

Tobacco Q&A for NGA Annual Meeting

Tobacco -
Q & A's

QUESTION: *Are you concerned by comments by some members of Congress that tobacco legislation may be getting stalled -- that you may not be serious about getting a bill -- and that you should take a more active role in pushing legislation?*

ANSWER: I am committed to enacting comprehensive bipartisan tobacco legislation that will reduce teen smoking, and we are making good progress toward this goal. I've proposed a very clear set of principles about what should be in the bill. I've met personally with senior members involved in this. Our staff has met with members of both parties and will continue to do so. And my budget contains a great deal of details on how I think we should get this done -- on how much money the tobacco companies should pay and where it should go. This has been a long battle we have been fighting and we will stay with it, and it will make a difference to the health of millions of children over the next few years.

QUESTION: *Many Members and public health advocates have come out against tobacco legislation that would grant the industry limits on liability. Do you favor a settlement that would include limits on industry liability?*

ANSWER: I will evaluate tobacco legislation as a whole to determine whether it protects the public health. I would prefer a comprehensive tobacco bill without liability limits. But if I get everything else I want in a tobacco bill -- if I get a comprehensive bill that satisfies each of my five principles -- then reasonable limits on liability will not be a dealbreaker. What's most important is that we enact a comprehensive bill that includes, for example, a large per-pack price increase, penalties for marketing to children, and broad restrictions on children's access to tobacco. Liability limits are not necessarily a deal-breaker for us. What's important is achieving comprehensive legislation that includes, for example, a large per-pack price increase, penalties for marketing to children, and broad restrictions on children's access to tobacco.

I hope that these kinds of statements (statements by Republican senators on liability) don't mean that some members are seeking to walk away from their responsibility to protect children by enacting comprehensive tobacco legislation.

Piecemeal legislation won't accomplish our goal. It's not enough just to say we did something if we don't pass comprehensive legislation that really accomplishes our goals.

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QUESTION: *Doesn't your budget deprive the states of the rewards of their lawsuits? Wouldn't your budget take tobacco funds for the federal government, even though the federal government declined to bring suit against the tobacco companies? How much money is there for states in the budget?*

ANSWER: Under my budget, the states will receive as much money over the next five years as they would have received under the original settlement agreement. A large part of this

money will be unrestricted; states can use it for whatever purposes they choose. The rest of the money will go to states for state-administered programs to provide child care subsidies and reduce class size. This money represents the usual federal share of Medicaid recoveries, which I believe should go back to the states to assist children in recognition of the important role the states played in bringing about this legislation.

QUESTION: *In September, you said the focus of tobacco legislation should not be about money. In the budget you recently unveiled, more than 60 percent of the proposed increase in discretionary spending is paid for by tobacco legislation. Why have you changed course?*

ANSWER: My course has not changed -- Congress should send me legislation that will dramatically reduce youth smoking. Experts all agree the single most important step we can take to reduce youth smoking is to raise the price of a pack of cigarettes significantly. That is why last September, and again in the State of the Union speech, I called for Congress to pass legislation that raises cigarette prices by up to \$1.50 per pack over the next ten years as necessary to reduce youth smoking. Our budget simply scores that part of the plan, and allocates the revenues to programs that promote public health and assist children.

QUESTION: *Why is it that some of the programs funded with tobacco revenues have no relation to tobacco?*

ANSWER: Most of the spending is directly related to tobacco, such as health-related research and smoking cessation programs. The rest goes to programs that will assist our children. I wanted to ensure that states get a substantial share of the resources, because of the states' contribution in negotiating the original proposed settlement. It is this state-directed money that goes to children's programs -- to improve child care and reduce class size -- in recognition that these are shared federal and state goals.

QUESTION: *How much money do you expect to raise from tobacco legislation next year? What about over five years? How did you come to this figure?*

ANSWER: This budget is designed to reduce youth smoking by 30% in five years and 50% in seven years, which are the goals I've set out. We calculate that the necessary increase in the price per pack will result in about \$10 billion in revenue next year and \$65 billion over five years.

QUESTION: *How much does your plan increase the cost of cigarettes?*

ANSWER: In order to reach the goal of reducing youth smoking by 30% in five years, and 50% in seven years, my budget projects about a \$1.10 increase in the price of cigarettes over five years.

