

School Safety

In spite of the well-publicized shootings, like the youth crime rate outside of school, the overall school crime rate between 1993 and 1996 declined. The Department of Education reports the rate dropping slightly from about 164 school-related crimes for every 1,000 students ages 12 to 18 in 1993 to about 128 such crimes in 1996.

In addition, serious violent crime constitutes a small percentage of the total amount of school crime, and homicide is extremely rare. Fewer than 1 percent of the more than 7,000 children who were murdered in 1992 and 1993 combined were killed at school. In the 1992-93 and 1993-94 school years combined, 63 students ages 5 through 19 were murdered at school and 13 committed suicide.

However, even these deaths were too many and, in fact, the number of multiple-victim homicide events at schools increased, from two in the 1992-93 school year to six in 1997-1998. The number of victims in these events also increased (from four in 1992-1993 to 16 in 1997-98). It was these highly publicized series of multiple student killings that sensitized the nation to the need to pay much greater attention to young people. Strategies that the Clinton Administration had been pressing for some time, such as early detection of student's learning and emotional problems, adult mentoring, constructive activities for children when they are not in school, and more effective controls on the safety and availability of guns became not only acceptable but sought after solutions by the public.

In October 1998, the President convened the first-ever White House Conference on School Safety, and outlined the Safe Schools/Healthy Students Initiative to target youth with comprehensive services to prevent violence and promote healthy development. This program, a ground-breaking collaboration across the Departments of Justice, Education and Health and Human Services, was funded initially in FY 1999. It is designed to enable school districts to develop safer learning environments and help kids avoid the dangers of violence, drugs and other destructive behaviors.

Building on the systems-of-care approach, the \$100 million Safe Schools/Healthy Students program requires school districts to form partnerships with local mental health and law enforcement authorities to promote healthy child development. Fifty-four urban, suburban, rural and tribal school districts in the first wave of this violence prevention strategy are galvanizing their communities around five areas of focus: safe school environments and policies, alcohol, drug and violence prevention and intervention programs, school and community mental health preventive and treatment services, early childhood social and emotional development programs, and school reform. These communities seek to improve the mental health of children through school-based programs designed to significantly strengthen the ability of schools, communities and families to recognize early warning signs of distress, and provide support and safety for children.

The Safe and Drug-Free Schools national programs were also redesigned to reinforce the President's commitment to school safety. Violence prevention joined drug abuse prevention as a key emphasis. The program provides funding to support the National Resource Center for Safe Schools. This center, funded in collaboration with Department of Justice (DOJ), and the Department of Education, has been established to offer training and technical assistance that will enable schools and communities to create safe school environments. The program also awards grants to districts and communities to improve the effectiveness of prevention programming. To ensure broad reach for its joint training efforts, the three departments also developed Partnerships for Preventing Violence, six national facilitated satellite broadcasts. Already, nearly 10,000 health, education, juvenile and criminal justice professionals and other community leaders have been trained to address violence using a multi-disciplinary approach.

Education for Children with Special Needs

The Administration has made significant efforts to improve and increase opportunities available to children with disabilities. The percent of children served by public school programs for children with disabilities has increased in recent years and the Administration has aided in improving and expanding the programs that serve disabled children. Currently, more than 5.8 million children and youth with disabilities receive special education services under the Individuals with Disabilities Education Act.

The President signed the Individuals with Disabilities Education Act in 1997, reaffirming the commitment to provide all our children with the opportunity for quality education. Since IDEA's original enactment in 1975, three times as many disabled young people are enrolled in colleges and universities, and twice as many Americans with disabilities in their twenties are in the workplace. However, children and youth with disabilities were often excluded from the mainstream curricula and assessments used with non-disabled classmates. In addition, many children with disabilities still present alarming statistics. Twice as many children with disabilities drop out of school and girls who leave school before graduating become young, unwed mothers at a much higher rate than do their non-disabled peers.

The Administration worked to expand IDEA '97 to strengthen academic expectations for disabled students and to eliminate the discrepancy between what disabled students are expected to learn in comparison with their non-disabled peers. The law now ensures that children with disabilities can be included in extracurricular events and clubs, as well as regular classroom activities. It also ensures that children with disabilities have the same curricula and the same assessments, and it seeks to help teachers get the full range of skills needed to best serve children with disabilities.

Many childhood mental disorders and cognitive disabilities go unnoticed, but children suffering from Attention Deficit Hyperactivity Disorder (ADHD) often cause great concern to parents and teachers. It is estimated that ADHD affects 3 to 5 percent of school age children. HHS has taken a proactive approach, sponsoring studies to advance

the mental health science and knowledge of ADHD. Recent NIMH supported research has contributed further evidence that stimulant medications are more effective than behavioral therapies in controlling the core symptoms of ADHD. But the addition of behavioral treatments result in improved functioning in terms of better social skills and higher academic achievement.

Learning disabilities (LD) affect 10 million children in the U.S., or one in every five school children. The majority of children with learning disabilities are diagnosed with reading disabilities. The NICHD has initiated a collaborative research network of LD Research Centers to conduct long-term, prospective, longitudinal, multi-disciplinary research related to the causes, neurobiological correlates, developmental course, and cognitive and biological characteristics of learning disabilities. The LDRCs have made significant advances in identifying which teaching and intervention methods are most effective for LD children and have shown that early interventions yield significantly better reading skills.

Research through these institutes is providing new insights into appropriate treatments for children with special learning and behavior issues. In addition, as children gain strategies for concentration and achieve higher social functioning, they are better able to advance academically. These are critical studies that support the President's goal to get all American children reading by the third grade.

In addition to strengthening the education children with physical and cognitive disabilities receive, considerable advances have been made in enabling their parents to balance the demands of work and raising a child with a disability. The first piece of legislation the President signed, the Family and Medical Leave Act (FMLA), makes workplaces more accommodating for many families that include a child or adult with a disability. By permitting employees to take time off to care for a newborn or ill child, without risking loss of a job or health insurance, these families now have greater flexibility to navigate the challenges that children with special needs often face.

Making the Internet Widely Available for Children

With the extraordinary explosion of information technology, it is essential that students have access to it if they are to gain the skills and knowledge necessary to function in the next century. The Clinton Administration has recognized the growing importance of technology in the lives of children. In 1996, the President challenged the nation's parents, teachers, government, community and business leaders to work together to ensure that all American children are technologically literate by the 21st century. The President outlined goals including connecting every school and classroom in America to the Internet and providing training and support to enable teachers and students to use technology to enhance education. \$257 million was allocated in FY 1997 to launch the Technology Literacy Challenge. With support from some of the nation's largest telecommunications companies, as well as the newly created Tech Corps, a national organization of private

sector volunteers with technological expertise, the Administration is making strides towards reaching the goal of technological literacy for America's youth.

The Administration also advanced the ambitious goal of connecting libraries and hundreds of thousands of classrooms in schools to the Internet. To achieve this goal, the Federal Communications Commission established a special discount rate (the Education or "e" rate) to make this electronic communications and knowledge base available to the poorest and most isolated rural schools. The e-rate provides a 20 to 90 percent discount on telecommunication services, Internet access and internal connections to public and private schools and libraries. In 1998, the first year that the education rate was available, \$1.7 billion in e-rate discounts went to over 80,000 urban and rural schools and libraries. Thousands more schools and libraries will be wired to the Internet in the coming years as a result of this discounted rate, with the potential of reaching schools that teach 40 million American children.

Advancing Aspirations and Ability to Afford College and Work

For too many children, educational opportunities and decent jobs beyond high school have seemed unattainable. Yet the Administration believed strongly that making these opportunities available is vital to young people's success in a more technologically advanced society where a global marketplace is reshaping the quantity and quality of employment and careers. Strengthening children's information about and direct experience with the vast array of career possibilities, their knowledge of potential financial aid, and their familiarity with adults who participate in the labor force could contribute to building higher aspirations and planning the educational and work experiences necessary to reach these aspirations. In addition, making college more affordable through a range of improved and expanded grants, loans and scholarships for higher education would ease the financial burden on students and parents and overcome one of the biggest barriers to higher learning.

Consequently, the Administration initiated several streams of activity. The School to Work Opportunities Act of 1994 fostered a systemic reform strategy to develop rigorous preparation of students for post-secondary education regardless of whether they were oriented toward vocational or academic advancement. States and local communities have begun new partnerships among employers, educators, labor representatives and students to shape what schools teach about what it takes to succeed in the real world of work, increase work-site educational opportunities, and link work-based and school-based learning. By 1998, every state was participating in School to Work programs, and communities were instituting strategies such as career majors by the 11th grade, work-based learning, employer partners for schools and students, and stepped up school-based activities to help students learn about career options and formulate goals for themselves. New school-to-work reforms also reach elementary and middle schools in order to touch youngsters as early as possible with work-related experiences and information about the vast array of potential occupations. In local communities across the country, thousands of employers are now engaged in working with schools.

Linking earning and learning has also been the principle behind the Administration's efforts to help students obtain summer jobs with complementary educational activities. To combat the slippage in skills and knowledge which often occurs during the summer months, significant effort has been made to increase the number of young people who participate in some form of education as well as work during their summer vacations.

Young people aging out of foster care also need special attention to help them become successful adults. The Administration has proposed expansion of the Independent Living program for foster youth to help them complete high school, and gain more education or vocational training.

Students increasingly are dependent on financial resources if they are to achieve access to higher education or other pathways to employment after completing high school. Yet there is evidence that some families are unaware, or learn too late, of financial aid that is available to enable their children to plan to attend college, and that many other families and students need additional financial help in order to be able to pay for higher education.

The new High Hopes for College program, approved in the Higher Education Act Amendments of 1998, promotes new partnerships between colleges and high-poverty middle schools to inspire more young teenagers to have high expectations, stay in school and go on to college. The initiative is designed to inform middle schools and families as early as possible about financial aid available for education after high school and to bolster that information with mentors and tutors for middle grades students.

To respond to the need to make higher education more affordable, the Administration took a variety of actions to expand the availability of financial aid through grants, loans, scholarships and work-study. New permanent low interest rates for student loans will save about \$700 for the typical college student with loans, and as much as \$11 billion for students over the next five years. It is projected that in 1998, more than 3 million students will receive Ford Direct Loans averaging \$11,000, illustrating the rapidity with which the Department of Education has implemented this loan program since its initial phase-in during 1993. Both the number of students receiving Pell Grants and the amount of the grant have also increased since 1993, as have the numbers of students participating in the Federal Work-Study program. The 1998 Higher Education Amendments again increased the amount of assistance a student receives through Palled Grants to \$4,500, a 50 percent increase.

A record number of young people enrolled in college in the fall of 1998. In addition to the help provided by the expanded loan and grant programs, college will be more affordable when the "HOPE Scholarship" tax credit for students starting college and the Lifetime Learning tax credit for upper level college, graduate and professional degree students and adults are fully phased in. Approximately 13.1 million students are expected to benefit from this new tax credit, which comprises the largest investment in higher education since the G.I. Bill fifty years ago.

Community Service by Youth

The Administration has promoted the value of community service, both for its positive outcomes for the community, and also for the individual performing the work. The tremendous satisfaction of contributing to one's community is coupled with the unique experiences and opportunities to interact and work with people from as close as your neighborhood, or from around the world.

Recognizing this, the Administration created AmeriCorps in 1993, a federal program whose nearly 40,000 participants each year volunteer to do community work. In exchange for completion of a year's intensive service, AmeriCorp members are eligible for an award of \$4,725 for college or training and possible forbearance on student loans.

Continuing to highlight the importance of community service, in 1997 the President hosted the Presidents' Summit for America's Future. Chaired by General Colin Powell, the Summit brought together President Clinton, former Presidents Bush, Ford, and Carter, and Mrs. Reagan to strengthen and expand volunteering and service programs to meet the needs of America's youth.

A total of 150,000 individuals have served in AmeriCorps since 1994, working on service projects in 4,000 communities throughout the country. Corps members join with some of the nation's largest voluntary and nonprofit organizations, from Habitat for Humanity to the American Red Cross, Boys and Girls Clubs and the YMCA to carry out their missions of service to children and families with a wide range of needs. Members of AmeriCorps have tutored and mentored more than 4 million children, developed after-school programs for more than one million young people, helped build 11,000 homes, and recruited more than 2 million volunteers. Other AmeriCorps volunteers have immunized children, cleared trails, painted schools and helped victims of natural disasters.

Increasing Opportunities to Participate in the Arts

For the first time, promoting students' competencies in the arts, along with math and science, was included in the national education goals listed in Goals 2000. After this legislation, the Department of Education and the National Endowment for the Arts developed a blueprint to achieve this goal. In 1995, their efforts were formalized as the Goals 2000 Arts Education Partnership. This partnership has focused over 100 national organizations on the following priority areas: arts assessment, advocacy, standards, arts in early child care, and research. Together with the Department of Education's National Center for Education Statistics, the partnership conducted the first national assessment on children's exposure and proficiency in the arts. The first study of its kind conducted in over twenty years, the NAEP Report Card provided evidence of the need to strengthen arts education in schools. A similar assessment is scheduled for 2007, which will allow results of recent efforts to be evaluated.

Various other reports and studies have evaluated the promising practices of arts programs in schools. The President's Committee on the Arts and Humanities, along with the Arts Education Partnership, produced a report entitled "Gaining the Arts Advantage" which examined the literacy and competency of arts in various school districts.

In September of 1994, the President challenged his Committee on the Arts and Humanities to explore ways to enhance the availability of the arts and the humanities to children. By strengthening arts education, and using arts as an innovative approach to help youth at risk, the Administration has greatly furthered appreciation of art among youth. Artistic expression and pursuits have also been given legitimacy and importance as a strategy to give kids in high risk neighborhoods with particular personal challenges a way to find success and build skills and self-confidence.

In addition to increasing traditional arts education, the Administration has promoted an innovative approach to reaching children at risk through the use of the arts. Responding to President's Clinton challenge, an unprecedented emphasis was placed on programs designed to prevent violence and risky behavior. The Youth Arts Development Project was a three-year program aimed at youth offenders with a strong evaluation component, sponsored by the Department of Justice's Office of Juvenile Justice and Delinquency Prevention. Results are showing that participants have a more favorable attitude, and are less likely to offend.

The "Partnership for Conflict Resolution Education in the Arts" is a unique program that provides conflict resolution training through the arts to juvenile offenders in detention and correction sites. The "Arts and At Risk Youth" programs look to providing job skills and training conflict resolution during after-school hours. "Art Works!" is a partnership of the National Endowment for the Arts and the Center for Substance Abuse Prevention (CSAP), U.S. Department of Health and Human Services, that was designed to encourage prevention partnerships between arts organizations and community groups that work with youth at risk of substance abuse.

"Coming Up Taller: Arts and Humanities Programs for Children and Youth at Risk" is an award program developed by the President's Committee for the Arts and Humanities, the National Endowments and Humanities and significant corporate support. These prizes highlight the vibrancy and effectiveness of programs throughout the country that offer opportunities for children and teenagers to learn new skills, expand their experience, modes of expression and vision, and develop a sense of self, well-being and belonging.

The Administration's unprecedented support for the continued development of arts education as well as for using arts as a tool to help at-risk children will have a lasting impact. But in addition to starting various inventive programs, one of the most far-reaching accomplishments involves the partnerships that have been initiated and created to coordinate these programs. Bringing various federal agencies together to use arts as a catalyst provides a solid foundation to ensure that arts play a significant and fulfilling role in the lives of children.

IV. MORE AMERICAN CHILDREN ARE ECONOMICALLY SECURE

Income and Poverty

Too many families work hard and still struggle to support their children. This concern drove the Administration to pursue a comprehensive and long-term agenda to make work pay. As more families are lifted out of poverty, more children gain the benefits that come with increased economic security, including better health, increased educational success, decreased likelihood of early child bearing, and better opportunities for future employment and earnings. By tackling the social and economic problems inhibiting the healthy development of low income families, children, and communities, the Administration has put the nation on the path to a brighter future.

Average family income is one important marker of resources available to children. Between 1975 and 1992, mean income of families with children grew only slightly, from \$42,916 to \$45,747 (in constant 1995 dollars). Since 1992, however, mean family income has grown more rapidly, with an average annual growth rate of 3.1 percent compared to the earlier rate of 0.4 percent. Both married couple families with children and female-headed families with children experienced acceleration in income growth. Household income has also shown strong gains for all regions of the country and for all groups.

Sustained economic growth, reduction in unemployment and increasing employment opportunities and policy changes including expansion of the Earned Income Tax Credit, and increases in the minimum wage together have also contributed to the first reductions in child poverty in many years. Since 1981, poverty rates for children have clung stubbornly at or slightly above 20 percent. However, between 1993 and 1998, the number of children in poverty (by the official measure) declined more than in any five year period in the last 30 years. In 1993, 15.7 million children under 18 years of age were below the poverty line, about 22.7 percent of the child population. By 1998, poverty had fallen to approximately 13.5 million children, or 18.9 percent of the child population. Between 1997 and 1998 alone, the poverty rate for children dropped from 19.9 to 18.9 percent, a significant shift. The number of related children under age 6 below poverty has also decreased from 6.1 million in 1993 to 4.8 million in 1998, a 21 percent decline. Though there is still much work to be done to lift the remaining millions of children above the poverty threshold, the trend is moving in the right direction.

The percentage of welfare recipients working has tripled since 1992, and an estimated 1.5 million people who were on welfare in 1997 were working in 1998. There is also evidence that, on average, a family's earnings increase when a family member gets a job. The Earned Income Tax Credit (EITC), which the Administration fought hard to expand in 1993, is a major factor in improving the rewards of work, and for parents who choose it, to get part of this tax credit in their regular pay check.

Work Incentives

One crucial strategy for strengthening families' resources has involved rewarding work so that families who participate in the labor force gain sufficient resources to raise a family. The Administration's vigorous efforts to expand the Earned Income Tax Credit have made a substantial impact on family income. The EITC gives low-income working families a rebate on their federal taxes which they can take annually in a lump sum or as part of their regular pay check. In 1993, the EITC just offset the negative impact of federal income and payroll taxes on poverty. By 1996, the EITC offset the impact of taxes for 1.2 million children and lifted an additional 1.2 million children out of poverty. In 1997 alone, the EITC reduced the number of children living in poverty by 2.2 million, according to the Council of Economic Advisors. In a more recent analysis, the Council of Economic Advisors found that between 1993 and 1997, over half the decline in child poverty was attributable to changes in taxes, especially the EITC.

The Clinton Administration expansion of the EITC has significantly increased the numbers of families receiving the credit (from 15.1 million in 1993 to 19.7 million families projected for 1998) as well as the average credit per family (which rose 66.5 percent between 1993-98, from \$1028 to \$1547). In the 1998 tax year, about 16.5 million of those who claim the EITC are expected to be working families with children who will receive a credit averaging \$1807. This progress is projected to continue, bringing the number of families who will benefit to approximately 19.2 million in 2001.

The EITC has provided important work incentives for single women with children. For nearly two decades, work participation by single mothers was stagnant at about 74 percent. Between 1992 and 1997, however, according to the CEA, single women with children increased their participation in the labor force from 73.7 percent to 84.2 percent. Increased attachment to the workforce by this vulnerable group is attributed in significant measure to the incentive effects of the expanded EITC.

The Administration recognized that wage levels were also particularly critical work incentives for low-income workers. In 1995, based on the Administration's proposal, Congress enacted a long overdue increase in the minimum wage, the first in five years. During that period, the real value of the minimum wage had decreased by 15 percent.

The successive minimum wage increases in 1996 and 1997 raised the wages of workers in 1.4 million poor families and 649,000 near poor families. Full-time work at the minimum wage (\$4.72 an hour in 1993 and \$5.15 an hour in 1997) for a family with one earner and one child increased their income by 14 percent or \$1402 as a result of the combined EITC expansion and minimum wage increases. For a family with one earner and two children, the increase in income reached \$2761, or 27 percent higher than without these policy changes.

