

Balanced Budget

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Delivering A Balanced Budget with Real Benefits for Families in Alaska

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **12,000 students in Alaska would receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **15,000 students in Alaska would receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 87,000 families in Alaska.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Alaska the Balanced Budget provides \$5 million in 1998 and \$26 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Arizona

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **112,000 students in Arizona would receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **138,000 students in Arizona would receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 403,000 families in Arizona.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Arizona the Balanced Budget provides \$113 million in 1998 and \$518 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Arkansas

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **37,000 students in Arkansas will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **44,000 students in Arkansas will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 263,000 families in Arkansas.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Arkansas the Balanced Budget provides \$47 million in 1998 and \$219 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in California

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **761,000 students in California will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **934,000 students in California will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 3,229,000 families in California.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in California the Balanced Budget provides \$855 million in 1998 and \$3.969 billion over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Colorado

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **101,000 students in Colorado will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **124,000 students in Colorado will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 409,000 families in Colorado.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Colorado the Balanced Budget provides \$43 million in 1998 and \$206 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Connecticut

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **69,000 students in Connecticut will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **85,000 students in Connecticut will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 362,000 families in Connecticut.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Connecticut the Balanced Budget provides \$36 million in 1998 and \$175 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Delaware

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **19,000 students in Delaware will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **24,000 students in Delaware will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 77,000 families in Delaware.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Delaware the Balanced Budget provides \$8 million in 1998 and \$41 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in the District of Columbia

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **34,000 students in the District of Columbia will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **42,000 students in the District of Columbia will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 43,000 families in the District of Columbia.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in the District of Columbia the Balanced Budget provides \$14 million in 1998 and \$69 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Florida

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **255,000 students in Florida will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **311,000 students in Florida will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 1,333,000 families in Florida.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Florida the Balanced Budget provides \$279 million in 1998 and \$1.304 billion over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Georgia

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **122,000 students in Georgia will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **149,000 students in Georgia will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 847,000 families in Georgia.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Georgia the Balanced Budget provides \$127 million in 1998 and \$594 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Hawaii

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

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- ✓ **28,000 students in Hawaii will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **35,000 students in Hawaii will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 111,000 families in Hawaii.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Hawaii the Balanced Budget provides \$11 million in 1998 and \$57 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Idaho

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

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- ✓ **24,000 students in Idaho will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **29,000 students in Idaho will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 116,000 families in Idaho.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Idaho the Balanced Budget provides \$16 million in 1998 and \$77 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Illinois

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **308,000 students in Illinois will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **379,000 students in Illinois will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 1,163,000 families in Illinois.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Illinois the Balanced Budget provides \$129 million in 1998 and \$640 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Indiana

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **119,000 students in Indiana will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **146,000 students in Indiana will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 650,000 families in Indiana.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Indiana the Balanced Budget provides \$73 million in 1998 and \$355 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Iowa

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **69,000 students in Iowa will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **84,000 students in Iowa will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 312,000 families in Iowa.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Iowa the Balanced Budget provides \$33 million in 1998 and \$157 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Kansas

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **70,000 students in Kansas will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **85,000 students in Kansas will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 291,000 families in Kansas.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Kansas the Balanced Budget provides \$31 million in 1998 and \$153 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Kentucky

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **71,000 students in Kentucky will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **86,000 students in Kentucky will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 423,000 families in Kentucky.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Kentucky the Balanced Budget provides \$51 million in 1998 and \$247 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Louisiana

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **76,000 students in Louisiana will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **92,000 students in Louisiana will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 445,000 families in Louisiana.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Louisiana the Balanced Budget provides \$102 million in 1998 and \$473 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Maine

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **23,000 students in Maine will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **28,000 students in Maine will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 142,000 families in Maine.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Maine the Balanced Budget provides \$13 million in 1998 and \$62 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Maryland

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **112,000 students in Maryland will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **138,000 students in Maryland will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 535,000 families in Maryland.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Maryland the Balanced Budget provides \$62 million in 1998 and \$297 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Massachusetts

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **176,000 students in Massachusetts will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **217,000 students in Massachusetts will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 580,000 families in Massachusetts.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Massachusetts the Balanced Budget provides \$45 million in 1998 and \$228 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Michigan

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **227,000 students in Michigan will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **278,000 students in Michigan will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 982,000 families in Michigan.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Michigan the Balanced Budget provides \$92 million in 1998 and \$467 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Minnesota