Child Care Talking Points for NGA Annual Meeting

- I believe we have an historic opportunity to pass legislation this year to make child care better, safer, and more affordable for working parents. I know that there are important efforts underway in many of your states -- that's why my plan is geared toward supporting child care improvements on the state level.
- Included in my balanced budget proposal is a significant investment in child care -- \$21.3 billion over five years -- which is the single largest investment in child care in our nation's history.
- My plan will: (1) make a significant new investment in the child care block grant, so that states can provide child care subsidies for more children of low-income working families; (2) establish a state-administered fund to enforce state health and safety standards in child care, through, for example, increasing unannounced inspections; (3) establish a state-run Child Care Scholarship Fund; (4) create an Early Learning Fund to provide challenge grants through states to communities for activities that improve child care quality and safety and promote early learning; (5) double the number of children served by Early Head Start and expand Head Start; (6) build the supply of after-school programs through a significant investment in the 21st Century Community Learning Center program; (7) provide greater tax relief for three million working parents with child care costs through reforms to the Child and Dependent Care Tax Credit; and (8) establish a new tax credit for businesses that offer child care services to their employees.
- I was delighted to have Governor Almond with me here at the White House when I announced this plan.
- I am grateful to all of you -- and to the leadership of the NGA -- for your important work in bringing early childhood development issues to the top of the national agenda. I am eager to work together with you and with Members of Congress on a bipartisan basis this year on child care. I am particularly eager to work with you on promoting healthy childhood development and early learning and on improving child care safety and quality for our youngest children.

Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$4.8 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$800 million over five years
Early Learning Fund	\$3.0 billion over five years
Head Start Increase	\$3.8 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.3 billion over five years

Child Care Q&A for NGA Annual Meeting

QUESTION: *What is your position on the various congressional proposals to give a tax break to stay-at-home parents?*

ANSWER: I have always believed that we should respect and support parents in whatever choice they make -- whether to work or to stay at home. My plan was developed to respond to the reality that most parents don't have that choice today -- many can't afford the child care they would want for their children and instead have to rely on care that doesn't make the grade. I hope that first and foremost we can do something for these hardworking, loving parents who want to do the best they can by their children.

Now, if there are also ways that we can support parents who make a different choice -- or ways we can enable them to make the choice to stay at home -- I'm open to ideas. But in the months leading up to the announcement of my child care initiative, we explored a number of these options and found most to be impossible in the context of a balanced budget. Also, I think it's important to look at this issue in terms of the entire tax code, and in terms of our overall strategy to give greater choices to parents. I've tried to do that through a variety of actions to increase family income, such as expanding the Earned Income Tax Credit, increasing the minimum wage, and passing the \$500 per-child tax credit.

I believe that by continuing to work together on a bipartisan basis and by taking the best proposals from both sides of the aisle, we will achieve legislation that benefits all America's families and children.

QUESTION: *Since much of the funding of this proposal is based on the tobacco settlement, aren't you counting your chickens before they've hatched? What will you do if the tobacco settlement does not go through?*

ANSWER: First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. I support strong tobacco legislation, and many Republicans and Democrats alike are working vigorously to craft comprehensive legislation. And if Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets. Child care is a high Administration priority, and we will find an effective funding mechanism.

QUESTION: *Some conservatives claim that your child care initiative promotes institutionalized, center-based day care. Is this true?*

ANSWER: No. My proposal supports individual choice and state flexibility. Today, parents choose a wide range of child care situations -- be it relative care, family day care, or center-based care. My child care initiative makes child care more affordable by expanding both the Child Care and Development Block Grant and the Child and

Dependent Care Tax Credit. Through the block grant, states provide vouchers to parents, which they may use for any and all forms of paid child care. The Child and Dependent Care Tax Credit is similarly flexible, providing a credit for family day care, center-based care, or paid relative care. My entire package is tailored to provide maximum flexibility to parents so that they can make whatever choices are best for their families.

Education Talking Points for NGA Annual Meeting

Making K-12 Education System Among the Best in the World

- Working with the Congress, last year we made an historic investment to help families pay for college. As a result, we have now opened the doors to college for all Americans; in the next century, two years of college will be as universal as high school graduation is today.
- Now we must make sure that our students are academically prepared to take advantage of this opportunity. That is why in my budget for this year I have proposed an ambitious agenda to help make our K-12 education system the best in the world. Our efforts at the national level are designed to support and build upon your efforts in the states to raise standards, raise expectations, and increase accountability.
- This year I am proposing:

Programs Funded Through States

- **A National Effort to Reduce Class Size.** I have proposed a national effort to reduce class size to a national average of 18 in grades 1-3, to give our students the trained teachers, individual attention, and more disciplined environment that will help them learn to read well and get a good grounding in the basics. This \$12.4 billion initiative over 7 years (\$7.3 over 5 years) will provide the funds to help local school districts hire 100,000 well prepared teachers.
- **Modern School Buildings to Improve Student Learning.** I have also proposed a \$22 billion school modernization initiative to help states and local communities provide the space for smaller classes, repair and renovate crumbling schools, and build new schools.