State Experimentation with Work Incentives

Beginning in 1993, the Administration fostered state experimentation with work incentives for low-income families. Under waivers granted by the Department of Health and Human Services to test ways to make work more rewarding than welfare, more than 30 states enabled families to keep more of their earnings. About 40 states have continued or expanded these work incentives under the Temporary Assistance for Needy Families program created under welfare reform. Through the waiver mechanism, many states also increased the amount of assets and resources that a family could have and still be eligible to receive public assistance and a few states pioneered the use of Individual Development Accounts to encourage families to save money for investments in education or housing. Under TANF, the vast majority of states have changed their asset and resource limitations and now 28 states permit families to establish IDAs.

While many of these state efforts are still under intensive study and outcomes will not be fully known for some time, there is evidence that suggests these approaches show promise in boosting family income. Preliminary findings from a six month period in the Los Angeles County's Jobs First GAIN program, now operated under TANF, showed that 43 percent of the participants were employed after six months in the program, compared to 32 percent for the control group. Earnings of the Jobs First GAIN participants exceeded those of the control group by 46 percent (\$1,286 compared to \$879) during the same six month period. Other studies of families leaving welfare also indicate that earnings increase when a family member on welfare gets a job.

In addition to making work pay for families, the Clinton Administration has revolutionized welfare by turning public assistance into a work-based system. No longer are families entitled to federal assistance, but instead they are subject to work requirements and limits on the duration of federal assistance. The reconceptualization of the welfare system is intended to promote work. The expectation is that children will benefit from the new welfare requirements if their parents leave welfare and enter the workforce. Research findings support the notion that children raised in homes in which parents rely on public aid instead of earned income are socially isolated from the mainstream. Children who have an employed adult in the home learn about the world of work and are more likely to understand the value of work and to develop the skills necessary to become a successful participant in the workforce. Also, children exposed to working adults tend to develop higher aspirations that they will one day be able to support themselves through work rather than welfare.

The Department of Health and Human Services has focused on monitoring the impact of welfare reform on children and families. While initial findings indicate that welfare reform has been successful in moving people from welfare to work, it remains too early to assess adequately the full impact of welfare reform or to address whether families leaving assistance remain poor. However, HHS has in place a wide range of research projects and activities, in collaboration with states, universities and private foundations,

to determine the effects of these complex and far-reaching changes on child well-being. The Administration places a high value on evaluating the ways in which welfare reform affects children.

Child Support and Paternity

With the changing structure of the labor market over the past several decades, it has become increasingly clear that it generally takes the income of two parents to support a family. Children need the financial and emotional support of both parents, whether or not they are living in the same household. Child support has become a critical source of support for the nearly 3 out of every 10 children living in single parent families.

From the outset, the Administration sought ways to provide more children with the child support owed them, and to ensure both the emotional and financial responsibility of both parents for their children. The Personal Responsibility and Work Opportunities Reconciliation Act of 1996 gave states new tools to ensure children receive this support. Included among these new enforcement mechanisms are: an expanded Federal Parent Locator System, a computer matching system that locates noncustodial parents who owe child support, tough new penalties for non-payment, such as passport and driver's license revocation, computerized statewide collections, uniform interstate child support laws, and authority for the IRS to seize tax refunds. Using the tax refund offset, a record \$1.1 billion for tax year 1997 was collected, a 64% increase since 1992, benefitting 1.3 million families.

With vigorous efforts to raise the visibility of child support enforcement, new enforcement tools, and collaboration across a wide number of government agencies, progress has been considerable. Collections of child support have risen nearly 80 percent since 1992 to a record \$14.4 billion in FY '98. The number of cases with child support collections also rose significantly to 4.5 million, a 59 percent increase from the 2.8 million cases in 1992.

Close to a third of child support cases are interstate in nature, and billions of dollars in support is owed to children whose parents cross state lines to avoid paying. Under the Child Support Recovery Act, the Justice Department is investigating and prosecuting such cases. Under President Clinton's direction, the Justice Department submitted legislation that would make it a felony offense to cross state lines to evade paying child support if the obligation is of a minimum amount or has been due for a minimum amount of time. The President signed the bill, the Deadbeat Parents Punishment Act, into law in 1998.

By the early part of this decade, it was clear that a key tool to encourage both parents' financial participation in the support of their children was to increase establishment of paternity. Legal establishment of paternity is required to enforce a child support order, provide children with access to health care under their father's health care plan, provide rights of inheritance to social security benefits, and to establish a father's access and

visitation rights. In 1994, the Clinton Administration made it easier for fathers to establish paternity voluntarily in the hospital at the time of a child's birth. In FY 1998, an estimated 1.5 million paternities were established and acknowledged by parents, an all time high, creating more family arrangements in which both parents are positioned to provide financial and emotional support to their children. This represented a 12% increase in one year alone, and three times as many paternities established as in 1992. Of these, nearly 40 percent, or 614,000, were in-hospital paternities, voluntarily acknowledged. Since the inception of the voluntary program, acknowledgments have grown nearly six-fold. The number of paternities established in 1997 exceeded the number of out-of-wedlock births during the year, meaning paternities are being established for children born in earlier years. In 1992, paternity was established for just 40 percent of children born out of wedlock.

Children's Health Insurance

For millions of working families, modest disposable income means making difficult tradeoffs among their children's most basic needs: health and child care and housing costs, to name a few. Yet the availability of affordable care for children often makes the difference in their health, safety and development.

In 1993, more than ten million children had no health insurance. Uninsured children are three times as likely to have unmet health needs as their insured counterparts, and much less likely to have seen a doctor in the previous year. Some of these children are eligible for but not enrolled in Medicaid, the federal-state health insurance program serving low-income families; for others, their parents' employer either provides no health benefits at all, provides benefits which do not extend to dependents, or provides health insurance which parents forego because it is unaffordable.

The 1997 Children's Health Insurance Program (CHIP), initially proposed by President Clinton, will enable up to five million children 0-18 up to 200 percent of poverty to acquire health insurance. CHIP provides \$24 billion over five years in federal resources, matching state funds, to provide health insurance coverage for children in families with too much income to be eligible for Medicaid, but not enough to afford employer-sponsored health coverage. This is the largest investment in health care for low-income children since Medicaid was created in 1965, and paves the way for millions more children to be connected to a regular source of health care.

Since the beginning of CHIP implementation in October 1997, HHS has approved plans for all states and territories that will extend health insurance to over 2.5 million children within three years. Enrolling more than one million children in 1998, states are well on their way to reaching this target.

The program offers comprehensive benefits programs, the majority of which offer dental and mental health coverage. One of CHIP's greatest strengths is the flexibility it offers states. According to the National Governor's Association, 26 states have opted for strategies such as "continuous eligibility" and 12 states use "presumptive eligibility," both of which are included in the Balanced Budget Act of 1997 to increase traditional Medicaid enrollment. Presumptive eligibility allows coverage to begin immediately on a temporary basis while formal applications are processed. Additionally, families that apply for CHIP but whose children are eligible for the traditional Medicaid will have their children covered through Medicaid.

In concert with states and school districts across the country, HHS has initiated an extensive education and outreach initiative to reach families with children who may be eligible for existing or new child health insurance programs. Given the unique opportunity to link millions of currently uninsured children to a regular source of medical care, a vast array of federal agencies is reaching out to every grantee, advocacy and professional network to send the message of the importance of health care for children.

The Administration has also engaged the private sector in a nationwide "Insure Kids Now" Outreach Campaign. Public service announcements and distribution of information in a wide range of languages have been employed to educate families about Medicaid and CHIP. A toll-free Insure Kids Now hotline was created, and has received more than 100,000 calls. Efforts to enroll children include commitments from the private sector to print the Insure Kids Now hotline number on products, as well as government collaboration to recruit families through other programs such as the school lunch program and low income housing projects to take advantage of its benefits, recognize its value and enroll. In addition, many states, including Connecticut, Vermont, Arkansas, Wisconsin and New York, have also taken critical steps to remove the stigma of Medicaid so that more eligible families and children will enroll.

Finally, the Administration has continued to provide guidance and examples of how to streamline the application and enrollment process, making it easier to enroll. Also, sites at which children can be determined eligible for Medicaid and their state's CHIP program have been expanded.

Child Care for Working Families

With 13 million preschoolers - including 6 million infants and toddlers, in child care, giving parents access to affordable, safe child care programs is a priority of the Administration. Child care is often unaffordable for many families, and the lack of high quality child care not only inhibits children from entering school ready to learn, but also compromises the efforts of their parents to be productive workers.

The Administration has taken crucial first steps in strengthening the Federal contribution to finance child care. The newly established Child Care and Development Fund (CCDF) made available in 1998 \$3.5 billion in federal funds alone to States and tribes. This program, authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, assists with the child care expenses of low and moderate income families and families making the transition from welfare so they can work or attend education or training programs. CCDF, for the first time, brings together four Federal child care subsidy programs and allows States to design a comprehensive, integrated service delivery system.

Maintaining consistent support for child care, in 1998, the President announced a major Child Care Initiative to strengthen quality and improve affordability and access to child care. The President's initiative includes approximately \$20 billion over five years for child care, putting the nation on track to double the number of children receiving child care subsidies to more than three million in the year 2003.

Federal funding for child care has increased by 80% since 1993. The National Governors Association also reports that state spending on child care has increased by more than half. And the additional child care funds that the President fought for in conjunction with welfare reform have provided affordable child care choices to hundreds of thousands of

families while they work. Now federal child care programs serve nearly 1.5 million low and moderate income children and families.

The President has also made it a goal to make child care accessible to under-served rural, and urban communities. The Agriculture Department's Rural Housing Service's Community Facilities program is working to meet the need for quality child care in rural areas. Thirty-one child care centers were created under this program in FY 1997, and the program is continuing to expand. The Rural Housing Service has also been forming partnerships with other federal programs, like Head Start, and with the private sector to help extend child care opportunities in rural America. HUD is also supporting working families and those moving to work. Community Development Block Grants are now being used to fund initiatives that include on-site after-school child care and construction of child care and youth centers.

Transportation is also critical to aid parents with young children reach both jobs and child care. As part of the Transportation Department's Livable Communities Initiative, the Federal Transit Administration has provided opportunities for on-site community services - Head Start facilities, a health clinic, and child care centers - at transit facilities across the country to help parents obtain child care for their children on their commuting routes to work or training.

Child care, Head Start and after-school care are increasingly meeting the new realities of working families by providing support, supervision and developmental opportunities for children during hours that parents work. For the first time, Head Start funds are being used in partnership with pre-kindergarten and child care providers and resources to offer full-day and full-year services, which can, in turn, help parents obtain full-time employment. In the last three years, Head Start has invested \$340 million in expansion to more full-day, full year program services in partnership with child care resources, and now provides such services to 50,000 more children.

Through a series of federal initiatives, an increasing number of school-age children have safe, supervised activities and creative learning opportunities after school while their parents work. In addition to the child care resources states use for school-age children, thousands more schools have established or expanded opportunities for children in their out-of-school time through the 21st Century Community Learning Centers program. Between 1997 and 1999 alone, 1600 schools in 468 school districts have been developing after-school learning centers. At the Administration's urging, \$450 million will be devoted to this initiative in FY 2000, more than double the previous year, enabling an estimated 1000 school districts and 4000 schools and community-based agencies to provide constructive and educational activities for approximately one million students after the end of the school day.

To augment the increasing funding base, the Department of Education has forged creative partnerships with the Charles Stewart Mott Foundation to strengthen the quality of after-school programming and training for adults in these enterprises. Seventeen federal

agencies, coordinated through the National Partnership for Reinventing Government, also collaborated in launching Afterschool.gov, a new web site designed to make available information about the vast array of federal facilities, expertise and resources across the country that could provide venues, academic and cultural experiences and expertise, mentoring, and funding to enhance activities for young people during their non-school hours.

But despite increases in the Child Care and Development Fund included in the Personal Responsibility Act, use of TANF funds for child care, and the burgeoning after-school support, inadequate public support prevents millions of children in low-income working families from being able to get the quality care they need in safe and affordable environments.

V. AMERICA'S CHILDREN HAVE MORE STABLE AND SECURE FAMILIES

One of the most consistent Administration themes has involved promoting more stable families for children. Several strategies have been mounted to address this goal. For example, reducing the number of teenagers having babies before they are emotionally or financially ready is an essential target for improving the stability of young families. The Administration has also placed emphasis on the role of the father in families, and worked to eliminate family violence. Also, landmark legislation and efforts by the President have enabled parents to take Family and Medical leave after the birth of a child or to take care of personal medical emergencies. The Adoption and Safe Families Act has also been designed to place foster children in permanent families faster. Using all of these means, the Administration has sought to create a loving, caring environment for every child, affording them the protection and opportunities all children need to thrive.

Adoption and Permanent Families

For some children, finding a stable and loving home requires public intervention. As a result of placing intense focus since 1993 on advancing the goal of getting children into permanent families, many positive results are already evident.

Since 1993, the number of children with special needs who have been adopted with the help of Title IV-E Adoption Assistance funds has increased by 60 percent. Children with special needs are those children who traditionally have lingered in foster care instead of being adopted by families who are able to make lifelong commitments to them. Adoption Assistance funding is essential to the effort to find families who can adopt children who have special needs, including children with disabilities, seriously emotionally disturbed children, and older children. Between 1996 and 1998, the numbers of children reported adopted from the public foster care system nationwide increased 29 percent - from 28,000 to 36,000 - well on the way to meeting, and possibly exceeding, the President's goal of 56,000 adoptions in 2002. Setting goals state by state, and providing financial incentives to meet the outcomes, resulted in 35 states making sufficient advances toward their adoption goals to receive adoption incentive bonus awards in FY 1999.

As early as 1993, the Administration successfully advanced and secured funding for the Family Preservation and Support Program. This program was specifically designed to help states, local governments, and service providers develop effective programs to serve children and families at risk, and in hopes of preventing children from entering foster care at all.

Dismayed by the numbers of children needing families who were waiting in the foster care system, the Administration resolved that, by the year 2002, the number of children adopted or placed in guardianship each year would be doubled. In 1997, the President signed the Adoption and Safe Families Act, which, among other things, challenged the states to meet the goal of doubling adoptions.

Building on challenges the President had set with his Adoption 2002 Initiative, this legislation represents an important landmark in federal child welfare law, establishing national goals of safety, permanency and well-being for children in foster care. The new law provided incentives to states to increase the number of children who are adopted from the foster care system each year, in hopes of reaching the target established in Adoption 2002. New adoption tax credits make adoption more feasible for thousands of families. The Multiethnic Placement Act makes explicit that states must eliminate barriers to trans-racial adoption, ensuring that love and stability, and not race and culture, are the sole basis for adoption. The Administration has also encouraged the use of recent technology to aid the adoption process, developing a plan to use the Internet to share information about children who are legally free for adoption, thereby removing geographic barriers and shortening the time needed to find them adoptive families.

Finally, the Administration forged partnerships with States to launch child welfare waiver demonstration projects, in order to test and evaluate new methods of moving children quickly into safe, permanent homes. Since 1997, the Department has granted waivers to 26 states, providing them with flexibility around certain provisions of title IV-E of the Social Security Act to pursue innovative child welfare service delivery and financing strategies. Collectively, the demonstration projects are aimed at reducing the number of children in foster care, the length of time in foster care, the use of more restrictive and costly placement settings, re-allegations of abuse and neglect and re-entry to foster care. Most notably, ten states are undertaking demonstrations that specifically focus on assisted guardianship/kinship permanence or adoption. All demonstration states will rigorously evaluate the impact of these promising models so that child welfare policy at the Federal and state levels can benefit from new knowledge about promoting permanence for children.

The legislation also enforces the Administration's top priority of safety, by specifying that safety should be a priority in the court's determination of whether or not a foster child should return home. While clarifying the concept of "reasonable efforts" that states must take to keep a child with his or her family, the law continues to recognize the importance of preserving and unifying families. These revisions emphasize the need to ensure children's safety in all such decisions and clarify that states need not make all efforts to keep children with their parents if their parent has been convicted of murdering another child, or if the child has been subjected to other aggravated circumstances.

The Administration's efforts to promote adoption, including passage of the Adoption and Safe Families Act, have spurred a remarkable increase in the number of children adopted. However, still thousands of foster youth are never adopted and never return home. These children are raised in the foster care system, and each year over 20,000 foster youth must leave the system and forge out on their own when they turn 18. Without the emotional, social, and financial support that families provide, many of these young people are not adequately prepared to become entirely self-sufficient. The Administration recognizes that it is the nation's responsibility to help these foster youth when their own families are unwilling or unavailable to do so.

The President and the First Lady have promoted stability for foster children who are never adopted and remain in foster care until the age of majority. The President proposed and Congress enacted expanded activity and doubling of the new resources for the Independent Living Program, which provides money for states to help foster children become successful young adults when they leave foster care. These significant investments will provide foster youth with access to health care and to help them earn a high school diploma, further their education or vocational training, and learn daily living skills such as budgeting, career planning and securing housing and employment.

Teen Pregnancy/Births/Attitudes toward Sex

Teen pregnancy has been a persistent and significant problem in this country. Most teen pregnancies are unintended, and each year more than 900,000 pregnancies occur among American teenagers aged 15 to 19. Teens are more likely to deliver a low birth weight infant compared to women in their twenties and thirties, and have disproportionately high infant mortality rates. Children born to teenagers are also far more likely to be poor. About 80 percent of children born to unmarried teenagers who dropped out of high school are poor.

For the first time in decades, a confluence of active governmental leadership, renewed private sector engagement, and repeated public messages, in addition to policy actions and economic growth have led to changed trend lines in adolescent births. The birth rate for teens age 15-19 has declined steadily for seven years, from 1992 to 1998, after a substantial increase between 1986 and 1991. In addition, the pregnancy rate for teenagers 15-to-19 years old fell 15 percent. Coupled with recent declines in both birth and abortion rates, teen pregnancy is continuing to fall. These trends are particularly encouraging because they cross all fifty states, and all ethnic and racial groups. The birth rate for black teens reached the lowest recorded rate for this group in 1998, and showed a greater decrease than any other group between 1991 and 1998.

While all the factors contributing to this positive turnabout are not entirely understood, the number of sexually experienced high school students declined from 54.1 percent to 48.4 percent between 1991 and 1997, the first substantial decline in the past two decades. This means that fewer teenagers are engaging in sexual behavior that places them at risk for HIV infection, other sexually transmitted diseases and pregnancy.

Strong messages about the consequences of teen pregnancy and early parenting, increased use of condoms largely in response to the HIV/AIDS epidemic, and halting the decline in the age of initial sexual activity have contributed to the 18 percent decline in the birth rate among teenagers ages 15-19 during these years. These teens are a particularly important group since they are still in school, and reducing their birth rate will strengthen their likelihood of graduating from high school and continuing post-secondary education or gaining employment.

Efforts to provide teenage mothers with the information and resources they need to postpone their childbearing in favor of personal growth and maturity also helped contribute to a dramatic decline in the birth rate for mothers who were teens when their first child was born. The rate of second births was down by 21 percent between 1991 and 1997.

The Administration has put forth a national strategy sending the strongest possible message to all teens that postponing sexual activity, staying in school, and preparing to work are the right things to do. It has strengthened ongoing efforts across the nation by increasing opportunities through welfare reform, supporting promising approaches,

building partnerships, improving data collection, research and evaluation, and disseminating information on innovative and effective practices. And it has reached out to the private sector and helped launch a comprehensive and far-reaching prevention campaign. These actions have contributed to measurable change.

Important inroads on this persistent problem have also been affected by concerted efforts, jointly by the government and the private sector, to mobilize public opinion and send messages that too early childbearing has negative consequences for both teen parents and their babies. The Administration has promoted programs that provide support and services to teens at risk of pregnancy, and the President called for a national, private sector campaign to prevent teen pregnancy. Incorporating an approach proposed by the President in 1994, the new welfare law required unmarried minor parents to stay in school and live at home or in an adult-supervised setting, in order to receive assistance. The welfare law also provides states \$50 million a year for five years in new funding for abstinence education programs, and every state has put these funds to use.