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **119,000 students in Minnesota will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **146,000 students in Minnesota will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 519,000 families in Minnesota.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Minnesota the Balanced Budget provides \$27 million in 1998 and \$142 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Mississippi

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **45,000 students in Mississippi will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **54,000 students in Mississippi will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 267,000 families in Mississippi.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Mississippi the Balanced Budget provides \$56 million in 1998 and \$261 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Missouri

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **119,000 students in Missouri will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **146,000 students in Missouri will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 523,000 families in Missouri.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Missouri the Balanced Budget provides \$59 million in 1998 and \$288 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Montana

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **15,000 students in Montana will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **18,000 students in Montana will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 86,000 families in Montana.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Montana the Balanced Budget provides \$10 million in 1998 and \$47 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Nebraska

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **48,000 students in Nebraska will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **58,000 students in Nebraska will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 187,000 families in Nebraska.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Nebraska the Balanced Budget provides \$15 million in 1998 and \$76 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Nevada

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **28,000 students in Nevada will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **34,000 students in Nevada will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 170,000 families in Nevada.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Nevada the Balanced Budget provides \$33 million in 1998 and \$150 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in New Hampshire

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE

LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **26,000 students in New Hampshire will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **32,000 students in New Hampshire will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 130,000 families in New Hampshire.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in New Hampshire the Balanced Budget provides \$11 million in 1998 and \$52 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in New Jersey

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **140,000 students in New Jersey will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **172,000 students in New Jersey will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 784,000 families in New Jersey.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in New Jersey the Balanced Budget provides \$92 million in 1998 and \$435 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in New Mexico

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **40,000 students in New Mexico will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **49,000 students in New Mexico will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 177,000 families in New Mexico.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in New Mexico the Balanced Budget provides \$57 million in 1998 and \$257 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in New York

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **414,000 students in New York will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **503,000 students in New York will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 1,727,000 families in New York.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in New York the Balanced Budget provides \$266 million in 1998 and \$1.292 billion over five years.**

Delivering A Balanced Budget with Real Benefits for Families in North Carolina

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **153,000 students in North Carolina will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **188,000 students in North Carolina will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 678,000 families in North Carolina.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in North Carolina the Balanced Budget provides \$80 million in 1998 and \$386 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in North Dakota

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **16,000 students in North Dakota will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **19,000 students in North Dakota will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 74,000 families in North Dakota.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in North Dakota the Balanced Budget provides \$5 million in 1998 and \$26 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Ohio

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **222,000 students in Ohio will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **271,000 students in Ohio will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 1,148,000 families in Ohio.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Ohio the Balanced Budget provides \$114 million in 1998 and \$571 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Oklahoma

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **72,000 students in Oklahoma will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **87,000 students in Oklahoma will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 326,000 families in Oklahoma.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Oklahoma the Balanced Budget provides \$79 million in 1998 and \$360 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Oregon

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **68,000 students in Oregon will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **83,000 students in Oregon will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 340,000 families in Oregon.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Oregon the Balanced Budget provides \$42 million in 1998 and \$203 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Pennsylvania

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **251,000 students in Pennsylvania will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **307,000 students in Pennsylvania will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 1,185,000 families in Pennsylvania.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Pennsylvania the Balanced Budget provides \$123 million in 1998 and \$607 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Rhode Island

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **31,000 students in Rhode Island will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **38,000 students in Rhode Island will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 94,000 families in Rhode Island.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Rhode Island the Balanced Budget provides \$11 million in 1998 and \$51 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in South Carolina

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **69,000 students in South Carolina will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **84,000 students in South Carolina will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 402,000 families in South Carolina.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in South Carolina the Balanced Budget provides \$65 million in 1998 and \$315 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in South Dakota

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **14,000 students in South Dakota will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **17,000 students in South Dakota will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 73,000 families in South Dakota.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in South Dakota the Balanced Budget provides \$8 million in 1998 and \$38 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Tennessee

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **98,000 students in Tennessee will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **119,000 students in Tennessee will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 593,000 families in Tennessee.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Tennessee the Balanced Budget provides \$67 million in 1998 and \$331 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Texas

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **387,000 students in Texas will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **473,000 students in Texas will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 2,040,000 families in Texas.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Texas the Balanced Budget provides \$559 million in 1998 and \$2.524 billion over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Utah

