laughter.) But it really matters who has the job, and I hope you'll help him. Thank you for being here, Eliot.

I'd like to welcome Manhattan borough President Virginia Fields, Assemblyman Roberto Ramirez; and City Councilman Walter McCaffrey and Ken Fisher -- all of them. Thank you all for being here. (Applause.) And I know our state party chair, Judith Hope, is here, and I want to thank her for the wonderful job she's done for New York. (Applause.)

Now, I told Chuck Schumer when he decided to take on this Herculean task that if he ever needed anybody to fill in for him, just to call me and I'd try to do it. (Laughter.) So here I am. (Applause.)

I want to say I've been a little bit amused by some of the things that have been said in this Senate race -- including, apparently, the contention that Mr. Schumer doesn't have a good voting record in the Congress. And I don't see how any Republican could criticize any Democrat for not voting in Congress this year. I mean, this Congress has worked fewer days than any Congress I can remember. It's the first

Congress in 24 years not to pass a budget resolution. And the reason they're still there so close to the election is they blew the nine months before. So nobody in the Republican should be blaming any of the Democrats for what they didn't do. And I hope you'll remember that when you see that ad. (Applause.)

They're showing some real progress now and we're working with them in good faith. But if it weren't for these negotiations, now 11 days after the beginning of the new budget year, if it weren't for the fact that we're still there, finally looking at education and some of the other serious issues before us, this Congress would be known as the one that killed campaign finance reform, that killed the tobacco legislation designed to protect our children from the dangers of tobacco, that killed the patients' bill of rights, that killed the minimum wage, that continued the assault on the environment, that attempted to divert the surplus before we could save Social Security first, and had taken no action to date on either education or the imperative nature of investing in the International Monetary Fund so that our country can continue to lead the world in this time of financial turmoil.

Now, if I were a part of their caucus, I don't believe I would be criticizing someone like Chuck Schumer for not showing up for duty. Let me tell you some of the things he did vote for. In 1993, when a single vote would have turned the tide the other way, Chuck Schumer voted for my economic plan. It reduced the deficit 92 percent, before the Balanced Budget Act -- the bipartisan Balanced Budget Act of 1997 -- 92 percent of the work done. If he had not voted that way, the whole thing would have failed because we didn't have a vote to spare. That's just one of the many issues on which he differed from his opponent, and I think Chuck Schumer was right. And I think you do, too. (Applause.)

We now have the first balanced budget and surplus in 29 years as a direct result of that courageous vote. Then, in 1994, Chuck Schumer authored the Brady Bill, now the Brady law. Now a quarter of a million felons and fugitives have been denied the ability to buy handguns -- a quarter of a million -- saving goodness only knows how many lives. He voted yes; his opponent voted no. So when there really was a vote that mattered, I believe Chuck Schumer was right, and I think the people of New York do, too.

When the vote in 1994 on the crime bill came up, and in the United States Senate there was this incredible effort -- that I never shall forget as long as I live -- by the leadership of the other party, then in the minority in the Senate, to prevent us from getting a vote to put 100,000 police officers on the street, to put the Violence Against Women Act into motion, to ban 19 kinds of assault weapons designed only to kill people, and in the Senate they were doing everything they could to keep it from even coming to a vote -- the assault weapons ban, the 100,000 police, the programs to keep our children out of trouble in the first place, the Violence Against Women Act -- Chuck Schumer was where he always is, out there leading the fight for public safety and civility and decency on our streets and in our neighborhoods and in our schools. And his opponent was on the other side.

So if I had that kind of record I don't believe I'd be criticizing Chuck Schumer for his voting record. Every time it counts, just like today, Chuck Schumer is there to vote for you, for New York, for your children and for the future. And I hope you'll give him a bigger vote in the United States Senate. (Applause.)

I have been increasingly concerned in the last few weeks about what the American people were going to say in this election about our future, about what they would say by not only how they voted, but whether they vote -- because, normally, when times are good -- and to be sure, compared to six years ago, times are good, and I'm grateful for

that and very grateful that the people of New York twice voted to give Al Gore and me a chance to serve our country and to implement our ideas and to work for you. (Applause.) But if you think about this, the lowest crime rate in 25 years. No person in America, I might add, is more responsible, no congressman in the country more responsible than Chuck Schumer. (Applause.) The lowest crime rate in 25 years, the lowest unemployment rate in 28 years, the smallest percentage of people on welfare in 29 years, the first balanced budget and surplus in 29 years, the highest home ownership in history, the lowest African American poverty rate recorded, the biggest drop in Hispanic poverty in 30 years, the biggest rise in wages among average citizens in over 20 years. These are good things. (Applause.) But what are we going to do with them? What are we going to do with them?

I believe, notwithstanding the arguments that are being made in the television wars here that don't really have any underlying merit about the voting record of a congressman, or even the contrast in their voting record that I just gave you, which is meaningful, the most important thing is who's going to do the most to make the most of this moment for our tomorrows. That overshadows everything else.

Because the thing that concerns me is so often when times are good, people say, well, things are going fine and, therefore, we don't want to rock the boat and maybe we don't even need to vote. But here in New York, the financial capital of our country and indeed the world, I think you know enough from seeing what all is going around the world in terms of financial turmoil to know that in a dynamic world, the fact that things are good does not mean you can sit still. And I would argue that New York needs a visionary, an activist, a doer, someone who understands what needs to be done and has the courage to do it. And I would argue that our people -- every one of them, without regard to party across this country -- need to consider this a profoundly important election in which they want their voices to be heard, so that we send a clear message that we don't think this is just a time when we can fiddle around and not pay attention to the big issues.