Focus on Fathers

More than a quarter of American children, nearly 17 million, do not live with their father. Girls without a father in their life are two and a half times more likely to get pregnant and 52 percent more likely to commit suicide. Boys without a father in their life are 63 percent more likely to run away and 37 percent more likely to abuse drugs. Both boys and girls are twice as likely to drop out of high school, twice as likely to end up in jail, and more than twice as likely to live in poverty.

The Administration has placed an emphasis on the role of the father in a young child and adolescent's life and sought to support the role of fathers in families by launching a Fatherhood Initiative. In 1995, the President directed all federal agencies to ensure that federal programs and policies strengthen the role of fathers in families. In January of 1996, the Federal Interagency Forum on Child and Family Statistics reviewed the adequacy of research on fathers, and in 1998 released a landmark report "Nurturing Fatherhood: Improving Data and Research on Male Fertility, Family Formation and Fatherhood." With research results confirming the positive effects of fathers' involvement with their children, the Administration, with the leadership of the Vice President, has encouraged initiatives and programs that ensure the father's role in the lives of their children. A nationwide public service campaign, stressing the importance of fathers by showing the consequences for children when fathers do not play a positive role, was launched in 1999 as a partnership between the Advertising Council and the Administration for Children and Families.

Already the Welfare-to-Work program administered by the Department of Labor has invested approximately \$100 million in State, local, community and faith-based initiatives to help increase the employment of non-custodial fathers of children receiving welfare. In addition, new support under welfare reform for access and visitation programs stimulated a host of activities across all states to support noncustodial parents engagement with their children in safe environments. These activities range from mediation, counseling, education, and the development of parenting plans to monitored and supervised visitation, neutral drop-off and pick-up points for children and the development of guidelines for visitation and alternative custody arrangements.

The Department of Health and Human Services has further deepened this focus in several of its programs. For example, the design of the Early Head Start program specifically encourages maximum involvement of the important men in very young children's lives. A special "Fathers Studies" component has been included as part of the Early Head Start research and evaluation program.

Family Violence Reduction

Mounting evidence suggests that negative outcomes often emerge for children growing up in violent environments. For many, these environments can include witnessing violence in their homes or in other cases, children are direct victims of abuse by a parent or guardian. Recognizing the need to give children at risk a better chance for a safe and nurturing home environment, the Administration has made reducing child abuse and violence against women an arena for expanding attention.

The Administration is committed to supporting innovative community efforts to give children at risk a better chance for a safe and nurturing permanent home, as well as to encourage efforts to recognize the connection between substance abuse and child abuse and neglect. The President has also made efforts to protect children from sexual violence. The Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act, enacted as part of the Crime Act, was amended by the federal Megan's Law, signed by the President on May 17, 1996 and by the Pam Lynchner Act in October 1996. Under these statutes, sex offenders and child molesters must register information about their whereabouts with appropriate state law enforcement agencies for ten years after release from prison and state prison officials must notify local law enforcement when they are released, or if they move.

For the fourth straight year, in 1997, substantiated reports of child abuse and neglect continued to decline to slightly under one million children. However, while state reports capture a considerable portion of actual child abuse and neglect, other studies have found that the number of victims may be higher. Parents and relatives still comprise the majority of perpetrators of maltreatment.

Recent research has shown that the safety of the children is closely related to the safety of the mother. The cornerstone of federal efforts to stop domestic violence and violence against women is the Violence Against Women Act, included at the President's urging in the Violent Crime Control and Law Enforcement Act of 1994. Under the law, the federal government combined tough new penalties with investment in state and community programs to aid women who are victims of violence, providing a comprehensive approach to fighting domestic violence. This law enabled the federal government to become a substantial partner with grassroots shelters, coalitions of survivors and voluntary organizations across the country in the drive to stem violence against women.

Both the Departments of Health and Human Services and Justice have played integral roles in advancing the Administration's goals. HHS launched a toll-free, national domestic violence hotline, tripled resources for battered women's shelters, and worked to raise awareness of domestic violence in the workplace and among health care providers. Since the inception of the hotline in 1996, it has received over 340,000 calls, mostly from individuals who have never before reached out for assistance.

With the assistance of the Department of Justice, police, prosecutors and the courts have

substantially enhanced and redesigned their approaches to domestic violence cases. They are establishing specialized units within their law enforcement jurisdictions, stepping up training, and reaching out to work collaboratively with domestic violence service providers and others in the community that can help stem this violence.

The comprehensive law stimulated the convening of an Advisory Council on Violence against Women in July 1995. Co-chaired by Attorney General Janet Reno and Secretary of Health and Human Services Donna Shalala, the Council of 47 experts from diverse fields is developing an Agenda for the Nation to provide a 21st Century blueprint for the reduction of violence against women.

On October 3, 1996, President Clinton urged all states to implement the Family Violence Option included in the welfare bill he signed in August 1996. As a result of these provisions, states can elect to screen TANF recipients for domestic abuse; refer them to counseling and services; and temporarily waive program requirements that would prevent recipients from escaping violence or would unfairly penalize them. These measures are important to provide safety and protection for low income abused women and to ensure that welfare reform does not keep children in violent homes for strictly economic reasons. At least half the states have taken the Family Violence Option, and most others have, for the first time, begun to address the special circumstances and needs of battered low-income women.

Family and Medical Leave

The Family and Medical Leave Act, the first law signed by President Clinton, has protected approximately 20 million Americans as they took time off during family and medical emergencies or for the birth or adoption of a child. Employees are allowed up to 12 unpaid weeks a year to care for seriously ill family members, the birth or adoption of a child, or their own serious health problems, without risking their job. The legislation applies to businesses with 50 or more employees, and covers 89 million workers. The Commission on FMLA found that, during an 18 month period in 1994-95, about 60 percent of FMLA-protected leave was taken for the employee's own health problems. Another 17 percent of family leave was taken for maternity/paternity reasons and the birth or adoption of a child, and approximately 20 percent was used to care for an ill child, spouse or parent. About 58 percent of FMLA-protected leave was used by women, 42 percent by men.

The Commission on FMLA also found that lost pay posed the most significant barrier to parents taking advantage of unpaid leaves after the birth or adoption of a child. In response to this finding, at the President's direction, Department of Labor has proposed new rules that enable states to experiment with paid employment leave for families. These rules will allow states, on a voluntary basis, to develop innovative ways of using the unemployment insurance system to support parents on leave following the birth or adoption of a child.

The Administration has also proposed continued efforts to expand the FMLA, by covering workers in businesses with 25 or more workers, which would cover an additional 10 million workers. The President is also calling for the legislation to allow eligible workers to take up to 24 hours of additional leave each year to meet specified family obligations, including routine doctors appointments and parent-teacher conferences.

VI. STRENGTHENING KNOWLEDGE AND INFORMATION

Child Development Research

While understanding based on scientific study about child development has increased significantly in the past few decades, study of the environments in which children spend a large portion of their time, such as child care and Head Start, has been much less frequent. As more children participate in early childhood programs out of their homes, it is important to strengthen evaluation and research about these settings to understand how to create environments that contribute optimally to children's healthy development, social competence and learning.

To that end, the Administration established major research activities to enhance knowledge about Head Start and child care. Head Start Quality Research Centers were established at four major academic institutions around the country. A major effort to develop performance measures and look long term at Head Start children's outcomes was initiated through FACES - the Head Start Family and Child Experiences Survey. This longitudinal initiative is designed to learn more about the families that Head Start serves, as well as to find out how Head Start programs are performing and how they can be improved. In addition, Head Start is increasing investment in research that follows children and families over time, which will provide a critical window into the development of young low-income children. Finally, the Secretary established an Advisory Committee on Head Start Research and Evaluation to help shape national comprehensive studies of the Head Start program's impact.

Similar scientific study has accompanied the development of the new Early Head Start program. The Early Head Start Research and Evaluation Project is providing both a rigorous impact evaluation using an experimental design, and a dynamic, continuous program improvement oriented implementation study that feeds information to new waves of programs. The research initiative will incorporate knowledge from locally based researchers regarding the pathways to program quality and outcomes in their own communities.

In addition, Early Head Start is spearheading partnerships among federal agencies and the private sector. Under the auspices of the Administration's Fatherhood Initiative, Early Head Start has partnered with the National Institute of Child Health and Human

Development (NICHD) and the Ford Foundation for studies of low-income fathers and their involvement both with their very young children and in programs designed to better their lives.

Important interagency partnerships around large-scale national studies can provide more timely and accurate information about children to inform policy. The Department of Education's Early Childhood Longitudinal Study - Birth Cohort 2000, a nationally representative sample of children born in the year 2000, is providing an opportunity for investment and innovation across several HHS components, the Department of Agriculture and a variety of other agencies. Such partnerships provide valuable public use data sets for research and program purposes and demonstrate creative and wise use of federal research resources.

The Administration has developed other significant efforts to enhance the knowledge base about early childhood. In 1995, HHS launched the Child Care Policy Research Consortium, which brings together five university, state agency and resource and referral agency partnerships. Each partnership is charged with developing a research program to address needs, opportunities, barriers, patterns of utilization, and outcomes for children and families using child care, as well as other systemic issues affecting subsidized child care. With funds appropriated at the Administration's initiative, HHS is also establishing a new research and evaluation program to address issues about the nation's child care arrangements, especially their impact on low-income families.

The Administration has also invested in the continuation and enhancement of the well-regarded Study of Early Child Care, which continues to produce convincing findings on the importance of child care quality to good outcomes for children. The NICHD-sponsored multi-site prospective longitudinal study will now follow children from birth into middle childhood, looking at the roles of family and caregiving environments on multiple aspects of development. Among recent findings released were those from a portion of the study examining the quality of early child care, based on guidelines established by the American Public Health Association and the American Academy of Pediatrics. This study informed the continuing need to emphasize quality child care, finding that most of the child care centers in that study did not meet all recommended standards.

Expanding the knowledge base about children's well-being, and having the mechanisms to monitor children's status on a regular basis, have been critical concerns of the Administration. The Office of Science and Technology Policy undertook a review across the government of research activities focused on children and released a report entitled, *Investing in Our Future: A National Research Initiative for America's Children for the 21st Century*.

Improving Statistical Data about Children and Families

In addition, an Interagency Forum on Child and Family Statistics was established to analyze and disseminate information about the well-being of children and develop better measures of children's outcomes. Seeking to foster coordination and collaboration, this forum is comprised of all the federal statistical agencies that regularly track issues affecting children. As directed by the President in 1997, the Forum has released an annual monitoring report "America's Children: Key National Indicators of Well-Being" in each of the past three years. During FY 1998, the Forum's Data Collection Committee also undertook two major initiatives. The first involved mobilizing the capability of the federal statistical and research agencies to improve our information base regarding fathers, in response to President Clinton's 1996 fatherhood initiative. The second focused on improving the way the federal government collects information on marriage, divorce and cohabitation.

The Forum's Reporting Committee, in addition to producing "America's Children," stimulated numerous improvements in the federal statistical system which have resulted in better indicators. The committee is looking to develop indicators of disability among children and will sponsor a meeting of experts in the field and commission research on measuring disabilities.

The National Center for Health Statistics in CDC has made important strides as well in the release of timely data on key indicators of infant health. Since the early 1990's, NCHS has inaugurated a new statistical series, based on a more timely approach to collecting, compiling, and publishing birth and death data. This system builds on advances in computer and communications technology, as well as NCHS' longstanding collaboration with state vital statistics offices. Now NCHS is releasing data about a year earlier than would have been the case without these efforts. Data for 1995 through 1998 have been published in the new statistical series. We have seen that this improvement in timeliness has made these data of far greater use in monitoring key health and human services concerns.

In anticipation of future data needs, there has also been close collaboration with the states on the next generation of electronically-based vital statistics data. NCHS has provided the leadership and initiative for revising the model certificates used to record birth and death statistics, and working with the states, has laid the groundwork for even greater improvements, developing consensus standards for electronically-based reporting systems. These efforts will ensure a capacity of vastly improved statistical systems for the next generation, with ongoing emphasis on usability, quality and timeliness of data affecting children's health.

Pediatric Labeling for Drugs

The Administration set in motion the capacity to develop critical information about the impact of drugs given to children. Differences in metabolism, volume of bodily fluids and elimination of a drug from a child's system can cause drug levels and responses in children that are different from those in adults. Yet eighty percent of the drugs prescribed for children have never been tested in children. Further, these drugs are not labeled with recommendations for proper dosage for children, leaving medical and health professionals to use their best guesses as to the appropriate treatment regimen.

In 1994, the Food and Drug Administration simplified the type of information needed to demonstrate the safety and effectiveness of drugs in children. This action encouraged drug manufacturers voluntarily to submit pediatric data for review. While these voluntary efforts were helpful, there were still a large number of drugs and products without adequate pediatric labeling. Regulations that became effective in 1999 require pediatric studies of certain new drugs and biological products that are therapeutically important for children, or commonly used by children. This will help address the lack of labeling information on safe pediatric use by requiring that manufacturers of these products provide sufficient data and information to support their proposed use for children .

To continue the Administration's efforts to make drugs safer for children, the FDA promulgated the new rule requiring drug companies to test on children drugs that are likely to be used for children, though every effort is being made to ensure that the pediatric testing does not delay approval of drugs for adults. To facilitate research on children, the NICHD pediatric pharmacology network will offer its sites for testing drugs on children. In addition, the patent time for drug companies that do the necessary testing to obtain approval for use of a drug in children has been extended by six months. Savings on reduced health costs as a result of better drug treatments for children are estimated at \$100 million a year. Lastly, beginning October 1, 1998, NIH began to require investigators to include children in all clinical research. These actions strengthen the Administration's efforts to better children's health by improving the knowledge base about available drugs, preventing the distribution of harmful drugs, and also expanding all research to include children.

CONCLUSION

The Clinton Administration has redefined the federal commitment to improving children's lives and brightening their prospects for adulthood. It has outlined a powerful and compelling role for government, not just as a rulemaker or program developer, but also as an entrepreneur to promote partnerships and participation. The government's role as communicator has also been reinvigorated, not only to transmit messages audience by audience but to raise the consciousness of the nation.

Making kids winners - that has been the abiding goal. And progress has been palpable. After decades of disappointment, many conditions and trends affecting children and young people are moving in the right direction. A child born today has different life chances than a child born 10 years ago. And a child born a decade - or a century - from now, will surely see her life chances change significantly as well.

But everyone, with the President's voice in the lead, recognizes that the job is not done. While we have noted the promise that has been realized for most children and their families, that promise remains untapped for some. The Administration has been deliberate in developing a framework for the future. Sustained commitment is now essential to achieve positive results for all of America's children.

U.S. DEPARTMENT OF JUSTICE
State of the Union Suggestions
December 28, 1999

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12/28
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In January 2000, President Clinton will give his final State of the Union address to the American people and the first State of the Union address of the new Millennium. The Department of Justice recommends that the President discuss certain key policy issues including **gun violence and gun safety measures**; our next steps in building a strong **community law enforcement program**; the need to manage the **reentry** of offenders into the community; the need to create a **healthy and safe environment for children**; the importance of taking a firm stand against **hate crimes**; and the need to crack down on **high-technology** and **trans-national criminal enterprises**.

I. The Clinton Administration's Crime-Control Strategy

Over the course of the past 7 years, the Clinton Administration has transformed the way our nation fights crime. The federal government is providing unprecedented levels of assistance to state, local and tribal law enforcement. From FY 1993 to FY 2000, assistance to state and local governments increased by 295 percent from almost \$1 billion to close to \$ 4 billion. As part of this effort, this Administration has funded more than 100,000 new police officers through the landmark COPS initiative. We secured passage of the Brady Law, which has kept more than 470,000 guns away from felons, fugitives and others who should not have them. And, in cooperation with our state and local partners, we have steadily increased the number of nationwide gun prosecutions. Since 1992, the number of gun criminals going to federal and state prisons combined has risen more than 22 percent.

Crime has dropped every year for the past seven years, and it is now at its lowest level since 1973. Since 1992, the murder rate has fallen to its lowest level in 31 years. Violent crime dropped 24 percent between 1993 and 1998 alone, and preliminary figures for 1999 show that there were 10% fewer serious crimes reported in the first half of this year than during the same period in 1998. And in the last year alone, murder was down a total of 13%.

This historic drop in crime tells us that we are doing the right things and that we must keep at it. Today, with the wind of economic prosperity at our backs, we have both an opportunity and a responsibility to address the most vexing and fundamental problems of crime that plague us. In particular, we should focus our attention on the devastating problem of gun violence in our society, the widespread availability of illegal guns and drugs, the revolving door of offenders in our communities, the problem of youth violence and the dangers that plague our children, the unacceptably high levels of violence against women, and crimes motivated by hate or prejudice. We must also address the new challenges to our safety and security that come with changes in technology and in the world around us. We must aggressively attack the problem of crime on the Internet, the potential for domestic bioterrorism, and the dangers of crimes that cross our nation's and other nation's borders. This is our crime agenda as we enter a new century.

A. **Protecting our Children from Gun Violence and Keeping Guns out of the Hands of Criminals**

Background: Gun violence is a major threat to the health and safety of all Americans. Every day, 89 people – including 12 children – are shot and killed in America. (3,012 children will have died from the time the Senate passed the recent gun legislation up through the 1/27/00 State of the Union Address.) In 1997, 32,436 people died of gun shot wounds and, for every fatal shooting, there are at least three non-fatal firearms injuries. Almost all of these deaths and injuries are avoidable.

Administration Record: Over the past 7 years, we have taken aggressive steps to control gun violence. We passed the Brady Law and have kept more than 470,000 guns from criminals and other prohibited persons. We outlawed deadly assault weapons that have absolutely no legitimate civilian use. We have developed locally-based gun violence reduction plans in coordination with state and local law enforcement agencies. We have sought to vigorously prosecute and imprison those who illegally use or possess firearms, and those who supply firearms to criminals, unauthorized juveniles and other prohibited persons. Through our combined federal, state and local efforts, we have increased overall prosecutions of gun-related crimes by 22 percent since 1992, and we have reduced gun-related homicides by 36 percent between 1993 and 1998.

But the number of firearms-related deaths and injuries is still alarmingly high. In 1998 alone, over 300,000 violent crimes were committed with firearms. And the firearms homicide rate for children under 15 years of age is 16 times higher in the United States than in the 25 other industrialized countries combined.

Next Steps/Proposed Action: Together with the Department of the Treasury, we have developed a national strategy to prevent gun violence. Our strategy has three parts: we need to do all that we can to stop gun violence before it occurs; we need to break the cycle of gun violence by showing our youth and other potential offenders that gun crimes carry serious consequences; and we need to ensure that firearms criminals receive swift and sure punishments.

Last year, President Clinton proposed legislation to close the dangerous gun show loophole that allows criminals to buy guns at gun shows, to require safety devices to be sold with every new handgun, and to close the loophole in the assault weapons ban to stop imports of ammunition clips that hold more than 10 rounds.

We need to go further. We believe the President should call on Congress to pass badly needed firearm legislation and announce new steps to control gun violence. In particular, the President should:

1. Call on Congress to pass legislation that:
 - Extends the Brady Law to all private firearm sales by requiring that all guns be

sold through licensed firearms dealers who will perform Brady background checks and who will keep information about the gun so that law enforcement can trace guns used in crimes;

- Establishes an independent firearms safety board that will recommend mandatory safety and marketing standards for firearms;
- Gives law enforcement the tools it needs to investigate and prosecute illegal gun traffickers; and
- Requires gun owners to be trained and certified in safe, responsible gun use and storage.

2. Call on the House and Senate Conference Committee on the Juvenile Justice bill to meet and send the President a strong bill that includes the Senate-passed gun provisions.

3. Announce the Administration's plan to fund additional federal, state and local law enforcement officers and prosecutors to target gun criminals, and ask Congress to appropriate the necessary \$204 million to enhance gun enforcement efforts.

B. Managing Offender Reentry and Breaking the Cycle of Crime and Drugs

Background: This year, nearly 500,000 individuals will be released from state and federal prison and return to communities across the nation. They will return primarily to cities, and in disproportionate numbers to economically-distressed neighborhoods. These returning offenders pose significant risks to public safety in communities across the country. Nearly two-thirds of all prisoners are rearrested for new offenses within three years of release.