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **58,000 students in Utah will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **71,000 students in Utah will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 257,000 families in Utah.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Utah the Balanced Budget provides \$25 million in 1998 and \$124 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Vermont

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **14,000 students in Vermont will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **18,000 students in Vermont will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 71,000 families in Vermont.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Vermont the Balanced Budget provides \$4 million in 1998 and \$21 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Virginia

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **148,000 students in Virginia will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **181,000 students in Virginia will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 636,000 families in Virginia.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Virginia the Balanced Budget provides \$71 million in 1998 and \$346 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Washington

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **117,000 students in Washington will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **144,000 students in Washington will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 586,000 families in Washington.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Washington the Balanced Budget provides \$47 million in 1998 and \$231 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in West Virginia

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **35,000 students in West Virginia will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **42,000 students in West Virginia will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 175,000 families in West Virginia.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in West Virginia the Balanced Budget provides \$23 million in 1998 and \$111 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Wisconsin

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **127,000 students in Wisconsin will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **157,000 students in Wisconsin will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 579,000 families in Wisconsin.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Wisconsin the Balanced Budget provides \$37 million in 1998 and \$191 million over five years.**

Delivering A Balanced Budget with Real Benefits for Families in Wyoming

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **12,000 students in Wyoming will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **15,000 students in Wyoming will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 55,000 families in Wyoming.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **To expand health coverage to uninsured children in Wyoming the Balanced Budget provides \$7 million in 1998 and \$35 million over five years.**

Delivering A Balanced Budget with Real Benefits for American Families

Building on the success of the 1993 Economic Plan, which President Clinton and Democrats in Congress enacted, this year's budget finishes the job, delivering the first balanced budget in a generation, plus the largest investments in education and health care in a generation. This balanced budget provides real benefits to families who work hard and are trying to do the best for their kids. Top priority is placed on what all parents want for their kids: good health and a strong education.

TUITION TAX CREDITS TO OPEN THE DOORS OF COLLEGE AND PROMOTE LIFELONG LEARNING. The balanced budget includes the largest investment in higher education since the G.I. Bill in 1945 -- delivering a major victory for parents trying to pay for their children's college and for working people trying to upgrade their skills. It includes both President Clinton's \$1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first \$5,000 of tuition and fees through 2002 and to the first \$10,000 thereafter.

- ✓ **5,800,000 students will receive a HOPE Scholarship tax credit of up to \$1,500.**
- ✓ **7,100,000 students will receive the Lifetime Learning Tax Credit.**

A \$500 CHILD TAX CREDIT TO HELP FAMILIES RAISING CHILDREN. To help make it easier for families to raise their children, the balanced budget includes a \$500 per-child tax credit for children under 17. *Take a family with a mother, father, and two kids, with an income of \$40,000. In 1999, they will receive a child tax credit of \$1,000.*

- ✓ **The Balanced Budget delivers a child tax credit to 27,135,000 American families.**

HEALTH CARE FOR UNINSURED CHILDREN. The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 -- an unprecedented \$24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.

- ✓ **The Balanced Budget provides \$24 billion to expand health coverage to uninsured children in the United States.**

Tuition Tax Credits

Using a nationally-representative sample of postsecondary students and data on Pell Grant recipients, an estimate was derived for the proportion of the total national number of recipients of the tax benefit. Using that ratio, the number of recipients for each State was determined, based on the total number of recipients estimated by the Treasury Department. Based on Treasury's estimate of the revenue loss associated with each of the tax credits, a dollar amount was derived for each State using the same ratio as the State/national number of beneficiaries.

Child Tax Credit

The state-by-state child credit estimates depend on two principal pieces of information. First, using the Department of Treasury's individual income tax model, an estimate was generated for the aggregate number of taxpayers and children in 1998 that would receive a child credit under the Taxpayer Relief Act of 1997. Second, using U.S. Census Bureau's March Current Population Survey, tabulations were made of the number of families with children in each state with incomes between \$15,000 and \$110,000. Families in this income range from the group primarily affected by the child credit in the recent tax bill. The number of taxpayers with children in each state as a percentage of total taxpayers with children in the country are used to distribute the aggregate number of taxpayers with children receiving the child credit across states.