Competitive Programs for High Poverty Urban and Rural Communities

- **Education Opportunity Zones: Helping Students in Poor Communities Reach High Standards.** My budget will provide funds to high-poverty urban and rural school systems with a track record of improving student achievement. I want to invest in school systems that are serious about raising standards, and will end social promotions, intervene in failing schools, and provide choice throughout their schools. These education opportunity zones can provide a model to the nation for how our urban school systems can work.
- **High Hopes for College.** To inspire more of our young people to have high expectations, to stay in school and study hard, and to go to college, I have proposed a new initiative that will promote partnerships between colleges and middle or junior high schools in low-income communities. This initiative will let students and their families know that there is enough financial aid available to make college affordable and will provide them with the mentoring and support services needed to keep them on track.

- **Attracting and Preparing Tomorrow's Teachers.** I have proposed a \$350 million initiative to attract talented people into teaching at low-income schools, and to dramatically improve the quality of training and preparation given to our future teachers. This new initiative will help bring nearly 35,000 outstanding new teachers into high-poverty urban and rural areas, through partnerships between institutions of higher education and local schools in inner city and poor rural areas.

Education Q&A for NGA Roundtable

QUESTION: *Is the voluntary national test dead? If not, how do you plan to move the proposal forward.*

ANSWER: The testing proposal is very much alive and moving forward. Last Fall, Congress appropriated funds for continued development of the tests, and endorsed my proposal to place the independent, bipartisan NAGB in charge of the tests. NAGB has taken charge and is moving forward. I will continue to work with the Congress to secure funding for test development and implementation, and I will veto any effort to stop work from moving forward. At the same time, I am open to other approaches to accomplishing the objective of measuring individual student learning in the basics against national standards--such as using existing state tests that can be linked to NAEP, and I will urge NAGB, ACHIEVE and the governors to pursue this.

QUESTION: *You have proposed new federal education initiatives for school construction, class size reduction, school mentoring, urban education and other areas. Yet, you haven't proposed any increased funding for IDEA, the biggest unfunded federal mandate in education. At the same time, the Education Department is proposing burdensome new rules, which go beyond the intent of the bill you signed into law last year. Will you work with us to ensure that the Special Education rules will not be unduly burdensome? Will you consider scaling back your new initiatives and putting the funds into special education -- so that we at the state and local level can have more control over how we spend our own money?*

ANSWER: The special education law I signed last year provides states and school districts with significantly more flexibility than did the previous law. It will reduce paperwork, reporting requirements, and litigation. It places a stronger emphasis on results. And it protects the safety of all students in the classroom while retaining the essential rights and protections of disabled students. The Education Department has proposed regulations to carry out the law, and has received quite a few comments back. I am sure Secretary Riley will review those comments carefully before issuing final regulations.

Funding for the special education program has increased by 64% over the past three years, a substantial increase in the investment the federal government has made in helping states and local communities pay for special education services.

While we have not proposed additional increases in special education, a number of other initiatives we have proposed will help address the needs of special education. Our class size reduction initiative will help students with disabilities who are mainstreamed in regular classes get the extra attention they need, and should reduce costs that occur when students who mainly need extra help are instead wrongly identified as requiring special education services. In addition, our school

modernization initiative will help schools make the accommodations to their facilities necessary for students with disabilities.

QUESTION: *Will you support block grant legislation so that states can have more flexibility in the use of federal education funds, and not be constrained by the requirements of separate categorical programs?*

ANSWER: I will look carefully at the block grant proposal that the NGA has developed.

Most federal education funding is in a handful of programs with clearly defined and important purposes, such as providing extra help to disadvantaged or disabled students, training teachers, raising academic standards, helping states start charter schools, and helping schools use technology. Within these purposes, I am in favor of providing maximum flexibility in our programs, along with accountability for results.