Approximately 70% of state prisoners have a history of drug abuse, and rates of mental illness among incarcerated offenders are at least double the comparable rates in the general population. Both drug dependence and mental illness compound the problems offenders face when they return to the community. The Clinton Administration is committed to the vigorous enforcement of drug and other criminal laws. However, we cannot continue to send people to prison and return them to the community still addicted to drugs, only to recycle them again through the criminal justice system.

Next Steps/Proposed Action: The Clinton Administration is proposing to build on existing federal, state and local efforts to break the cycle of crime and drugs and to strengthen efforts to turn offenders into productive members of their communities when they leave prison.

Project Reentry: The Department of Justice has developed a new program, Project Reentry, to help communities improve reentry supervision and support systems in order to protect public safety and reduce crime. The program aims to establish effective systems to ensure that offenders secure and hold a job, pay obligations to victims and family members, stay drug free, and stay clear of criminal activity. Through Project Reentry, the Administration will

work to bring law enforcement; the courts; and community leaders, including businesses, faith-based organizations, as well as the public, together to oversee the return of offenders to the community. We will also establish special courts for returning offenders. The judges in the courts will ensure that offenders receive services, and meet obligations. The judges will also have authority to send offenders back to prison if they do not meet their obligations to stay drug free, pay necessary obligations, and meet other conditions of their release.

The President will ask Congress to appropriate between \$35 million each year, for five years for the Department of Justice to build reentry partnerships and establish reentry courts. In addition, the Department of Labor has committed to provide \$75 million to support jobs and transitional aid in Project Reentry communities as part of its FY 2001 budget. The Administration will also ask Congress to fund an important new effort to improve the response of the criminal justice system to offenders who are mentally ill.

Breaking the Cycle of Drugs and Crime: The President will also ask Congress to appropriate funds for drug treatment and drug testing for offenders on probation, while in prison or jail, and after they have returned to the community. Our goal should be to make drug treatment available to offenders at all stages of the criminal justice system – beginning with an appearance in drug court or other proceeding, through conviction, any prison term, and following release. However, if offenders fail to take advantage of treatment, they should face certain and severe sanctions – including serving time in prison.

C. Community Law Enforcement

Background/Administration Record: The Clinton Administration launched an unprecedented effort to help America's communities fight crime. We are working closely with law enforcement and courts at all levels to build a criminal justice system that works in tandem with the community, and addresses the needs and problems in the community -- including gun violence, illegal drug trafficking and abuse, and domestic violence. Central to this effort has been President Clinton's Community Oriented Policing Program. Over the past 7 years, the Administration has awarded \$6 billion in grants to fund the addition of more than 100,000 officers in 11,300 communities nationwide. Today, more than 55,000 of those officers are on the beat.

Next Steps/Proposed Action:

Community Policing: The Administration has set a goal of helping communities hire and redeploy an additional 50,000 officers over the coming five years. Congress approved the Administration's request for over \$350 million in FY 2000, and the President should announce his intent to ask Congress for additional funding in FY 2001 to advance this goal. The Administration is further committed to providing local law enforcement agencies with the latest crime-fighting and crime-solving technologies – from improved police communications, crime mapping and computers to the latest crime laboratory techniques and materials. The Administration will ask Congress for \$350 million for this effort.

Community Prosecution: Now, it is time to do for prosecutors what we have done for police. The Administration has already funded community prosecution programs in 31 jurisdictions. The President's proposed budget will include \$250 million to expand this program nationwide. This funding will include \$50 million to help communities across the country to hire 400 new all-purpose community prosecutors, \$150 million to hire 1,000 community prosecutors specifically in high gun crime areas, and \$50 million to hire community investigators – as part of a partnership between police and prosecutors.

Community Courts: The Clinton Administration is helping to spur the creation of localized, issue- and neighborhood- specific courts, including drug and alcohol courts, mental health courts, reentry courts, and neighborhood-based courts. With proposed funding in FY 2001, the Administration will continue to promote this approach to better integrate the community and the court system. The judges, probation and parole officers, and other personnel in these courts work closely with the community, as counterparts to community police officers and community prosecutors.

D. Drug Enforcement

Background/Administration Record: Today, 6.4 percent of Americans use illegal drugs, down more than 50 percent from 17.5 percent of the population in 1979. However, drugs continue to be a major factor in the commission of violent crimes, and a burden on our healthcare system. We need to take a comprehensive approach to the scourge of illegal drugs. This includes the aggressive enforcement of our drug trafficking laws. The Department's drug strategy is to target and prosecute significant drug traffickers and highly structured drug organizations such as violent drug organizations, organized gangs, money laundering organizations, and corrupt public officials. Since 1993, the Department of Justice has prosecuted a total of 171,589 drug defendants. Drug cases brought during FY 1999 comprised 34 percent of all criminal cases brought by the Department.

E. Raising our Children in Healthy and Safe Environments

We need to invest in children – ensure that all children have a healthy start in life; do all we can to limit and perhaps even end their exposure to violence at home, at school, and on the street; provide quality education and after school programs; and offer job training so that our youth can learn to be productive members of the community as they grow up. We also have to address the many environmental and safety hazards that children face – from lead poisoning in their homes, to community-wide health problems.

1. Limiting Children's Exposure to Violence

Background: Our children are the key to safe communities for the future. Yet, millions of them are exposed to violence each year. Of the 22.3 million children between the ages of 12 and 17, 1.8 million have been the victim of a serious sexual assault, 3.9 million have been the

victim of a serious physical assault, and 9 million have witnessed serious violence. Young people under the age of 19 make up about 33 percent of crime victims.

Children who are victims of crime are more at risk to become offenders themselves. Abused or neglected children, for example, are 53 percent more likely than others to be arrested for a violent crime as a juvenile, and 38 percent more likely as adults. Children who are exposed to violence – either as victims or as witnesses – also suffer greater rates of depression, and alcohol and drug abuse than others do, and they have significantly lower academic achievement.

Administration Record/Next Steps: The Clinton Administration has worked hard over the past 7 years to target youth violence, and juvenile violent crime arrests dropped 8 percent between 1997 and 1998. But clearly, we must do more. In 1999, the President announced nearly \$100 million in grants to 54 communities around the country under the unique Safe Schools/Healthy Students Initiative. Co-sponsored by the Departments of Justice, Education, and Health and Human Services, the initiative will expand to 16 to 20 sites in FY 2000. The President will ask the Congress for additional funding for this initiative in FY 2001.

In addition, the White House Council on Youth Violence, which the President created to coordinate all federal program resources and activities as they relate to youth violence, will be working with the National Campaign Against Youth Violence to engage the private sector in programs and activities for our children and youth.

2. Protecting Children from Environmental and other Safety Hazards

Background: The National League of Cities issued a report in November 1999 identifying childhood lead poisoning as one of 10 critical threats to America's children. Lead is particularly hazardous to children under six because their bodies are still developing, and their normal hand-to-mouth activities increase their contact with lead in paint chips, dust and soil. Lead can impair a child's central nervous system, reduce intelligence, cause reading and learning disabilities, and, at higher levels, cause coma and death. There are currently 890,000 children in the United States under six with levels of lead in their blood above the threshold established by CDC. The problem is especially acute in low-income and minority children living in older housing. For example, 21% of African-American children under six living in older housing have levels above the CDC threshold.

Next Steps/Proposed Action: The President's Task Force on Environmental Health Risks and Safety Risks to Children has proposed a 10-year strategy to eliminate childhood lead poisoning from lead-based paint. For the first time in the 100-year struggle with this disease, this strategy presents a framework for action and a clear deadline. The strategy identifies a number of necessary steps to eliminate lead poisoning by 2010, including increased enforcement of federal lead paint laws, expanding public education to enable parents to protect their children, and increasing blood-lead screening for children, especially Medicaid-eligible kids.

There are many other environmental, and health and safety hazards that children in our

communities face, such as poor access to health care, exposure to insecticides and other toxins, asbestos poisoning, food and water contamination, and household and other accidents. The federal government should work in a coordinated fashion to identify the hazards and systematically address the problems. The Safe Schools/Healthy Students program is a model for interagency cooperation and outreach which may be applied to the protection of our children from environmental and other safety hazards.

F. International Crime

Background/Administration Record: Over the past seven years, the Administration has taken important steps to ensure that the United States has a law enforcement presence around the globe to assist American victims of overseas attacks and to bring the perpetrators to justice as swiftly as possible. In 1996, the President signed the toughest anti-terrorism law in our nation's history. We have negotiated new international treaties and agreements to deny safe haven to international criminals, authorize the seizure of drug proceeds and other ill-gotten profits, and facilitate the investigation and prosecution of international criminals.

Next Steps/Proposed Action: The growing threat of international crime requires that we do more to protect U.S. citizens and interests, both here at home and abroad. The President has already called on Congress to pass legislation that includes new authority for the FBI to investigate crimes committed against Americans abroad, to deny safe haven to international criminals, and to combat drug trafficking, terrorism, and other international crimes. We need this legislation, and we need the Senate to approve more than 30 crime-fighting international treaties submitted by the President that would deny international criminals safe haven abroad in the countries with which those treaties were negotiated.

G. Crime on the Internet

Background/Administration Record: The Clinton Administration has responded aggressively to crime on the Internet. The President signed laws making it easier to prosecute online predators and to increase penalties for online sexual exploitation of children. We have established Internet Crimes Against Children task forces in 20 jurisdictions across the country. We have successfully targeted international child exploitation rings for prosecution. We have provided a national network of computer crime experts and established computer crime squads in the largest cities around the country. Internationally, we have spearheaded a network of computer- crime fighting law enforcement officials in more than 10 countries. Through this network, we have begun to fight back against cyberterrorism and other forms of computer crime.

Next Steps/Proposed Action: The Administration will propose new laws to combat computer and other high-tech crime, and to enhance law enforcement's ability to protect public safety as the Internet becomes integrated into daily life. The President, in the State of the Union, should urge Congress to work with us to enact legislation and to ensure that cyber-criminals are brought to justice. The Administration should also consider developing a Cybercorps program – modeled on the ROTC – to bring experts in computers and technology into the federal

government in exchange for educational assistance.

H. Violence Against Women

Background/Administration Record: At the beginning of the Clinton Administration, Congress passed the first comprehensive federal law to combat violence against women. The Clinton Administration has awarded \$1.5 billion in Violence Against Women Act (VAWA) grants since 1994. The funds have reached across the nation to help communities respond to domestic violence, sexual assault and stalking. But VAWA funding is only authorized until the end of FY 2000. This year, Congress must reauthorize VAWA. The Administration has also enforced new federal domestic violence and stalking laws contained in VAWA that supplement the efforts of state and local law enforcement. To date, the Department has brought over 200 indictments under VAWA.

Next Steps/Proposed Action: In the past seven years, the Administration has learned a great deal about violence against women and developed new programs and proposals to address the identified problems.

First, we have learned that in 30 to 60 percent of domestic violence cases, battered women's children are also being abused – often times by the same person who batters the mother. The Department of Justice and the Department of Health and Human Services will begin working with foundations (the David and Lucile Packard Foundation, the Edna McConnell Clark Foundation, and the Annie E. Casey Foundation) to help families victimized by both domestic violence and child abuse. Through this initiative, we will make sure that child protection services and domestic violence agencies work together.

Second, we have to protect domestic violence victims from firearms. Nearly a third of all women murdered in the U.S. are killed by a current or former spouse or intimate partner. Firearms are used in about 60 percent of all domestic violence homicides. In 1998, over 1,000 victims of domestic violence were killed by guns. New laws have helped to take guns out of the hands of batterers before they use the weapons to harm and sometimes kill their intimate partner. The Brady Law background check system has already blocked more than 12,000 firearms sales to abusers and we must resist any efforts to weaken these laws.

Third, we have to address the growing problem of cyberstalking. We will work with Congress on legislation to provide law enforcement with the tools to end threats and harassment online.

I. Civil Rights Enforcement

1. Hate Crimes

Background: In 1998, over 7,000 hate crimes were reported – including the brutal killings of James Byrd and Matthew Shepard, the shooting of Won Joon Yoon and Ricky

Birdsong, and the attack on children at a Jewish day care center. But, statistics on hate crimes are not accurate. Many victims do not report hate crimes, and many police departments do not collect hate crime data.

Administration Record: This Administration has responded aggressively to hate crimes.

First, we convened the first ever White House conference on hate crimes to call attention to the national problem.

Second, we launched new federal initiatives to identify and prevent these crimes. In partnership with state and local governments, we have established working groups across the country to assess the hate crime problem in their communities and develop specific strategies for response.

Third, we have developed a model hate crimes curriculum to train local law enforcement. To prevent future hate crimes, we have encouraged educators throughout the country to create and adopt programs administered within the schools to teach children not to hate.

Next Steps/Proposed Action: The Administration will propose \$20 million in funding in FY 2001 to support police integrity and hate crimes training.

In addition, we have proposed legislation to assure that hate crimes are prosecuted to the full extent of the law. The proposed Hate Crimes Prevention Act would eliminate existing hurdles that prevent federal prosecution; extend coverage to crimes motivated by sexual orientation, gender, and disability; and preserve federalism by directing that federal prosecution would only occur when necessary to achieve justice in a particular case.

Congress has not acted on this legislation. The State of the Union offers an opportunity for the President to urge prompt Congressional action to prevent future hate crimes from going unpunished.

2. Americans with Disabilities

Background: The year 2000 marks the 10th anniversary of the enactment of the Americans with Disabilities Act. The ADA charged the Civil Rights Division with the responsibility to open the mainstream of American life to over 50 million disabled Americans. The first decade of ADA implementation has opened opportunities for millions of Americans. For the first time, many hotel chains, restaurants, public transportation systems, and large government agencies are accessible to people with disabilities.

Next Steps/Proposed Action: Too many people with disabilities continue to be denied ready access to community programs and basic public accommodations. The Administration

will ask Congress for \$2.4 million in FY 2001 to improve access to basic communication systems, public transportation systems and other community services, train law enforcement on how to identify and handle appropriately persons with mental disabilities, and improve compliance with the ADA in under served populations, such as small towns and businesses in rural areas, people with limited English proficiency, and minority populations in urban centers.

II. Protecting American Consumers

The Administration has vigilantly enforced the antitrust laws and advocated competition and free markets both in traditional industries and in the high-technology and communication sectors of the economy. Most notably, the Department of Justice succeeded after trial in obtaining findings from the court that support claims that Microsoft Corporation violated America's antitrust laws. And, in the midst of a merger wave of historic proportions, with a record \$3 trillion in transactions during 1999, the Department of Justice and the Federal Trade Commission have increased enforcement efforts and taken measured but substantial action to keep markets competitive in the telecommunications, airline, defense, high-tech, agriculture, banking, energy and other sectors. The Department has blocked multi-billion dollar deals, and required parties to divest billion of dollars in assets, when necessary to keep markets competitive.

Also, over the past two years, as part of a major crackdown on global price-fixing cartels, the Department has obtained over \$1.4 billion in criminal fines, mostly from foreign companies, and sent numerous price fixers to jail. These enforcement actions benefit consumers of everyday products like vitamins, milk, and cereal

III. Protecting America's Environment

Background/Administration Record: The Department of Justice has a strong record of enforcement of our environmental laws. A significant issue for the Department today is the enforcement of the Clean Water Act. Almost thirty years after passage of the Clean Water Act, there is still too much toxic waste entering our rivers, lakes and oceans. Last year, over one-third of our coastal beaches had to be closed or were subject to health advisories issued concerning them because of pollution. We are losing from 70 to 90 thousand acres of wetlands each year. The Department of Justice has worked closely with state, tribal, federal, and local governments to ensure that all of American's waters can be "fishable and swimmable" as directed in the Clean Water Act. Overall, between 1993 and 1998, we brought more than 350 civil Clean Air Act cases and 240 civil Clean Water Act cases, imposing more than \$286 million in penalties.

Next Steps/Proposed Action: The President can support this effort by directing federal agencies to redouble their enforcement efforts to target those who are polluting our Nation's rivers, lakes, and oceans, and destroying our wetlands.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

SO TV

FAX COVER SHEET

From the office of Jacquie M. Lawing

Phone: 202/708-0270

Fax: 202/708-4087

DATE: 1/7/00

PAGES INCLUDING COVER: 5

TO: TOM FRIEDMAN

PHONE #: _____

FAX #: _____

COMMENTS:

HUD'S PROPOSED CONTRIBUTIONS TO THE STATE OF THE UNION ADDRESS

The end of this extraordinary American century presents us with two stories about our Nation's communities. On one hand, most people and places are economically the strongest they have been in more than a generation, with wealth up, crime down, jobs expanding, and hope blossoming. On the other, for those people and places left behind, the record-breaking economic success is not yet bringing the jobs, affordable housing, safe streets, and good schools that every neighborhood deserves. At this prosperous moment, we must invest in places left behind, to tap new markets and renew hope.

HUD, the agency charged with partnering with our nation's communities, is now "back in business." While once riddled with mismanagement and incompetence, HUD's management overhaul has received bi-partisan praise and has made great progress. Most noteworthy, in 1999 the agency received its first clean financial audit. HUD is positioned now to take its progress to the next level — leading the full-fledged effort to national community revitalization.

In this year's State of the Union address, President Clinton could speak to America about the stories of both types of communities. For example, while we often hear about the phenomenal success of Wall Street, the fact is that owning a home is still the number one way in which most families accumulate wealth. And homeownership is at an all-time high now, having reached 67%.

But too many Americans watch the great American success story as if it were someone else's dream. For those who want to work and are still jobless, for those not yet on the ladder to homeownership, we need investments in affordable housing, community safety programs, and private-sector-led job creation in what the President referred to last year as "our greatest untapped markets"—the economically distressed areas in urban and rural America. We will request 120,000 new housing vouchers to help the Nation's struggling renter families. Of these new vouchers, 10,000 will be devoted to a new initiative, the Community Renewal Housing Production Initiative, which will put HUD back into the housing construction business. And we will continue our efforts to help homeless people achieve independent living through the award-winning Continuum of Care program.

We will ask Congress to complete the Housing Security Plan for Elderly Americans—building on last year's progress by expanding FHA tools to finance assisted living facilities to serve the most vulnerable, frail elderly. Because no one can be well-housed without feeling secure in their homes, we will propose a Gun Violence Reduction Initiative to combat the scourge of crime-related and accidental gun deaths in cities nationwide. Finally, comprehensive community revitalization will require tapping into all sectors of the economy, including accessing the substantive energies and expertise of the Nation's non-profit and faith-based organizations.

A HOUSING POLICY FOR THE 21st CENTURY.

Even as our nation enjoys unprecedented prosperity, it is actually becoming more and more difficult for low-income American families to afford a decent place to live. For decades national housing policy has shifted back and forth between production oriented programs that focus on expanding the supply of affordable housing, and income based initiatives that provide cash assistance that enables lower income families to afford decent rental housing. As we enter the 21st Century, what is clear is that both approaches are needed if America is to realize the goal of decent housing for all first established some 50 years ago.

As part of his FY2001 budget request, the President is proposing a series of bold initiatives that will expand affordable housing opportunities to hundreds of thousands of families left behind in the new economy. These initiatives build on recent efforts to reform and restore public trust in the nation's affordable housing programs. HUD's 2020 Reform Initiative has cracked down on programmatic abuses, while at the same time demonstrating that the vast majority (over 87 percent) of the nation's assisted rental housing is in good or excellent condition. Three years ago, historic legislation created the Mark-to-Market program, which preserves project-based Section 8 housing (where rents are above market) while bringing costs in line with the private market. In 1998, Public Housing Reform secured a bright future for this vital component of the affordable housing inventory, while legislation in 1999 addressed the loss of affordable housing from "opt-outs," which occur when long-term Section 8 contracts expire and private owners choose to leave the program. Now is the time to build on these victories with renewed efforts to expand the number of housing vouchers while at the same time renewing efforts to produce new affordable rental housing.