And what are they? Number one, if we want to keep America's economic growth going, America must have the tools to lead the world away from the financial instability that has gripped so many other countries. That means funding the International Monetary Fund instead of running away from our obligations there. (Applause.)

Number two, if we want to be a symbol of stability in the world, it means not squandering this surplus until we have fixed Social Security for the 21st century. That is profoundly important. (Applause.)

Number three, it means not stopping until we know we have done everything we can to give all our kids, without regard to their income, their race, their background, access to a world-class education. The education program I sent to Congress in January that only now they are beginning to debate is a very simple, straightforward, but profoundly important one -- 100,000 teachers to lower class size to an average of 18 in the early grades; funds to build or rehabilitate 5,000 schools; hooking up all the classrooms in the country to the Internet by the year 2000; after-school and summer school programs for children so that we can end social promotion, but we don't dub the kids a failure if the system fails them; mentors for kids in their middle school year so that they can know they can go on to college if they stay in school and study and so well.

It is a good program. It is a matter of urgent national concern. And it should be beyond partisan politics, for every American -- every American -- has a vested interest in the success of our children.

Now, these are the big issues before us. To be sure there are others. We should stay on the path of improving the environment as we grow the economy and not abandon that. We should, next year, pass this HMO patients' bill of rights to guarantee people the right to see a specialist, the right to keep their medical records private, the right to keep a doctor during the course of treatment even if the employer changes plan, the right to go to the nearest emergency room, not one halfway across town just because the nearest one is not covered by your plan. That's what this bill of rights does. These things are important to America's future.

And I'd like to say just one other thing. I know a lot of you were profoundly moved and saddened, as I was, with the news this morning that that young man from Wyoming who was so badly beaten passed away. It is inappropriate to speculate about the specifics of the case, but it does seem clear that he was beaten horribly because he was gay.

Now, New York is a place where we have gotten a lot of advantages as a country out of our remarkable diversity -- our racial, our ethnic, our cultural diversity, our diverse skills, our language skills, our different connections with the rest of the world; and the idea that if you come here, no matter where you come from, if you're good at whatever it is you want to do, you'll have a chance to live out your dreams. All over the world I see people held back because they can't find a way to look beyond the differences in people to what they share in common.

Today, my Special Envoy for Kosovo, Dick Holbrooke, was working with our NATO allies in a feverish attempt to try to bring peace there without further violence. Today I talked to the Prime Minister of Israel and to Chairman Arafat about their coming to the United States in a few days in a determined effort to resolve this next big step on the road to peace in the Middle East. All over the world I see people held back and heartbroken and lives crushed because there are those who are so animated by fear and their compulsive need to look down on others that whole nations are kept from becoming what they ought to be. And I say to you, in memory of that young man and his family, America cannot do good in the world unless America is good at home.

And another reason I would like to see a person like Chuck Schumer elevated to the Senate is that I believe that he and our party in this time have taken clear and unambiguous stands for the proposition that everybody who is a law-abiding citizen ought to have a home in America, ought to be treated with dignity and honor, that we do not countenance hate and discrimination and bigotry.

If you think about the way the world is changing, you could seriously argue that, as you look ahead, in terms of building a global society, we have three big challenges. One is to develop a financial system that doesn't go through a boom-bust cycle in the world in the way that we experienced, and others experienced here, many years ago. That's the threat -- or the fear some people have out there. Two is to deal with global environmental challenges and still keep growing the economy. But three is to go to the heart in country after country after country of this dark compulsion people have to hate and fight and kill each other because of their religious, their racial, their cultural, or their other differences.

And I have done my best as President to try to get the American people to move beyond that. Today I asked the Congress once again to pass my anti-hate crimes legislation. And as my staff never tires of telling me, I'm doing a better job of getting America to get over it than I am of getting the people in Washington to get over it.

But I ask you to think about that. Say a prayer when you go home tonight for that young man's family in Wyoming, and think about what

kind of Senator New York ought to have. New York has been an integral part of America from the beginning. It has always been central to our conception of who we are as a country and where we're going.

Senator D'Amato has gotten some criticism that I never thought was fair, actually, for being called Senator Pothole and all that -- you know that people make these funny little jokes. It's not funny if you've got a pothole in front of your house. (Laughter.) It's not funny, it's important. It's hard to think about the higher things if you get a flat every morning. (Laughter and applause.)

So what I want to say to you, though, is -- now, I want you to think about this -- there is not a person here who would dispute what I am about to say. If Chuck Schumer is a senator, given his level of energy, his intensity, his aggressiveness, he will make Senator D'Amato look laid back when it comes to filling potholes. (Laughter and applause.) Or solving whatever other problems there are. But I don't think he should be criticized for that. That's an important part of this job.

But there are two other things that are very important. One is voting right, voting for the future, voting for the profound, deepest interests of the people of New York -- and not just here three or four weeks before the election, but every year, for six years, the entire term. And the other is being able to visualize the future we are trying to build; being able to represent and bring together this incredible diversity of New York and America and giving voice to the tomorrow that is just over the horizon.

So I say to you -- I started this speech by answering an ad against Chuck Schumer, and I think I did a pretty good job. (Laughter.) I pointed out what I think is very important in his vote for the economic plan of '93 and the crime bill of '94, and his essential leadership. But the most important thing to me of all is, New York deserves a senator who is both tied to the specific, concrete needs of individuals and their communities, and a senator who will vote in the interest of the state and the nation over the long run, and finally give voice to what makes America a great nation.

This is a time when we need people who are both practical and visionary, a time when we have business to attend to that is right before our eyes, and dreams to dream and realize. And I am here proudly tonight because I believe Chuck Schumer can be that kind of senator.

Thank you and God bless you all. (Applause.)

END

8:00 P.M. EDT