Since Secretary Riley and I have taken office, we have worked hard to increase the flexibility and reduce the regulatory burden in federal education programs. We have eliminated 67 percent of the pages of regulations that govern major elementary and secondary education programs, and have run Goals 2000 and School-to-Work without issuing a single new regulation. We have approved almost 250 waiver requests from 49 states, and through the Ed-Flex program have granted 12 states the ability to waive federal requirements on their own. As I indicated earlier, I am prepared to ask Congress for the authority to grant Ed-Flex to all 50 states.

Health Care Talking Points for NGA Annual Meeting

- I am challenging Congress to enact Federally enforceable consumer protections before it adjourns this fall.
- “Consumer Bill of Rights” Legislation Should Include a Range of Protections Including:
 - Guaranteed Access To Needed Health Care Providers to ensure that patients are provided appropriate high quality care. This right includes giving women access to qualified providers to cover routine women’s health services, providing consumers with complex or serious medical conditions with access to specialists, and ensuring that chronically ill people are protected against sudden changes in provider participation in health plans that threaten continuity of care;
 - Access to Emergency Services when and where the need arises. This provision requires health plans to cover these services in situations where a “prudent layperson” could reasonably expect that the absence of care could place their health in serious jeopardy;
 - Confidentiality of Medical Records to ensure that individually identifiable medical information is not disseminated and to provide consumers with the right to review, copy, and request amendments to their own medical records.
 - Grievance and Appeals Processes for consumers to resolve their differences with their health plans and health care providers -- including an internal and external appeals process.
- Although many states have passed legislation in this area, this patchwork of protections is not sufficient, particularly because tens of millions of Americans are covered by plans that are not governed by state law.
- Democrats and Republicans alike recognize the need for national, federally-enforceable consumer protections. In fact, legislation sponsored by Congressman Norwood has the support of nearly 100 Republican House Members. In addition, Democrats and Republicans in state legislatures across the country have passed consumer rights legislation into law. Forty-three states have enacted into law one or more of the basic protections outlined above, and over 25 of these states have Republican Governors.

Health Care Q&A for NGA Annual Meeting

QUESTION: *Why do we need a Health Care Consumer Bill of Rights?*

ANSWER: The nation's health care system is undergoing historic transformations that are affecting the way millions of Americans receive their health care. Some of these changes have been quite beneficial. They have lowered costs and improved preventive benefits.

At the same time, for too many Americans these changes are also causing turmoil and distrust. A recent Kaiser study showed that Americans believe that managed care is making it harder for people to see specialists and to get access to emergency room care.

A Health Care Bill of Rights will give Americans newfound confidence in their health care. It will give them much-needed protections -- such as a sense of security that they will have access to emergency services in an expedited fashion; that they will have access to the specialists they need; and that there is a rigorous process in place when they have health care grievances.

QUESTION: *Many businesses have said they can come into compliance with the bill of rights voluntarily. Why do you need Federally enforceable legislation?*

ANSWER: There are some businesses that will come into compliance voluntarily, and we welcome their commitment to do so. However, these rights should be made real for all Americans, and voluntary compliance cannot assure that outcome.

QUESTION: *Business and some Congressional leaders are saying that this Patients Bill of Rights represents Clinton Care II. Do you agree?*

ANSWER: No. The people who use this kind of inflammatory rhetoric are the people who don't want to make needed changes in our health care system. My proposal will provide Americans with essential protections and give them confidence in their health care system.

Democrats are unified on the need for legislation, and nearly 100 Republicans have co-sponsored legislation that focuses on these issues. Moreover, each of the rights I have proposed has been enacted by a Republican Governor.

The Bill of Rights is a sensible, moderate approach to fixing some of the problems that are plaguing consumers, providers, and health plans as we move through this historic transition.

QUESTION: *What do you think of the Norwood/D'Amato legislation?*

ANSWER: I applaud Congressman Norwood and Senator D'Amato for their leadership on this issue. We are encouraged that so many Republicans and Democrats understand the need for national legislation. There are a number of bills on the Hill at this time. Some Members have indicated their interest in modifying their legislation before Congress comes back. We look forward to working with all Republicans and Democrats as we move forward throughout this process.

QUESTION: *There are bipartisan bills in the Congress that make these consumer protections legally enforceable. The Administration has been silent on this issue. How will the administration propose to make these rights real?*

ANSWER: The Administration believes that consumers should have adequate remedies when they have been harmed by health plan decisions. We have not yet determined the best enforcement tool for addressing this concern, but we are currently evaluating options.