New Housing Vouchers: Housing vouchers are an integral part of the Administration's efforts to reform welfare, reward work, support working families, and provide affordable housing for low-income families. This year the President's budget includes 120,000 new housing vouchers at a cost of \$690 million. Of these, 32,000 will be targeted to families moving from welfare to work, 18,000 vouchers will help homeless individuals and families who would otherwise have the most difficult time securing permanent housing, and 10,000 will be devoted to the Community Renewal Housing Production Initiative (see below). In addition to the vouchers themselves, the budget request includes \$50 million to support innovative local programs to assist housing voucher recipients to break down economic, social, or racial barriers that limit their ability to take full advantage of housing vouchers in right markets.

Community Renewal Housing Production Initiative: Housing vouchers are just one part of a balanced housing policy. Supply side initiatives must also be part of the mix. FHA mortgage insurance is key to these new supply side efforts. To spur the production of housing affordable to the lowest income Americans in neighborhoods that will provide strong job opportunities and other benefits, HUD

proposes a program that uses FHA mortgage insurance and links 10,000 new housing vouchers (included in the 120,000 total new vouchers described above) with the highly successful Low Income Housing Tax Credit (LIHTC) program. Funded at an initial cost of \$66 million dollars in FY2001, the program will encourage income mixing, by limiting the use of vouchers to no more than 25% of the units in any new LIHTC development. The program includes \$8 million for one-time incentive payments to developers who build units targeted to worst case housing needs, such as large families with children. The FY2001 budget also includes additional production initiatives, including an effort to use FHA mortgage insurance to promote mixed-used and mixed-income developments in urban redevelopment areas.

A Continuum of Care for the Nation's Homeless: Mayors, academicians and the President himself have long been saying that the Continuum of Care for addressing homelessness is a major innovation that works. This year, that was confirmed by Harvard University's John F. Kennedy School of Government and the Ford Foundation, when they awarded the Continuum the coveted "Innovations in Government" Award. It addresses the housing needs of the most vulnerable Americans -- those making a transition from the streets back into homes and community life -- and leverages many times the investment of Federal resources in private funds. It is responsible, over the past six years, for moving 400,000 formerly-homeless people to self-sufficiency. This year, the President will propose an all-time high of \$1.2 billion in funding for the Continuum of Care.

ELDERLY ASSISTED LIVING PROGRAM.

As the President has often emphasized, our nation will, over the next 50 years, undergo a demographic shift unlike anything seen in our history. As part of anticipating the "greying" of America, HUD last year increased its focus on serving older Americans by proposing the Housing Security Plan for Older Americans. The plan, now enacted into law as part of HUD's FY2000 budget, provides a full range of options -- a "Continuum of Care" -- to meet the changing needs of our Nation's elders. Components include efforts to 1) help elders stay in their own homes, 2) build more affordable elderly housing, 3) provide seniors the services they need, and 4) ensure access to assisted housing. The FY2001 budget continues to expand the range of housing options for seniors by including a new initiative that combines FHA mortgage insurance with annual operating subsidies to produce new assisted living facilities. The President has included \$50 million for this initiative in his budget request, and a total of \$779 million for the entire Elderly Continuum of Care.

FIGHTING CRIME.

Although violent crimes are down nationwide, the United States still loses too many innocent victims to shootings each and every day, with 600 lives lost each week in gun violence, and another 1,800 people injured. So, this year, HUD initiated a gun buy-back

program, pledging \$15 million to buy up to 300,000 guns now in circulation. And seeking an even more systemic way to address the issue of gun violence, HUD announced last month that it will join with the Administration and 29 cities and counties to negotiate with the gun manufacturing industry, in an effort to encourage the industry to more responsibly design, market and distribute its products. Looking to the coming year, the President has included \$30 million in his budget proposal for HUD's Anti-Gun Violence and Housing Safety Initiative, to provide a public education campaign about the misuse of firearms; technical assistance for local governments, public housing authorities, and non-profits on how to reduce gun-related violence; and state-of-the-art tracking and mapping systems to gather much-needed information on gun-related crimes, which could then be used for prevention activities.

NEW MARKETS.

A significant legacy that the President will leave with the Nation is his focus on New Markets – communities left behind in the nation's extraordinary prosperity. In the weeks and months that have followed the New Markets trips, HUD has been active in White House-led interagency efforts to concretely further the New Markets agenda. One of the major components of the New Markets initiative is the effort to stimulate large-scale private investment in areas with too little commercial activity, through three legislative initiatives, one of which, APIC (America's Private Investment Companies), received an appropriation in FY 2000. Working with Congress, we secured \$20 million in credit subsidy to leverage over \$540 million in private loans and \$270 million in private equity capital to create and expand large-scale businesses in rural and urban America. The president will propose continued investment in the APIC program and the Community Empowerment Fund in his FY2001 submission.

The faith-based sector represents a vast, largely untapped potential partner for Government in working to improve the lives of Americans. Although faith-based organizations represent the third-largest segment of non-profit groups (after health and education), only a small percentage of these organizations report partnering with the Government. Yet they have strong advantages as community building partners because of their immediate ties to people, their ability to muster community support, their history of commitment to "safety net" and other types of important programs, and their credibility in public dialogue. HUD created the Center for Community and faith-based partnerships and has received enormous interest from this community on partnering with government to strengthen our communities. This year, the President will include in his budget a proposal that HUD spend \$20 million to develop this important partnership resource.

THE WHITE HOUSE
WASHINGTON

TO: Tom

FROM: JOSH GOTTHEIMER
OFFICE OF SPEECHWRITING

ERIC'S MEMO PR
LAST YEAR - PER OK
DISCUSSION TODAY.

MEMORANDUM

TO: President Clinton
FROM: Eric Liu *EL*
DATE: December 18, 1998
SUBJ: State of the Union

SOTU

Introduction

I have been sitting at my desk the last few days trying to articulate a "big" idea that I might offer for your speech. But as I write this memo, Iraq is under attack and the House debate is underway. Watching all this unfold, I wonder whether a standard State of the Union, stuffed with rhetoric and perfunctory policy nods, will seem at all appropriate. I know -- it's still a very long time between now and late January; maybe politics will have returned to "normal" by then. But whatever the situation in January, I believe this speech must be something different. Something personal and from the heart.

I urge you, Mr. President, to speak of *politics*. Not elections, not polls or procedure, but the deeper meaning and the original purposes of politics. I want to know, in your own words, why you chose to enter public life. I'd like you to tell me about your earliest days in the public square, the people you met, the people who helped you, the people you helped. I want to hear you tell Americans -- especially young Americans -- why politics still matters; why, even today, you still believe in its possibilities.

This would be a speech about you, yes. But it would really be about all of us. It would be about the things that we have taken for granted about our common life. It would remind us of the good that can be done through politics -- that can be done, indeed, *only* through politics -- whether it is giving the voiceless a voice, the unskilled a skill, the hopeless hope. And indirectly, perhaps, it would send the message that amidst the madness of our day you have held fast to first principles.

Why Talk About Politics

Let me say right off. I am not proposing a sorrowful valedictory, or a self-serving plea for redemption. Far from it. I am proposing a speech of character, of strength, one that will make its mark whether the situation a month hence is good or bad. For the reality is that even if in January all that is unhappy for you now has turned happy, the causes of popular disaffection and disgust toward the political process will not have abated.

The catalog of those causes is long and familiar: The cost and the triviality of campaigns have made elections seem an irrelevance. The language of political debate has become utterly predictable, a lifeless array of code words and stiff verbal postures. Meanwhile, the economy has our minds mainly on markets. The importance of government feels diminished. The 24-hour media has made news mere background noise. The Internet has truncated attention spans. And the dominance of the entertainment ethos has reduced what remains of political life to just another segment on just another talk show.

Ever since I left Washington four years ago, I have been watching this devolution with an eerie sense of detachment. Now I have begun to feel real fear: fear that an entire generation is learning that it can do without politics; fear that the habits and customs of a meaningful democratic existence are atrophying; fear that "public life" now means only celebrity and exposure; and, perhaps worst of all, fear that I am in the minority for feeling such fear at all. That is why I wish to hear you speak of politics.

How to Talk About Politics

Tell us stories – vivid, particular stories. Tell us, say, about an elderly woman you met in your first run for office. Or a young man you met when you first ran for President. Tell us how you saw the world when you'd become a father, what you thought a person could do for the next generation if he could bring together enough of his countrymen. Tell of the impulse you had to be part of something greater than just yourself. Tell of a time when public service, when the very idea of the public sphere, meant something – and meant something positive. Take us back to why you got involved at all.

Then remind the country of the ways in which we still need politics, and use as your leitmotif *The Great Gaps*. The still-widening gap between the richest citizens and the poorest. The gap in educational opportunities that perpetuates itself in a gap of life chances. The gap in empathy that boxes us up by ideology, or race, or religion. The gap in experience that makes one generation tune out another.

In times of national privation, we feel these gaps acutely. In times like these, of relative comfort and security, we have to be careful not to forget them. What will close these gaps? Mere trust in the market? Mere chat on the gossip line? Mere absorption with the immediate needs of self? No – what will close these gaps is only politics: talking, arguing, nudging, inspiring. Politics: stepping into another's shoes and asking why they see things as they do. Politics: gathering people to reach a greater sense of their potential and commonality than they'd had before.

Politics is sometimes nasty and brutish. *I know this well*, you can say. Politics can appear absurd, annoying, or fiercely beside the point. *And it often is*, you might add. But perhaps more powerfully than anyone, you can make the case that we mustn't abandon politics. For politics, properly defined, is not the "who's up-who's down" of the Beltway circus. It is the work of making our freedom add up to something; of showing that a citizen is more than a consumer, and a republic more than a call-in show. It is directing our own destinies – as individuals, as families, as a community.

In making this case, I would avoid lofty, Kennedyesque tones. Borrow a few lines, perhaps, from Havel or Mandela (or Wei Jingsheng) on the obligations of liberty. But speak quietly, plainly. Speak as if you were sitting down for a conversation with just one American, one cynical American who has given up on the very idea of a public, of shared purpose and endeavor. Melt his shell of apathy, locate him in a bigger storyline, convince him to *believe* again. Go back, in short, to the beginning.

What This Will Do

I think a State of the Union speech that incorporates such reflections can achieve several things for you tactically. It will reveal the trumped-up theater of impeachment for what it is: trumped-up theater. It will underscore the fact that your opponents know only "small-p" politics, the pettiness and the angling for momentary advantage. It will reinforce one of the mandates of the election, which was for Washington to get back to work.

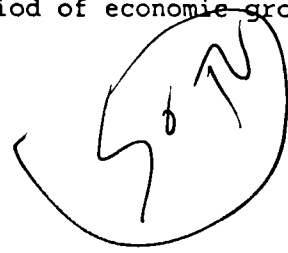
It will accomplish something else, I hope. For the millions of people watching you, it will offer a moment's pause. By the time you deliver this speech, the American people will have been bombarded with oratory about the Constitution and the "duties" of politicians. We will have heard overwrought lessons about the form and formalities of democracy. But I suspect we will not have had the lesson we really need, which is about the *spirit* and *soul* of democracy. This is the side of civic life I hope you will address.

A Final Word

One of my first memories of working for you was your reaction one day as you were being briefed on the contents of an upcoming policy speech. "Words, words, words," you said, with a wave of the hand. "What do we really mean? What are we trying to say?" Good questions, never more relevant than now. A speech on the "American Century," or "the six ways to build the three pillars of opportunity," will be forgotten as it is delivered. A speech on *why the public should even care anymore*, on why, despite it all, we must still engage each other with civility, will be better, and better remembered.

I write as someone who was once idealistic about what politics meant, and who wants to be idealistic again. I want to be reminded, as I believe you are uniquely able to remind us, of the weave of obligation and understanding that connects us all. Tell us the proper name for the weaving of that net: *politics*. And show us that politics still has a future.

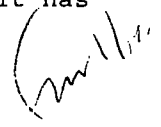
Next month, America will achieve the longest period of economic growth in our entire history.



We have built a new economy.

Our economic revolution has been matched by a revival of the American spirit: Crime down by 20 percent, to its lowest level in 25 years. Teen births down seven years in a row and adoptions up by 30 percent. Welfare rolls cut in half to their lowest levels in 30 years.

My fellow Americans, the state of our union is the strongest it has ever been.



As always, the credit belongs to the American people.

My gratitude also goes to those of you in this chamber who have worked with us to put progress above partisanship.

Eight years ago, ~~it was~~ not so clear to most Americans there would be much to celebrate in the year 2000. Then our nation was gripped by economic distress, social decline, political gridlock. The title of a best-selling book asked: "America: What went wrong?"

In the best traditions of our nation, Americans determined to set things right. We restored the vital center, replacing outdated ideologies with a new vision anchored in basic, enduring values: opportunity for all, responsibility from all, and a community of all Americans.

We reinvented government, transforming it into a catalyst for new ideas that stress both opportunity and responsibility, and give our people the tools to solve their own problems.

With the smallest federal workforce in 40 years, we turned record deficits into record surpluses, and doubled our investment in education. We cut crime: with 100,000 community police and the Brady Law, which has kept guns out of the hands of half a million criminals.

We ended welfare as we knew it -- requiring work while protecting health care and nutrition for children, and investing more in child care, transportation, and housing to help their parents go to work. We have helped parents to succeed at work and at home -- with family leave, which 20 million Americans have used to care for a newborn child or a sick loved one. We have engaged 150,000 young Americans in citizen service through AmeriCorps -- while also helping them earn their way through college.

In 1992, we had a roadmap. Today, we have results. More important, America again has the confidence to dream big dreams. But we must not let our renewed confidence grow into complacency. We will be judged by the dreams and deeds we pass on to our children. And on that score, we will be held to a high standard, indeed. Because our chance to do good is so great.

My fellow Americans, we have crossed the bridge we built to the 21st Century. Now, we must shape a 21st-Century American revolution -- of opportunity, responsibility, and community. We must be, as we were in the beginning, a new nation. 

At the dawn of the last century, Theodore Roosevelt said, "the one characteristic more essential than any other is foresight. . . It should be the growing nation with a future which takes the long look ahead."

Tonight let us take our look long ahead -- and set great goals for our nation.

To 21st Century America, let us pledge that:

Every child will begin school ready to learn and graduate ready to succeed. Every family will be able to succeed at home and at work -- and no

child will be raised in poverty. We will meet the challenge of the aging of America. We will assure quality, affordable healthcare for all Americans. We will make America the safest big country on earth. We will bring prosperity to every American community. We will reverse the course of climate change and leave a cleaner, safer planet. America will lead the world toward shared peace and prosperity, and the far frontiers of science and technology. And we will become at last what our founders pledged us to be so long ago -- one nation, under God, indivisible, with liberty and justice for all.

These are great goals, worthy of a great nation. We will not reach them all this year. Not even in this decade. But we will reach them. Let us remember that the first American revolution was not won with a single shot. The continent was not settled in a single year. The lesson of our history -- and the lesson of the last seven years -- is that great goals are reached step by step: always building on our progress, always gaining ground.

Of course, you can't gain ground if you're standing still. For too long this Congress has been standing still on some of our most pressing national priorities. Let's begin with them.

I ask you again to pass a real patient's bill of rights. Pass

common-sense gun-safety legislation. Pass campaign finance reform. Vote on long overdue judicial nominations and other important appointees. And, again, I ask you to raise the minimum wage.

Two years ago, as we reached our first balanced budget, I asked that we meet our responsibility to the next generation by maintaining our fiscal discipline. Because we refused to stray from that path, we are doing something that would have seemed unimaginable seven years ago: We are actually paying down the national debt. If we stay on this path, we can pay down the debt entirely in 13 years and make America debt-free for the first time since Andrew Jackson was president in 1835. u

In 1993, we began to put our fiscal house in order with the Deficit Reduction Act, winning passage in both houses by just one vote. Your former colleague, my first Secretary of the Treasury, led that effort. He is here tonight. Lloyd Bentsen, you have served America well.

Beyond paying off the debt, we must ensure that the benefits of debt reduction go to preserving two of the most important guarantees we make to every American -- Social Security and Medicare. I ask you tonight to work with me to make a bipartisan down payment on Social Security reform by crediting the interest savings from debt reduction to the Social Security Trust Fund to ensure that it is strong and sound for the next 50 years.

But this is just the start of our journey. Now we must take the right steps toward reaching our great goals.

OPPORTUNITY AND RESPONSIBILITY IN EDUCATION

First and foremost, we need a 21st Century revolution in education, guided by our faith that every child can learn. Because education is more than ever the key to our children's future, we must make sure all our children have that key. That means quality preschool and afterschool, the best trained teachers in every classroom, and college opportunities for all our children.

For seven years, we have worked hard to improve our schools, with opportunity and responsibility: Investing more, but demanding more in return.

Reading, math, and college entrance scores are up. And some of the most impressive gains are in schools in poor neighborhoods.

All successful schools have followed the same proven formula: higher standards, more accountability, so all children can reach those standards. I have sent Congress a reform plan based on that formula. It holds states

and school districts accountable for progress, and rewards them for results. Each year, the national government invests more than \$15 billion in our schools. It's time to support what works and stop supporting what doesn't.

As we demand more than ever from our schools, we should invest more than ever in our schools.

Let's double our investment to help states and districts turn around their worst-performing schools -- or shut them down.

Let's double our investment in afterschool and summer school programs -- boosting achievement, and keeping children off the street and out of trouble. If we do, we can give every child in every failing school in America the chance to meet high standards.

Since 1993, we've nearly doubled our investment in Head Start and improved its quality. Tonight, I ask for another \$1 billion to Head Start, the largest increase in the program's history.

We know that children learn best in smaller classes with good teachers. For two years in a row, Congress has supported my plan to hire 100,000 new, qualified teachers, to lower class sizes in the early grades.

This year, I ask you to make it three in a row.

And to make sure all teachers know the subjects they teach, tonight I propose a new teacher quality initiative -- to recruit more talented people into the classroom, reward good teachers for staying there, and give all teachers the training they need.

We know charter schools provide real public school choice. When I became President, there was just one independent public charter school in all America. Today there are 1,700. I ask you to help us meet our goal of 3,000 by next year.

We know we must connect all our classrooms to the Internet. We're getting there. In 1994, only three percent of our classrooms were connected. Today, with the help of the Vice President's E-rate program, more than half of them are; and 90 percent of our schools have at least one connection to the Internet.

But we can't finish the job when a third of all schools are in serious disrepair, many with walls and wires too old for the Internet. Tonight, I propose to help 5,000 schools a year make immediate, urgent repairs. And again, to help build or modernize 6,000 schools, to get students out of trailers and into high-tech classrooms.

We should double our bipartisan GEAR UP program to mentor 1.4 million disadvantaged young people for college. And let's offer these students a chance to take the same college test-prep courses wealthier students use to boost their test scores.

To make the American Dream achievable for all, we must make college affordable for all. For seven years, on a bipartisan basis, we have taken action toward that goal: larger Pell grants, more-affordable student loans, education IRAs, and our HOPE scholarships, which have already benefited 5 million young people. 67 percent of high school graduates now go on to college, up almost 10 percent since 1993. Yet millions of families still strain to pay college tuition. They need help.

I propose a landmark \$30-billion college opportunity tax cut -- a middle-class tax deduction for up to \$10,000 in college tuition costs. We've already made two years of college affordable for all. Now let's make four years of college affordable for all.

If we take all these steps, we will move a long way toward making sure every child starts school ready to learn and graduates ready to succeed.

REWARDING WORK AND STRENGTHENING FAMILIES

We need a 21st Century revolution to reward work and strengthen families -- by giving every parent the tools to succeed at work and at the most important work of all -- raising their children. That means making sure that every family has health care and the support to care for aging parents, the tools to bring their children up right, and that no child grows up in poverty;.

From my first days as President, we have worked to give families better access to better health care. In 1997, we passed the Children's Health Insurance Program -- CHIP -- so that workers who don't have health care coverage through their employers at least can get it for their children. So far, we've enrolled 2 million children, and we're well on our way to our goal of 5 million.

But there are still more than 40 million Americans without health insurance, more than there were in 1993. Tonight I propose that we follow Vice President Gore's suggestion to make low income parents eligible for the insurance that covers their kids. Together with our children's initiative, we can cover nearly one quarter of the uninsured in America.

Again, I ask you to let people between 55 and 65 -- the fastest growing group of uninsured -- buy into Medicare. And let's give them a tax

credit to make that choice an affordable one.

When the Baby Boomers retire, Medicare will be faced with caring for twice as many of our citizens -- and yet it is far from ready to do so. My generation must not ask our children's generation to shoulder our burden. We must strengthen and modernize Medicare now.

My budget includes a comprehensive plan to reform Medicare, to make it more efficient and competitive. And it dedicates nearly \$400 billion of our budget surplus to keep Medicare solvent past 2025; and, at long last, to give every senior a voluntary choice of affordable coverage for prescription drugs.

Lifesaving drugs are an indispensable part of modern medicine. No one creating a Medicare program today would even consider excluding coverage for prescription drugs. Yet more than three in five seniors now lack dependable drug coverage which can lengthen and enrich their lives. Millions of older Americans who need prescription drugs the most pay the highest prices for them.

In good conscience, we cannot let another year pass without extending to all seniors the lifeline of affordable prescription drugs.

Record numbers of Americans are providing for aging or ailing loved ones at home. Last year, I proposed a \$1,000 tax credit for long-term care. Frankly, that wasn't enough. This year, let's triple it to \$3,000 -- and this year, let's pass it.

And we must make needed investments to expand access to mental health care. I want to thank the person who has led our efforts to break down the barriers to the decent treatment of mental illness: Tipper Gore.

Taken together, these proposals would mark the largest investment in health care in the 35 years since the creation of Medicare -- a big step toward assuring health care for all Americans, young and old.

We must also make investments that reward work and support families. Nothing does that better than the Earned Income Tax Credit, the EITC. The "E" in "EITC" is about earning; working; taking responsibility and being rewarded for it. In my first Address to you, I asked Congress to greatly expand this tax credit; and you did. As a result, in 1998 alone, the EITC helped more than 4.3 million Americans work their way out of poverty and toward the middle class -- double the number in 1993.

Tonight, I propose another major expansion. We should reduce the marriage penalty for the EITC, making sure it rewards marriage just as it

rewards work. And we should expand the tax credit for families with more than two children to provide up to \$1,100 more in tax relief.

We can't reward work and family unless men and women get equal pay for equal work. The female unemployment rate is the lowest in 46 years. Yet women still earn only about 75 cents for every dollar men earn. We must do better by providing the resources to enforce present equal pay laws, training more women for high-paying, high-tech jobs, and passing the Paycheck Fairness Act. .

Two-thirds of new jobs are in the suburbs, far away from many low-income families. In the past two years, I have proposed and Congress has approved 110,000 new housing vouchers -- rent subsidies to help working families live closer to the workplace. This year, let us more than double that number. If we want people to go to work, they have to be able to get to work.

Many working parents spend up to a quarter of their income on child care. Last year, we helped parents provide child care for about two million children. My child care initiative, along with funds already secured in welfare reform, would make child care better, safer, and more affordable for another 400,000 children.

For hard-pressed middle-income families, we should also expand the child care tax credit. And we should take the next big step. We should make that tax credit refundable for low-income families. For those making under \$30,000 a year, that could mean up to \$2,400 for child-care costs. We all say we're pro-work and pro-family. Passing this proposal would prove it.

Tens of millions of Americans live from paycheck to paycheck. As hard as they work, they still don't have the opportunity to save. Too few can make use of IRAs and 401-K retirement plans. We should do more to help working families save and accumulate wealth. That's the idea behind so-called Individual Development Accounts. Let's take that idea to a new level, with Retirement Savings Accounts that enable every low- and moderate-income family in America to save for retirement, a first home, a medical emergency, or a college education. I propose to match their contributions, however small, dollar for dollar, every year they save. And to give a major new tax credit for any small business that provides a meaningful pension to its workers.

Nearly one in three American children grows up in a home without a father. These children are five times more likely to live in poverty than children with both parents at home. Clearly, demanding and supporting responsible fatherhood is critical to lifting all children out of poverty.

We have doubled child support collections since 1992, and I am proposing tough new measures to hold still more fathers responsible. But we should recognize that a lot of fathers want to do right by their children -- and need help to do it. Carlos Rosas of St. Paul, Minnesota, got that help. Now he has a good job and he supports his son Ricardo. My budget will help 40,000 fathers make the choices Carlos did. And I thank him for being here.

If there is any issue on which we can reach across party lines it is in our common commitment to reward work and strengthen families. Thanks to overwhelming bipartisan support from this Congress, we have improved foster care, supported those who leave it when they turn eighteen, and dramatically increased the number of foster children going to adoptive homes. I thank you for that. Of course, I am especially grateful to the person who has led our efforts from the beginning, and who has worked tirelessly for children and families for thirty years now: my wife, Hillary.

If we take all these steps, we will move a long way toward empowering parents to succeed at home and at work and ensuring that no child is raised in poverty. We can make these vital investments in health care, education and support for working families--and still offer tax cuts to help pay for

college, for retirement, to care for aging parents and reduce the marriage penalty -- without forsaking the path of fiscal discipline that got us here. Indeed, we must make these investments and tax cuts in the context of a balanced budget that strengthens and extends the life of Social Security and Medicare and pays down the national debt.

RESPONSIBILITY AND CRIME

Crime in America has dropped for the past seven years -- the longest decline on record, thanks to a national consensus we helped to forge on community police, sensible gun safety laws, and effective prevention. But nobody believes America is safe enough. So let's set a higher goal: let's make America the safest big country in the world.

Last fall, Congress supported my plan to hire -- in addition to the 100,000 community police we have already funded -- 50,000 more, concentrated in high-crime neighborhoods. I ask your continued support.

Soon after the Columbine tragedy, Congress considered common-sense gun safety legislation to require Brady background checks at gun shows, child safety locks for all new handguns, and a ban on the importation of large-capacity ammunition clips. With courage -- and a tie-breaking vote

by the Vice President -- the Senate faced down the gun lobby, stood up for the American people, and passed this legislation. But the House failed to follow suit.

We've all seen what happens when guns fall into the wrong hands. Daniel Mauser was only 15 years old when he was gunned down at Columbine. He was an amazing kid, a straight-A student, a good skier. Like all parents who lose their children, his father Tom has borne unimaginable grief. Somehow Tom has found the strength to honor his son by transforming his grief into action. Earlier this month, he took a leave of absence from his job to fight for tougher gun safety laws. I pray that his courage and wisdom will move this Congress to make common-sense gun safety legislation the very next order of business. Tom, thank you for being here tonight.

We must strengthen gun laws and better enforce laws already on the books. Federal gun crime prosecutions are up 16 percent since I took office. But again, we must do more. I propose to hire more federal and local gun prosecutors, and more ATF agents to crack down on illegal gun traffickers and bad-apple dealers. And we must give law enforcement the tools to trace every gun -- and every bullet -- used in a crime in America.

Listen to this: the accidental gun death rate of children under 15 in the United States is nine times higher than in the other 25 industrialized

nations -- combined. Technologies now exist that could lead to guns that can only be fired by the adults who own them. I ask Congress to fund research in Smart Gun technology. I also call on responsible leaders in the gun industry to work with us on smart guns and other steps to keep guns out of the wrong hands and keep our children safe.

Every parent I know worries about the impact of violence in the media on their children. I thank the entertainment industry for accepting my challenge to put voluntary ratings on TV programs and video and Internet games. But the ratings are too numerous, diverse, and confusing to be really useful to parents. Therefore, I now ask the industry to accept the First Lady's challenge -- to develop a single, voluntary rating system for all children's entertainment, one that is easier for parents to understand and enforce.

If we take all these steps, we will be well on our way to making America the safest big country in the world.

OPENING NEW MARKETS

To keep our historic economic expansion going, we need a 21st Century revolution to open new markets, start new businesses, and hire new workers right here in America -- in our inner cities, poor rural areas, and on

Indian reservations.

Our nation's prosperity has not yet reached these places. Over the last six months, I have traveled to many of them -- joined by many of you, and many far-sighted business people -- to shine a spotlight on the enormous potential in communities from Appalachia to the Mississippi Delta, from Watts to the Pine Ridge Indian Reservation. Everywhere I've gone, I've met talented people eager for opportunity, and able to work. Let's put them to work.

For business, it's the smart thing to do. For America, it's the right thing to do. And if we don't do it now, when will we ever get around to it?

I ask Congress to give businesses the same incentives to invest in America's new markets that they now have to invest in foreign markets. Tonight, I propose a large New Markets Tax Credit and other incentives to spur \$22 billion in private-sector capital -- to create new businesses and new investments in inner cities and rural areas.

Empowerment Zones have been creating these opportunities for five years now. We should also increase incentives to invest in them and create more of them.

This is not a Democratic or a Republican issue. It is an American issue. Mr. Speaker, it was a powerful moment last November when you joined me and the Reverend Jesse Jackson in your home state of Illinois, and committed to working toward our common goal, by combining the best ideas from both sides of the aisle. Mr. Speaker, I look forward to working with you.

We must maintain our commitment to community development banks and keep the community reinvestment act strong so all Americans have access to the capital they need to buy homes and build businesses.

We need to make special efforts to address the areas with the highest rates of poverty. My budget includes a special \$110 million initiative to promote economic development in the Mississippi Delta; and \$1 billion to increase economic opportunity, health care, education and law enforcement for Native American communities. In this new century, we should honor our historic responsibility to empower the first Americans. I thank leaders and members from both parties who have already expressed an interest in working with us on these efforts.

There's another part of our American community in trouble today -- our family farmers. When I signed the Farm Bill in 1996, I said there was a

great danger it would work well in good times but not in bad. Well, droughts, floods, and historically low prices have made times very bad for our farmers. We must work together to strengthen the farm safety net, invest in land conservation, and create new markets by expanding our program for bio-based fuels and products.

Today, opportunity for all requires something new: having access to a computer and knowing how to use it. That means we must close the digital divide between those who have these tools and those who don't.

Connecting classrooms and libraries to the Internet is crucial, but it's just a start. My budget ensures that all new teachers are trained to teach 21st Century skills and creates technology centers in 1,000 communities to serve adults. This spring, I will invite high-tech leaders to join me on another New Markets tour -- to close the digital divide and open opportunity for all our people. I thank the high-tech companies that are already doing so much in this area -- and I hope the new tax incentives I have proposed will encourage others to join us.

If we take these steps, we will go a long way toward our goal of bringing opportunity to every community.

GLOBAL CHANGE AND AMERICAN LEADERSHIP

To realize the full possibilities of the new economy, we must reach beyond our own borders, to shape the revolution that is tearing down barriers and building new networks among nations and individuals, economies and cultures: globalization.

It is the central reality of our time. Change this profound is both liberating and threatening. But there is no turning back. And our open, creative society stands to benefit more than any other -- if we understand, and act on, the new realities of interdependence. We must be at the center of every vital global network, as a good neighbor and partner. We cannot build our future without helping others to build theirs.

First, we must forge a new consensus on trade. Those of us who believe passionately in the power of open trade must ensure that it lifts both our living standards and our values, never tolerating abusive child labor or a race to the bottom on the environment and worker protection. Still, open markets and rules-based trade are the best engines we know for raising living standards, reducing global poverty and environmental destruction, and assuring the free flow of ideas. There is only one direction for America on trade: we must go forward.

And we must make developing economies our partners in prosperity --

which is why I ask Congress to finalize our groundbreaking African and Caribbean Basin trade initiatives.

Globalization is about more than economics. Our purpose must be to bring the world together around democracy, freedom, and peace, and to oppose those who would tear it apart.

Here are the fundamental challenges I believe America must meet to shape the 21st Century world.

First, we must continue to encourage our former adversaries, Russia and China, to emerge as stable, prosperous, democratic nations. Both are being held back from reaching their full potential: Russia by the legacy of communism, economic turmoil, a cruel and self-defeating war in Chechnya; China by the illusion that it can buy stability at the expense of freedom.

But think how much has changed in the past decade: thousands of former Soviet nuclear weapons eliminated; Russian soldiers serving with ours in the Balkans; Russian people electing their leaders for the first time in a thousand years. And in China, an economy more open to the world than ever before. No one can know for sure what direction these great countries will choose. But we must do everything in our power to increase the chance they will choose wisely, to be constructive members of the

global community.

That is why we must support those Russians struggling for a democratic, prosperous future; continue to reduce both our nuclear arsenals; and help Russia safeguard weapons and materials that remain.

That is why Congress should support the agreement we negotiated to bring China into the WTO, by passing Permanent Normal Trade Relations as soon as possible this year. Our markets are already open to China. This agreement will open China's markets to us. And it will advance the cause of peace in Asia and promote the cause of change in China.

A second challenge is to protect our security from conflicts that pose the risk of wider war and threaten our common humanity. America cannot prevent every conflict or stop every outrage. But where our interests are at stake and we can make a difference, we must be peacemakers.

We should be proud of America's role in bringing the Middle East closer than ever to a comprehensive peace; building peace in Northern Ireland; working for peace in East Timor and Africa; promoting reconciliation between Greece and Turkey and in Cyprus; working to defuse crises between India and Pakistan; defending human rights and religious

freedom.

And we should be proud of the men and women of our armed forces and those of our allies who stopped the ethnic cleansing in Kosovo -- enabling a million innocent people to return to their homes.

When Slobodan Milosevic unleashed his terror on Kosovo, Captain John Cherrey was one of the brave airmen who turned the tide. And when another American plane went down over Serbia, he flew into the teeth of enemy air defenses to bring his fellow pilot home. Thanks to our armed forces' skill and bravery, we prevailed without losing a single American in combat. Captain Cherrey, we honor you, and promise to finish the job you began.

A third challenge is to keep the inexorable march of technology from giving terrorists and potentially hostile nations the means to undermine our defenses. The same advances that have shrunk cell phones to fit in the palms of our hands can also make weapons of terror easier to conceal and easier to use.

We must meet this threat: by making effective agreements to restrain nuclear and missile programs in North Korea, curbing the flow of lethal technology to Iran; preventing Iraq from threatening its neighbors; increasing our preparedness against chemical and biological attack;

protecting our vital computer systems from hackers and criminals; and developing a system to defend against new missile threats -- while working to preserve our Anti-Ballistic Missile Treaty with Russia.

I hope we can have a constructive bipartisan dialogue this year to build a consensus which will lead eventually to the ratification of the Comprehensive Nuclear Test Ban Treaty.

A fourth challenge is to ensure that the stability of our planet is not threatened by the huge gulf between rich and poor. We cannot accept a world in which part of humanity lives on the cutting edge of a new economy, while the rest live on the bare edge of survival. We must do our part, with expanded trade, expanded aid, and the expansion of freedom.

From Nigeria to Indonesia, more people won the right to choose their leaders in 1999 than in 1989, the year the Berlin Wall fell. We must stand by democracies -- like Colombia, fighting narco-traffickers for its people's lives, and our children's lives. I have proposed a strong two-year package to help Colombia win this fight; and I ask for your support. And I will propose tough new legislation to go after what drug barons value most -- their money.

In a world where 1.2 billion people live on less than a dollar a day,

we must do our part in the global endeavor to reduce the debts of the poorest countries so they can invest in education, health and economic growth -- as the Pope and other religious leaders have urged. Last year, Congress made a down payment on America's share. And I ask for your continued support.

And America must help more nations break the bonds of disease. Last year in Africa, AIDS killed ten times as many people as war did. My budget invests \$150 million more in the fight against this and other infectious killers. Today, I propose a tax credit to speed the development of vaccines for diseases like malaria, TB and AIDS. I ask the private sector and our partners around the world to join us in embracing this cause. Together, we can save millions of lives.

Our final challenge is the most important: to pass a national security budget that keeps our military the best trained and best equipped in the world, with heightened readiness and 21st Century weapons; raises salaries for our service men and women; protects our veterans; fully funds the diplomacy that keeps our soldiers out of war; and makes good on our commitment to pay our UN dues and arrears. I ask you to pass this budget and I thank you for the extraordinary support you have given -- Republicans and Democrats alike -- to our men and women in uniform. I especially want to thank Secretary Cohen for symbolizing our bipartisan commitment to our

national security -- and Janet Cohen, I thank you for tirelessly traveling the world to show our support for the troops.

If we meet all these challenges, America can lead the world toward peace and freedom in an era of globalization.

RESPONSIBILITY, OPPORTUNITY, AND THE ENVIRONMENT

I am grateful for the opportunities the Vice President and I have had to work hard to protect the environment and finally to put to rest the notion that you can't expand the economy while protecting the environment. As our economy has grown, we have rid more than 500 neighborhoods of toxic waste and ensured cleaner air and water for millions of families. In the past three months alone, we have acted to preserve more than 40 million acres of roadless lands in our National Forests and created three new National Monuments.

But as our communities grow, our commitment to conservation must grow as well. Tonight, I propose creating a permanent conservation fund to restore wildlife, protect coastlines, and save natural treasures from California redwoods to the Everglades. This Lands Legacy endowment represents by far the most enduring investment in land preservation ever proposed.

Last year, the Vice President launched a new effort to help make communities more livable -- so children will grow up next to parks, not parking lots, and parents can be home with their children instead of stuck in traffic. Tonight, we propose new funding for advanced transit systems -- for saving precious open spaces -- for helping major cities around the Great Lakes protect their waterways and enhance their quality of life.

The greatest environmental challenge of the new century is global warming. Scientists tell us that the 1990s were the hottest decade of the entire millennium. If we fail to reduce emissions of greenhouse gases, ¹¹ deadly heat waves and droughts will become more frequent, coastal areas will be flooded, economies disrupted.

Many people in the United States and around the world still believe we can't cut greenhouse gas pollution without slowing economic growth. In the Industrial Age that may have been true. In the digital economy, it isn't. New technologies make it possible to cut harmful emissions and provide even more growth. For example, just last week, automakers unveiled cars that get 70 to 80 miles a gallon -- the fruits of a unique research partnership between government and industry. Before you know it, efficient production of biofuels will give us the equivalent of hundreds of miles from a gallon of gas.

To speed innovations in environmental technologies, I propose giving major tax incentives to businesses for the production of clean energy -- and to families for buying energy-saving homes and appliances and the next generation of super-efficient cars when they hit the showroom floor. I also call on the auto industry to use available technologies to make all new cars more fuel efficient right away. And on Congress to make more of our clean-energy technologies available to the developing world -- creating cleaner growth abroad and new jobs at home.

THE OPPORTUNITY AND RESPONSIBILITY OF SCIENCE AND TECHNOLOGY 11

In the new century, innovations in science and technology will be the key not only to the health of the environment but to miraculous improvements in the quality of our lives and advances in the economy.

Later this year, researchers will complete the first draft of the entire human genome -- the very blueprint of life. It is important for all Americans to recognize that your tax dollars have fueled this research -- and that this and other wise investments in science are leading to a revolution in our ability to detect, treat, and prevent disease.

For example, researchers have identified genes that cause Parkinson's

Disease, diabetes, and certain types of cancer -- and they are designing precision therapies that will block the harmful effects of these faulty genes for good. Researchers are already using this new technique to target and destroy cells that cause breast cancer. Soon, we may be able to use it to prevent the onset of Alzheimer's Disease. Scientists are also working on an artificial retina to help many blind people to see and microchips that would directly stimulate damaged spinal cords and allow people who are now paralyzed to stand up and walk.

Science and engineering innovations are also propelling our remarkable prosperity. Information technology alone now accounts for a third of our economic growth, with jobs that pay almost 80 percent above the private sector average. Again, we should keep in mind: government-funded research brought supercomputers, the Internet, and communications satellites into being. Soon researchers will bring us devices that can translate foreign languages as fast as you can speak; materials 10 times stronger than steel at a fraction of the weight; and molecular computers the size of a teardrop with the power of today's fastest supercomputers.

To accelerate the march of discovery across all disciplines of science and technology, my budget includes an unprecedented \$3 billion increase in the 21st Century Research Fund, the largest increase in civilian research in a generation.

These new breakthroughs must be used in ways that reflect our most cherished values. First and foremost, we must safeguard our citizens' privacy. Last year, we proposed rules to protect every citizen's medical records. This year, we will finalize those rules. We have also taken the first steps to protect the privacy of bank and credit card statements and other financial records. Soon I will send legislation to the Congress to finish that job. We must also act to prevent any genetic discrimination by employers or insurers.

These steps will allow America to lead toward the far frontiers of science and technology -- enhancing our health, environment, and economy in ways we cannot even imagine today.

COMMUNITY

At a time when science, technology and the forces of globalization are bringing so many changes into our lives, it is more important than ever that we strengthen the bonds that root us in our local communities and in our national communities.

No tie binds different people together like citizen service. There is a new spirit of service in America -- a movement we have supported with

AmeriCorps, an expanded Peace Corps, and unprecedented new partnerships with businesses, foundations, and community groups. Partnerships to enlist 12,000 companies in moving 650,000 of our fellow citizens from welfare to work. To battle drug abuse and AIDS. To teach young people to read. To Save America's Treasures. To strengthen the arts. To fight teen pregnancy. To prevent youth violence. To promote racial healing.

We can do even more to help Americans help each other. We should help faith-based organizations do more to fight poverty and drug abuse and help young people get back on the right track with initiatives like Second Chance Homes to help unwed teen mothers. We should support Americans who tithe and contribute to charities, but don't earn enough to claim a tax deduction for it. Tonight, I propose new tax incentives to allow low- and middle-income citizens to get that deduction.

We should do more to help new immigrants fully participate in the American community -- investing more to teach them civics and English. And since everyone in our community counts, we must make sure everyone is counted in this year's census.

Within ten years there will be no majority race in our largest state, California. In a little more than 50 years, there will be no majority race in America. In a more interconnected world, this diversity can be our

greatest strength. Just look around this chamber. We have members from virtually every racial, ethnic, and religious background. And America is stronger for it. But as we have seen, these differences all too often spark hatred and division, even here at home.

We have seen a man dragged to death in Texas simply because he was black. A young man murdered in Wyoming simply because he was gay. In the last year alone, we've seen the shootings of African Americans, Asian Americans, and Jewish children simply because of who they were. This is not the American way. We must draw the line. Without delay, we must pass the Hate Crimes Prevention Act and the Employment Non-Discrimination Act. And we should reauthorize the Violence Against Women Act.

No American should be subjected to discrimination in finding a home, getting a job, going to school, or securing a loan. Tonight, I propose the largest ever investment to enforce America's civil rights laws. Protections in law must be protections in fact.

Last February, I created the White House Office of One America to promote racial reconciliation. That's what Hank Aaron, has done all his life. From his days as baseball's all-time homerun king to his recent acts of healing, he has always brought Americans together. We're pleased he's with us tonight.

This fall, at the White House, one of America's leading scientists said something we should all remember. He said all human beings, genetically, are 99.9 percent the same. So modern science affirms what ancient faith has always taught: the most important fact of life is our common humanity.

Therefore, we must do more than tolerate diversity -- we must honor it and celebrate it.

My fellow Americans, each time I prepare for the State of the Union, I approach it with great hope and expectations for our nation. But tonight is special -- because we stand on the mountaintop of a new millennium. Behind us we see the great expanse of American achievement; before us, even grander frontiers of possibility.

We should be filled with gratitude and humility for our prosperity and progress; with awe and joy at what lies ahead; and with absolute determination to make the most of it.

When the framers finished crafting our Constitution, Benjamin Franklin stood in Independence Hall and reflected on a painting of the sun, low on the horizon. He said, "I have often wondered whether that sun was rising

or setting. Today," Franklin said, " I have the happiness to know it is a rising sun." Well, today, because each generation of Americans has kept the fire of freedom burning brightly, lighting those frontiers of possibility, we still bask in the warmth of Mr. Franklin's rising sun.

After 224 years, the American Revolution continues. We remain a new nation. As long as our dreams outweigh our memories, America will be forever young. That is our destiny. And this is our moment.

Thank you, God bless you, and God bless America.

✓ Regional Skills Alliances

✓ paper

✓ Technology hubs

✓ Min. wage

Small biz for credit

✓ small biz

⇒ if it's a start up

→ min. wage

→

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**PRESIDENT WILLIAM J. CLINTON
STATE OF THE UNION ADDRESS
UNITED STATES CAPITOL
WASHINGTON, DC
January 27, 2000**

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JUDGES &
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Mr. Speaker, Mr. Vice President, Members of Congress, honored guests, my fellow Americans: We are fortunate to be alive at this moment in history. Never before has our nation enjoyed, at once, so much prosperity and social progress with so little internal crisis or so few external threats. Never before have we had such a blessed opportunity – and, therefore, such a profound obligation – to build the more perfect union of our founders' dreams.

We begin the new century with over 20 million new jobs. The fastest economic growth in more than 30 years; the lowest unemployment rates in 30 years; the lowest poverty rates in 20 years; the lowest African-American and Hispanic unemployment rates on record; the first back-to-back budget surpluses in 42 years. We have built a new economy.

Next month, America will achieve the longest period of economic growth in our entire history.

Our economic revolution has been matched by a revival of the American spirit: Crime down by 25 percent, to its lowest level in 30 years. Teen births have dropped seven years in a row and adoptions are up by 30 percent. Welfare rolls have been cut in half to their lowest levels in 30 years.

My fellow Americans, the state of our union is the strongest it has ever been.

As always, the credit belongs to the American people.

My gratitude also goes to all of you in this chamber who have worked with us to put progress above partisanship for the sake of our people.

Eight years ago, it was not so clear to most Americans there would be much to celebrate in the year 2000. Then our nation was gripped by economic distress, social decline, political gridlock. The title of a best-selling book asked: "America: What went wrong?"

In the best traditions of our nation, Americans determined to set things right. We replaced outdated ideologies with a new vision anchored in basic, enduring values: opportunity for all, responsibility from all, and a community of all Americans.

We rose above the debate over whether government was the problem or the solution – one of the false choices that had paralyzed Washington for too long. Instead, we reinvented government, transforming it into a catalyst for new ideas, and a partner that gives our people the tools to solve their own problems.

With the smallest federal workforce in 37 years, we turned record deficits into record surpluses, and doubled our investment in education. We cut crime: not by choosing prevention or punishment, but by choosing both, with 100,000 community police and the Brady Law, which has kept guns out of the hands of half a million criminals.

We emphasized both opportunity and responsibility. That's how we ended welfare as we knew it – requiring work, but protecting health care and nutrition for children, and investing more in child care, transportation, and housing for their parents who are making the move from welfare to work. That's how we have helped parents to succeed at work and at home – with family leave, which 20 million Americans have used to care for a newborn child or a sick loved one.

In 1992, we had a roadmap. Today we have results. More important, America again has the confidence to dream big dreams. We must make the most of this moment. We must not let our renewed confidence grow into complacency. We will be judged by the deeds and dreams we pass on to our children. And on that score, we will be held to a high standard, indeed. Because our chance to do good is so great.

My fellow Americans, we have crossed the bridge we built to the 21st Century. Now, we must shape a 21st-Century American revolution of opportunity, responsibility, and community. We must be, as we were in the beginning, a new nation.

At the dawn of the last century, Theodore Roosevelt said that “the one characteristic more essential than any other is foresight. . . It should be the growing nation with a future which takes the long look ahead.”

Tonight let us take our look long ahead – and set great goals for our nation.

To 21st Century America, let us pledge:

To ensure every child begins school ready to learn and graduates ready to succeed. To bring prosperity to every American community. To help every family succeed at home and at work. And ensure that no child is raised in poverty. To meet the challenge of the aging of America, to provide quality, affordable healthcare for all Americans. To make America the safest big country on earth. To reverse the course of climate change and leave a cleaner, safer planet. To lead the world toward shared peace and security, freedom and prosperity, and the far frontiers of science and technology. And to become at last what our founders pledged us to be so long ago – one nation, under God, indivisible, with liberty and justice for all.

These are great goals, worthy of a great nation. We will not reach them all this year. Not even in this decade. But we will reach them. Let us remember that the first American revolution was not won with a single shot. John Glenn had to circle the Earth before Neil Armstrong could plant the American flag on the moon. But the lesson of our history – and the lesson of the last seven years – is that we make great strides toward great goals by moving step by step: building on our progress, always gaining ground.

Of course, you can't gain ground if you're standing still. For too long this Congress has been standing still on some of our most pressing national priorities. Let's begin with them.

I ask you to pass a real patient's bill of rights. To pass common-sense gun-safety legislation. To pass campaign finance reform. And, again, I ask you to raise the minimum wage.

Two years ago, I stood before you as we reached our first balanced budget and said: Let's show our responsibility to the next generation, by maintaining our fiscal discipline. Because we refused to stray from the path of fiscal discipline, we are doing something that would have seemed unimaginable seven years ago: We are actually paying down the national debt. If every one in this chamber will join me in staying on this path, we can pay down the debt entirely in 13 years and make America debt-free for the first time since Andrew Jackson was president in 1835.

In 1993, we began to put our fiscal house in order with the Deficit Reduction Act, winning passage in both houses by just one vote. Your former colleague, my first Secretary of the Treasury, led that effort – and he is here with us tonight. Lloyd Bentsen, you have served America well.

Beyond paying off the debt, we need to make sure that the benefits of debt reduction go to preserving two of the most important guarantees we make to every American – Social Security and Medicare. I ask you tonight to work with me to make a bipartisan down payment on Social Security reform by crediting the interest savings from debt reduction to the Social Security Trust Fund to ensure that it is strong and sound for the next 50 years.

But this is just the start of our journey. Now let's make sure that our first steps into the 21st Century are the right steps.

OPPORTUNITY AND RESPONSIBILITY IN EDUCATION

First and foremost, we need a 21st-Century revolution in education, guided by our faith that every child can learn. At a time when education is more than ever the key to our children's future, we must ensure that all our children have that key. That means universal preschool and afterschool, the best trained teachers in every classroom, and college opportunities for every student in America.

For seven years, we have worked hard to improve our schools, with opportunity and responsibility: Investing more, but demanding more in return. At the same time, we have helped nearly every state set higher academic standards for their schools.

Reading scores, math scores, and college entrance scores are up. And some of the most impressive gains are in schools in poor neighborhoods.

All have succeeded with the same proven formula: more accountability, higher standards, and extra help to ensure all children can reach those standards. I have sent Congress a reform plan based on that formula. It holds all states and school districts accountable for

progress, and rewards them for results. Each year, the national government invests more than \$15 billion in our schools. It's time to support what works and stop supporting what doesn't.

[Education success story – TK]

As we demand more than ever from our schools, we should invest more than ever in our schools.

Let's double our investment to help states and districts turn around their worst-performing schools – or shut them down. ~~And let's give bonuses to states that succeed in making test scores go up.~~

Let's double our investment in afterschool and summer school programs. They boost academic achievement and keep children off the street and out of trouble. If we do this, we can give every child in every failing school in America the chance to meet high standards.

We should achieve another goal as well: making sure every child has access to quality preschool. Since 1993, we've nearly doubled our investment in HeadStart and improved its quality. Tonight, I propose to add another \$1 billion to HeadStart, the largest increase in the program's history. If we continue this level of new commitments, then we can provide quality preschool to every child in America by 20[TK]. *The end of decade.*

We know that children learn best in smaller classes with good teachers. For two years in a row, Congress has supported my plan to hire 100,000 new, qualified teachers, to lower class sizes in the early grades. This year, I ask you to make it three in a row.

And to make sure all teachers know the subjects they teach, tonight I propose a new teacher quality initiative – to recruit more talented people into the classroom, reward good teachers for staying there, and give all teachers the training they need.

We know real public school choice works. That's what charter schools provide. When I became President, there was just one independent public charter school in America. Today there are 1,700. My budget assures that we will meet our goal of 3,000 by next year.

We know we must connect all our classrooms to the Internet. We're getting there. In 1994, only three percent of classrooms were connected. Today, with the help of the Vice President's E-rate program, more than half of them are. And 90 percent of our schools have at least one connection to the Internet. But we can't finish the job when a third of all schools are in serious disrepair, many with walls and wires too old for the Internet. Tonight, I propose \$1.3 billion to help 5,000 schools make immediate, urgent repairs. And I renew my call for a tax credit to help build or modernize 6,000 schools – to put our students in modern classrooms and get them out of trailers.

We know smaller schools are safer and help students learn more. But since World War II, the average American school has grown five times bigger. We should double our efforts to

more than

help districts convert factory-style high schools into smaller schools, where students can get more individual attention and support.

We must do more to prepare students from disadvantaged backgrounds for college and convince them that the money is there to pay their way. Two years ago, Congress crossed party lines to create the Gear Up program, to provide college mentors for at-risk middle-school students. I propose to double the number of children we reach, to 1.4 million; and to offer disadvantaged students a chance to take the same college test-prep courses wealthier students use to boost their scores.

We know that to make the American Dream achievable for all, we must make college affordable for all. For seven years, on a bipartisan basis, we have taken action toward that goal: larger Pell grants, more-affordable student loans, education IRAs, and our HOPE scholarship tax cut. Today, 67 percent of high school graduates do go on to college, up almost 10 percent since 1993. Yet millions of families still strain to pay college tuition. They need help.

I propose a landmark \$30-billion college opportunity tax cut. It will give middle class families a tax deduction for up to \$10,000 in college tuition costs. With this new college opportunity tax cut, plus another Pell grant increase, we can say we have made four years of college available to all.

REWARDING WORK AND STRENGTHENING FAMILIES

We need a 21st Century revolution to reward work and strengthen families. In a world where the demands on parents are greater than ever, our goal must be to give every parent the tools to succeed at work and at the most important work of all – raising their children. That means making sure every child has loving care and none grow up in poverty; that all parents have the tools to bring their children up right; and that every family has the support to care for aging parents.

One of the most powerful incentives to work has been the Earned Income Tax Credit for working families. The “E” in “EITC” is about earning; working; taking responsibility and being rewarded for it. In my first Address to you, I asked Congress to greatly expand the EITC, and we did. As a result, in 1998 alone, the EITC helped more than 4.3 million Americans work their way into the middle class – double the number in 1993.

Tonight, I propose another major expansion. We should reduce the marriage penalty for the EITC, making sure it rewards marriage just as it rewards work. And we should expand the tax credit for families with more than two children to provide up to \$1,200 more in tax relief.

In today’s world, we can’t reward work and family unless men and women get equal pay for equal work. The female unemployment rate is the lowest in 47 years. Yet women still earn only about 75 cents for every dollar men earn. We must do better by providing the resources to enforce present equal pay laws, training more women for high-paying, high-tech jobs, and passing the Paycheck Fairness Act.

Two-thirds of new jobs are in the suburbs, far away from many low-income families. In the past two years, I have proposed and Congress has approved 110,000 new housing vouchers – rent subsidies to help working families live closer to the workplace. This year, let's more than double that number. If we want people to go to work, they have to be able to get to work.

Many working parents spend up to a quarter of their income on child care. Last year, we helped parents provide care for about 1.75 million children. But that's only about a tenth of those eligible under federal law. My child care initiative, along with funds already secured in welfare reform, would make child care better, safer, and more affordable for another 600,000 [CK] children.

We should also expand the child care tax credit. And we should take the next big step. Let's make that tax credit refundable for low-income families. For those making under \$25,000 a year, that could mean up to \$2,400 more for child-care costs. We all say we're pro-work and pro-family. Passing this proposal would prove it.

Tens of millions of Americans live paycheck to paycheck. As hard as they work, they still don't have the opportunity to save. Too few can make use of IRAs and 401-K retirement plans. That is why I have long supported the so-called Individual Development Accounts that help working families to save and accumulate wealth. I believe it is time to lift this idea to a new level. We should expand the idea of Individual Development Accounts so that every low- and moderate income family in America can save for retirement, save for a first home, or a college education. We will match their contributions, however small, dollar for dollar, every year they save in new TK Accounts. I also propose a major new tax credit for any small business that provides a meaningful pension to all its workers.

From my first days as President, we have worked to give families ^{better} access to better health care. In 1997, we passed the Children's Health Insurance Program /CHIP – so that workers who don't have health care coverage through their employers can get it for their children. ~~Already~~, we've enrolled 2 million children, and we're well on our way to our goal of 5 million.

But there are still more than 40 million Americans without health insurance, more than there were in 1993. Tonight I propose that we follow Vice President Gore's suggestion to make hard-pressed parents eligible for the insurance that covers their kids. Together with our children's initiative, we can cover nearly one quarter of the uninsured in America. And we should do it now.

And let's give a real, affordable option to the fastest growing group of uninsured: people between 55 and 65 who lose their coverage. Last year, I proposed that we let them buy into Medicare. This year, I propose that we also give them a tax credit to make that choice an affordable one.

When the Baby Boomers retire, Medicare will be faced with caring for twice as many of our citizens – and yet it is far from ready to do so. My generation must not ask our children's generation to shoulder our burden. We must strengthen and modernize Medicare now.

My budget includes a comprehensive plan to reform Medicare, to make it more efficient and competitive. It dedicates nearly \$400 billion of our budget surplus to keep Medicare solvent past 2025; and, at long last, to give every senior the choice of affordable coverage for prescription drugs.

Lifesaving drugs are an indispensable part of modern medicine. No one creating the Medicare program today would even consider excluding coverage for prescription drugs. And yet more than three in five seniors now lack dependable drug coverage which can lengthen and enrich their lives. In good conscience, we cannot let another year pass without giving all our seniors this lifeline.

Record numbers of Americans are providing for aging or ailing loved ones at home. Last year, I proposed a \$1,000 tax credit for long-term care. Frankly, that wasn't enough. This year, let's triple it to \$3,000 – and this year, let's pass it.

And we must make needed investments in mental health. My budget makes the largest increase ever to expand community mental health services. I want to thank the person who led the first White House Conference on Mental Health last year, who has led all our efforts to break down the barriers to the decent treatment of mental illness: Tipper Gore.

Taken together, these proposals mark the largest investment in health care in the 35 years since the creation of Medicare. We can afford it. And we owe it to our people to make that investment this year.

Nearly one in three American children grows up in a home without a father. These children are five times more likely to live in poverty than children with both parents at home. Clearly, demanding and supporting responsible fatherhood is the critical next stage of welfare reform.

We are working toward the day when every father in America takes responsibility for his children. We can begin with tougher measures against fathers who fail to pay child support, from booting their cars to denying them passports. But we should recognize that a lot of fathers want to do right by their children and need help in affording it. That's why I support more help for programs like the one in St. Paul, Minnesota, that helps fathers like Carlos Rosas go back to school, get a good job, and provide more financial and emotional support for his son, Ricardo. My budget will help 40,000 fathers make the choices Carlos did. I thank him for being here tonight.

If there is any issue on which we can reach across party lines it is in our common commitment to reward work and strengthen families. Thanks to overwhelming bipartisan support from this Congress, we improved foster care, supported those who leave when they turn eighteen, and dramatically increased the number of foster children adoptive homes. I thank you.

And of course, I am also very grateful to the person who has led our efforts from the beginning, and who has worked tirelessly for children and families for thirty years now: my wife, Hillary.

RESPONSIBILITY AND CRIME

Crime in America has dropped for the past seven years – the longest decline on record, thanks to a national consensus we helped to forge on community police, sensible gun control, and effective prevention. But nobody believes America is safe enough. So let's set a higher goal: let's make America the safest big country in the world.

Last fall, Congress supported my plan to hire 50,000 more police officers, concentrated in high-crime neighborhoods. Let's continue to put more cops on the beat, but let's also make sure our courts work. Today, dozens of qualified judicial candidates await confirmation. I call on the Senate to do America justice. Give them the vote they deserve. (UNFIN BY)

Soon after the Columbine tragedy, Congress considered common-sense gun safety legislation to require Brady background checks at gun shows, child safety locks for all new handguns, and a ban on the importation of large-capacity ammunition clips. With courage – and a tie-breaking vote by the Vice President – the Senate faced down the gun lobby, stood up for the American people, and passed this legislation. But the House failed to follow suit.

We've all seen what can happen when guns fall into the wrong hands. Daniel Mauser was only 15 years old when he was gunned down at Columbine. He was an amazing kid, a straight-A student, a good skier. Like all parents who lose their children, his father Tom has borne unimaginable grief. Somehow Tom has found the strength to honor his son by transforming his grief into action. Earlier this month, he took a leave of absence from his job to fight for tougher gun safety laws. I pray that his courage and wisdom will move this Congress to make common-sense gun safety legislation the very next order of business; and I thank him for being here with us tonight.

We've shown that we can strengthen gun laws and better enforce laws already on the books. Federal gun crime prosecutions are up 25 percent since 1998 alone. But again, we must do more. I propose to hire more federal and local gun prosecutors, and more ATF agents to crack down on illegal gun traffickers and bad-apple dealers. We must give law enforcement the tools to trace every gun – and every bullet – used in a crime in America. (92)

~~Every state~~ already requires hunters and automobile drivers to have a license. They should do the same for handgun purchasers. Tonight, I propose ~~legislation requiring every handgun buyer to get a photo-ID license from their state before purchasing a gun~~, showing that they ^{must first have} passed a Brady background check and ~~took~~ a gun safety course. ~~that a plan to ensure that~~

Listen to this: the accidental gun death rate of children under 15 is nine times higher in the ~~United States~~ ^{in the US} than in the other 25 industrialized nations – combined. Technologies now exist that could lead to guns that can only be fired by the adults who own them. I ask Congress to fund research in technologies for these Smart Guns. I also call on responsible leaders in the gun



industry to work with us on smart guns and other steps to keep guns out of the wrong hands and keep our kids safe.

Every parent I know worries about the impact of violence in the media on their children. I thank the entertainment industry for accepting my challenge to put voluntary ratings on TV programs and video and Internet games. But the ratings are too numerous, diverse, and confusing to really be useful to parents. Therefore, I now ask the industry to accept the First Lady's challenge – to develop a single, voluntary rating system for all children's entertainment, one that is easier for parents to understand and enforce.

OPENING NEW MARKETS

To keep our economy growing and our inflation low, we need a 21st Century revolution to open new markets, start new businesses, and hire new workers right here in America – in the inner cities, and poor rural areas, and on Indian reservations – places not yet blessed by our nation's prosperity. Over the last six months, I have traveled to many of these places – joined by many of you – to shine a spotlight on the enormous potential in communities from Appalachia to the Mississippi Delta, from Watts to the Pine Ridge Indian Reservation. Everywhere I've gone, I've met talented people eager for opportunity, eager to work. Let's put them to work.

For business, it's the smart thing to do. For America, it's the right thing to do. And if we don't do it now, when will we ever get around to it?

I ask Congress to give businesses the same incentives to invest in America's new markets that they have to invest in foreign markets. Tonight, I propose a New Markets Tax Credit more than twice the size I proposed last year. With this and other incentives, we can spur \$22 billion in private-sector capital to create new businesses and help firms expand or relocate in inner cities or rural areas. And we should increase the number of Empowerment Zones and the tax incentives to invest in them.

I thank the business leaders who have joined us at the forefront of this effort. And I challenge every business to follow their lead.

This is not a Democratic or a Republican issue. It is an American issue. Mr. Speaker, it was a powerful moment last November when you joined me and Reverend Jesse Jackson in your home state of Illinois, and pledged to work with us in combining the best ideas from both sides of the aisle. I look forward to working with you in that bipartisan effort.

Two of the hardest-pressed areas in all of America are our Indian reservations and the Mississippi Delta. I hope we can agree to make special efforts to support them. Unemployment on Indian reservations is as high as 70%, and poverty remains rampant. My budget increases our investment in economic and job development, health care, education, and law enforcement by more than \$1 billion. In this new century, we should honor our historic responsibility to empower the first Americans.

[Acknowledge Lott and other members – TK]

There's another part of the American community that's in trouble today – our family farmers. When I signed the Farm Bill in 1996, I said there was a great danger it would work well in good times but not in bad. In recent years, family farms have endured droughts, floods and historically low prices. Congress cannot stand by and watch the Freedom to Farm Bill become a freedom to fail bill. We simply must work together to strengthen the farm safety net, invest in land conservation, and create new markets by expanding our program for bio-based fuels and products.

Today, for our children, opportunity means something new – it means having a computer and mastering the tools of the information economy. If we seek opportunity for all, then we must close the digital divide between those who have these tools and those who don't.

Connecting classrooms and libraries to the Internet is crucial, but it's just a start. My budget creates technology centers in 1,000 communities – and ensures that all new teachers are trained to use 21st-Century tools and teach 21st-Century skills. And this spring, I will invite high-tech leaders to join me on a New Markets tour – to close the divide and open opportunity for all our children. I thank the companies that have already joined in our efforts. I hope that our new tax incentives will encourage others to join us.

GLOBAL CHANGE AND AMERICAN LEADERSHIP

We cannot realize the possibilities of the new economy just within our own borders. We must also shape another revolution that is tearing down barriers and building new networks among nations, economies and cultures: globalization.

It is the central reality of our time. Change this profound is both liberating and threatening. But there is no turning back. And our open, creative society stands to benefit more than any other – if we understand, and act on, the new realities of interdependence. We must maintain our military and economic might. We must also be at the center of every vital global network, as a good neighbor and partner. We cannot build our future without helping others build theirs.

We must forge a new consensus on trade. If we believe passionately in the power of open trade, we must make it lift both our living standards and our values. And we must never tolerate abusive child labor or a race to the bottom on the environment and worker protection. But open markets and rule-based trade are the best engines we know for raising living standards, reducing global poverty and environmental destruction, and assuring the free flow of ideas. There is only one direction for America on trade: we must go forward.

And we must make developing economies our partners in prosperity – which is why I ask Congress to finalize our groundbreaking African and Caribbean Basin trade initiatives.

But globalization is about more than economics. Our purpose must be to bring the world together around democracy, free markets and peace. And we must resist the forces that threaten that goal.

With that in mind, let me describe the fundamental challenges I believe America must meet to shape the 21st Century world.

First, we must continue to encourage our former adversaries Russia and China to emerge as stable, prosperous, democratic nations. Both are being held back from reaching their potential: Russia by the legacy of communism, by economic turmoil, by a cruel and self-defeating war in Chechnya; China by the illusion that it can buy stability at the expense of freedom.

But think how much has changed for the better: 5,000 former Soviet nuclear weapons dismantled; Russian soldiers serving with ours in the Balkans; Russian people electing their leaders for the first time in a thousand years. And in China, a society more open to the world than ever before. No one can know for sure what direction these great countries will choose. But we must do everything in our power to increase the chance they choose wisely, to be constructive members of the global community.

That is why we must support those Russians struggling for a democratic, prosperous future; continue to reduce both our nuclear arsenals; and help Russia safeguard weapons and materials that remain.

That is why Congress should support the agreement we negotiated to bring China into the WTO, by passing Permanent Normal Trade Relations. Our markets are already open to China. This agreement will open China's markets to us. And it will advance the cause of peace in Asia and promote the cause of change in China.

A second challenge is to protect our security from conflicts that threaten our interests and our values. America cannot prevent every conflict or stop every outrage. But where our interests are at stake and we can make a difference, we must be peacemakers. For when human beings anywhere are singled out for destruction, it is our common humanity that suffers. And left unresolved, such tragedies can throw whole regions into turmoil and threaten us more directly.

We should be proud of America's role in bringing the Middle East closer than ever to a comprehensive peace; building peace in Northern Ireland; working for peace in East Timor and Africa; promoting reconciliation between Greece and Turkey and in Cyprus; working to defuse crises between India and Pakistan; defending human rights and religious freedom.

And we should be proud of the men and women of our armed forces and those of our allies who stopped the ethnic cleansing in Kosovo, enabling a million innocent people to return to their homes. Today, instead of struggling to defeat something evil, we are building something good: a Europe undivided, democratic, and at peace for the first time in history.

When Slobodan Milosevic unleashed his terror on Kosovo, Captain John Cherrey was one of the brave airmen who turned the tide. And when another American plane went down over Serbia, he flew into the teeth of enemy air defenses to bring his fellow pilot home. Thanks to their skill and bravery, we prevailed without losing a single American in combat. Captain Cherrey, we honor you with our gratitude, and our promise to finish the work you helped begin.

A third challenge is to keep the inexorable march of technology from giving terrorists and hostile nations the means to undermine our defenses. The same advances that have shrunk cell phones to fit in the palms of our hands can also make weapons of terror easier to conceal and easier to use.

We must meet this threat: by restraining nuclear and missile programs in North Korea and Iran; preventing Iraq from threatening its neighbors; increasing our preparedness against chemical and biological attack; protecting our vital computer systems from hackers and criminals; and developing a system to defend against the missiles of outlaw nations – while working to preserve our Anti-Ballistic Missile Treaty with Russia.

I also hope we can have a bipartisan dialogue this year to build a consensus on the Comprehensive Nuclear Test Ban Treaty which will lead eventually to its ratification.

A fourth challenge is to ensure the stability of our planet is not threatened by the huge gulf between rich and poor. We cannot accept a world in which part of humanity lives on the cutting edge of a new economy, while the rest live on the bare edge of survival. We must do our part, with expanded trade, expanded aid, and the expansion of freedom.

From Nigeria to Indonesia, more people won the right to choose their leaders in 1999 than in 1989, the year the Berlin Wall fell. Yet new democracies need help in delivering for their people. We must stand by neighboring countries like Colombia, fighting narco-traffickers for its people's lives – and our children's lives. I have proposed a two-year, \$1.6 billion package to help Colombia win this fight; and I ask for your support.

In a world where 1.3 billion people live on less than a dollar a day, we must do what the Pope and other religious leaders have asked: reduce the debts of the poorest countries so they can invest in education and health. Last year, Congress made a down payment on America's part in this global endeavor. I ask for your continued support.

And America must help more nations break the bonds of disease. Last year in Africa, AIDS killed ten times as many people as war did. My budget invests \$150 million in the fight against this and other infectious killers. Today, I propose a tax credit to speed the development of vaccines for diseases like malaria, TB and AIDS. I ask the private sector and our partners around the world to join us in embracing this cause. Together, we can save millions of lives.

All these challenges come down to one question: Will America choose to shape the future, or be shaped by it?

We must remain strong, keeping our military the best trained, best equipped in the world. My budget invests in readiness and in 21st Century weapons. It raises salaries for our men and women in uniform and ensures our veterans the thanks and honor they have so richly earned.

We must also continue to fund the one percent of our budget that supports the diplomacy that keeps our soldiers out of war. Last year, Congress worked with me to maintain that commitment and to resume paying our UN dues and arrears. Let's do it again this year.

RESPONSIBILITY, OPPORTUNITY, AND THE ENVIRONMENT

I am grateful for the opportunities the Vice President and I have had to honor our responsibility to the environment – and finally to put to rest the notion that you can't expand the economy while protecting the environment. As our economy has grown, we have rid more than 500 neighborhoods of toxic waste and ensured cleaner air and water for millions of families. In the past three months alone, we have acted to preserve more than 40 million acres of roadless lands in our National Forests and created three new National Monuments.

But as our communities grow, our commitment to conservation must grow as well. Tonight, I propose creating a permanent conservation fund to restore wildlife, protect coastlines, and save natural treasures from California redwoods to the Everglades. This Lands Legacy endowment represents by far the most enduring investment in land preservation ever proposed.

Last year, we launched a new effort to help make communities more livable – so children will grow up next to parks, not parking lots, and parents can be home with their children instead of stuck in traffic. Tonight, we propose new funding for advanced transit systems ... for saving precious open spaces ... and for helping major cities around the Great Lakes protect their waterways and enhance their quality of life.

The greatest environmental challenge of the new century is global warming. Scientists tell us that the 1990s were the hottest decade of the entire millennium. If we fail to reduce emissions of greenhouse gases, global warming could threaten the world's people and its economies – with deadly heat waves, droughts, tropical diseases, and rising seas.

Many people in the United States and around the world still believe we can't cut greenhouse gas pollution without slowing economic growth. In the Industrial Age that may have been true. In the digital economy, it isn't. New technologies make it possible to cut harmful emissions and provide even more growth.

We now have windows on the market that drastically cut energy bills by keeping out four or five times as much heat and cold as normal windows do. We have advanced light bulbs that last up ten times longer than standard bulbs while using a fifth the energy. We're helping to develop solar roofing shingles and fuel cells that produce all the electricity a family needs – and no pollution. Last week, automakers unveiled cars that get 70 to 80 miles a gallon – the fruits of a unique research partnership between government and industry.

To help speed these innovations, I propose giving major tax incentives to businesses for the production of clean energy ... and to families for buying energy-saving homes, appliances, and the next generation of super-efficient cars when they hit the showroom floor. I also call on the auto industry to use available technologies to make all new cars more fuel efficient right away. And I also propose a major new initiative to promote the export of our clean-energy technologies to the developing world – creating new jobs at home while providing a cleaner energy future for the world.

THE OPPORTUNITY AND RESPONSIBILITY OF SCIENCE AND TECHNOLOGY

In the new century, innovations in science and technology will be the key not only to the health of the environment but to miraculous improvements in the quality of our lives and advances in the economy.

Later this year, researchers will complete a first draft of the entire human genome – the very blueprint of life. It is important for all Americans to recognize that their tax dollars have fueled this research – and that this and other wise investments in science are leading to a revolution in our ability to detect, treat, and prevent disease.

For example, researchers have identified genes that cause Parkinson's Disease, diabetes, and certain types of cancer – and are they are designing precision therapies that will block the harmful effects of these faulty genes for good. Researchers are already using this new technique to target and destroy cells that cause breast cancer. Soon, we may be able to use it to prevent the onset of Alzheimer's Disease. Scientists are also working on an artificial retina to help many blind people to see and microchips that would directly stimulate the spinal cord and allow people who are now paralyzed to stand up and walk.

Science and engineering innovations are also propelling our remarkable prosperity. Information technology alone now accounts for one third of our economic growth, with jobs that pay almost 80 percent above the private sector average. Without government-funded research, computers, the Internet, and communications satellites might not even exist.

We must continue to expand this research. The future will bring devices that can translate foreign languages as fast as you can speak... materials ten times stronger than steel at only a small fraction of the weight ... inexpensive molecular computers the size of a teardrop that would have the processing power of the fastest supercomputers available today.

My budget will include an unprecedented \$3 billion increase in the 21st Century Research Fund, the largest increase in civilian research in a generation. We will boost support for biomedical research at the National Institutes of Health, double the largest dollar increase for the National Science Foundation in its history, and greatly expand funding for information technology, clean energy, nanotechnology, university-based research, and NASA's never-ending quest in space.

As new breakthroughs are made, we must use them in ways that reflect our most cherished values. First and foremost, we must protect the privacy of our citizens most sensitive personal information – their financial and medical records. Last year, we proposed rules to protect medical records. This year we will finalize those rules. Last year I signed legislation that provided some protection for financial records. I will soon send legislation that provided some protection for bank records, credit cards, and other financial records. I will soon send legislation to the Congress to finish the job.

We should also act to prevent genetic discrimination – so no employer ever reviews your genetic records along with your resume, and no insurer uses this information to deny you coverage. We will make sure that the actions of the government itself ensure strong privacy protections. And tonight, I challenge on-line companies to do more to protect their customers' privacy.

We know our medical professionals work wonders every day, but Americans should never have to fear that their health care will jeopardize their health. We recently learned that as many as 98,000 Americans die from preventable medical errors every year. I have directed that the over 300 health plans serving federal employees must only contract out with hospitals that have strict patient safeguards in place. In the coming weeks, I will announce further actions to help eliminate all preventable errors.

If we do all these things, we can ensure that the march of human discovery will only quicken in the century before us – enhancing our lives and, even more, the lives of our children, in ways that we can only begin to imagine today.

COMMUNITY

At a time of globalization and technological change, it is more important than ever that we strengthen the bonds that root us in our local communities and in our national communities.

No tie binds different people together like citizen service. There is a new spirit of service in America—a movement we have supported with AmeriCorps, an expanded Peace Corps, and unprecedented new partnerships between government and private citizens.

For example, four years ago, I asked corporate leaders to join us in helping people move from welfare to work. Today, 12,000 companies have hired nearly 650,000 of our fellow citizens off the welfare rolls.

Over the past seven years, we have created many other successful partnerships with businesses, foundations, and community groups. To battle drug abuse and AIDS. To teach young people to read. To Save America's Treasures. To fight teen pregnancy. To prevent youth violence. To promote racial healing.

We can do more to help Americans help others.

If we believe that charity begins at home, we must reward lower and middle income citizens who tithe and contribute to charities. Right now, only those who earn enough to itemize can claim a tax deduction for charitable contributions. Tonight, I propose new tax incentives to allow low and middle income citizens to claim that same deduction. I also propose new steps to make it easier for foundations and individuals to give even more to charity.

Faith-based organizations are on the frontlines in our communities helping Americans fight substance abuse, providing opportunities for young people to get back on the right track. We must do more to support the good works of organizations like Lutheran Social Services in Brockton, Massachusetts which runs a Second Chance Home for unwed teen mothers. We can give more support to Second Chance Homes and still respect the line between church and state.

There is even more we can do to breathe fuller life into the idea of citizenship. That's why we're proposing to invest more in teaching civics and English to new immigrants.

Our national community is undergoing one of the greatest demographic transformations in history. Within ten years there will be no majority race in our largest state, California. In a little more than 50 years there will be no majority race in America.

In a more interconnected world, will we make diversity our greatest strength? As we have seen around the world, racial and ethnic conflict too often spark terror and war. And no country is exempt from hatred—even our own.

We have seen a man dragged to death in Texas simply because he was black. A young man murdered in Wyoming simply because he was gay. In the last year, we've seen the shootings of African Americans, Asian Americans, and Jewish children simply because of who they were. We must draw the line. This is not the American way. In America, we must do more than tolerate diversity – we must celebrate it. Without further delay, we must pass the Hate Crimes Prevention Act and the Employment Non-Discrimination Act.

No American should be subjected to discrimination in finding a home, getting a job, going to school, or securing a loan. Tonight, I propose the largest ever investment to enforce America's civil rights laws. Let's make sure protections in law are protections in fact.

Last February, I approved the White House Office of One America to build racial reconciliation and remind us of what we all have in common. This fall, at the White House, one of America's leading scientists, said something that drove this point home. He pointed out that all human beings genetically, are 99.9 percent the same. Modern science now affirms what ancient faith has taught us: the most important fact of life is our common humanity.

My fellow Americans, tonight I have set out a bright vision of America's future. Because of the progress we have already made, we are in a position to achieve it. We can make new investments in vital areas, from education to health care to technology. We can provide working and middle class families with the tax cuts they need— to reduce the marriage penalty, pay for college tuition, give to charity, and care for aging parents. And we must do all of this

within a budget that is not only balanced but that strengthens Social Security and Medicare and pays down the national debt. That is the responsible way to create opportunity for all.

Each time I prepare for the State of the Union, I approach it with great hope and expectations for our nation. But there is no escaping the fact that tonight is different. For tonight, we stand on the mountaintop of a new millennium. Behind us we see the expanse of American achievement, and ahead, even wider frontiers of possibility.

We should be filled with gratitude and humility for our prosperity and progress, awe and joy at what lies before us, and determination to make the most of it.

When the framers finished crafting our Constitution, Benjamin Franklin stood in Independence Hall and reflected on a painting of the sun, low on the horizon. He said, "I have often wondered whether that sun was rising or setting." "Today," Franklin said, "I have the happiness to know it is a rising sun." Well, today, because each generation of Americans has kept the fire of freedom burning and lighting new frontiers of possibility, we bask in the warmth of Mr. Franklin's rising sun.

After 224 years, the American Revolution still continues. We remain a new nation. As long as our dreams outweigh our memories, America will be forever young. That is our destiny. And this is our moment.

Thank you, God bless you, and God bless America.