Children's Health Care

Federal children's health allotments: Calculated by the U.S. General Accounting Office using data from BLS and the March CPS. Formula: States get a proportion of the full amount based on their share of the following: 1998-2000: product of the state's proportion of low-income uninsured children and a geographic cost adjuster; 2002: product of the 75% of the state's proportion of low-income uninsured children, 25% of the state's proportion of low-income children, and a geographic cost adjuster; and for 2002-2007: product of the 50% of the state's proportion of low-income uninsured children, 50% of the state's proportion of low-income children, and a geographic cost adjuster.

PRESIDENT CLINTON DELIVERS ON HIS PROMISE: BALANCE THE BUDGET and PROTECT OUR VALUES

"The final Congressional passage of the balanced budget bill is the achievement of a generation and a triumph for every American. This budget marks an end to decades of deficits, and just as important, it honors our values, investing in the education, health and futures of our people."

-- President Clinton, July 29, 1997

This week President Clinton announced an historic agreement to balance the budget by the year 2002. In addition to giving our nation its first balanced budget since 1969, the agreement honors our values and invests in a brighter future for our families. Key investments include: an historic commitment to expanding educational opportunity and health care for children; and tax cuts to help millions of working families.

The First Balanced Budget Since 1969:

The President's 1993 Economic Plan has cut the deficit more than 75% from \$290 billion in 1992 to \$67 billion or lower in 1997. This agreement finishes the job -- balances the budget in 2002 and puts the budget in surplus through 2007. And it keeps the President's commitment to the American people: balance the budget and protect our values.

The Largest Investment in Higher Education Since the G.I. Bill in 1945:

The budget agreement endorses the centerpiece of President Clinton's second term agenda: investing in education. The agreement includes the largest investment in higher education since the G.I. Bill became law in 1945 and the largest overall investment in education and training (\$63 billion more than the Republican plan over five years) in 30 years. The agreement specifically calls for:

- ✓ **The \$1,500 HOPE Scholarship to make the first two years of college universally available.** This advances the President's goal of making the 13th and 14th grades as universally available as a high school diploma is today.
- ✓ **A 20% Tuition Tax Credit for college juniors, seniors, graduate students and for working Americans pursuing lifelong learning to upgrade their skills.** The 20% credit will be applied to the first \$5,000 of qualified education expenses through 2002, and the first \$10,000 thereafter.
- ✓ **The largest expansion of Pell Grants in two decades.** The plan boosts the maximum 1998 Pell grant from \$2,700 to \$3,000 and expands the program to more poor independent students.

The Largest Investment in Health Care for Children Since 1965:

The budget agreement accomplishes another of President Clinton top priorities: protecting our children. The plan invests an unprecedented \$24 billion to provide health care to the millions of

children who are currently uninsured -- and represents the largest expansion of children's health care since the creation of Medicaid in 1965.

Tax Relief For 27 Million Working Families:

The balanced budget agreement meets another of President Clinton's central commitments to American working families: tax relief. The plan calls for a \$500 per child tax credit for approximately 27 million families with children under 17. Thirteen million children from families with incomes below \$30,000 will receive the child tax credit -- up to 7.5 million more than would have under the Congressional plans.

PRESIDENT CLINTON DELIVERS THE FIRST BALANCED BUDGET IN A GENERATION AND A MAINSTREAM TAX CUT

- ✓ **Roughly \$900 Billion in Net 10 Year Deficit Savings.**
- ✓ **First Balanced Budget since 1969.**
- ✓ **Largest Investment in Higher Education Since the G.I. Bill in 1945:**
 - **\$1,500 HOPE Scholarship to Help Make Two Years of College Universally Available.**
 - **20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and Working Americans pursuing Lifelong Learning to upgrade their skills.**
- ✓ **Single Largest Investment in Health Care for Children Since 1965.**
- ✓ **A \$500 Per Child Tax Credit for Approximately 27 Million Families.**
- ✓ **Critical Long-Term Entitlement Reforms -- Extends Solvency of Medicare Trust Fund for at Least a Decade.**
- ✓ **Brownfields and Empowerment Zones Tax Incentives to Revitalize Our Nation's Distressed Areas.**
- ✓ **A \$ 3 Billion Welfare-to-Work Jobs Initiative Targeted to High Poverty Areas.**
- ✓ **Treats Legal Immigrants Fairly -- Restores Health and Disability Benefits.**

THE FIRST BALANCED BUDGET IN A GENERATION

FIRST BALANCED BUDGET SINCE 1969

- ✓ **Net savings of roughly \$900 billion over ten years.**
- ✓ **1993 Economic Plan has cut the deficit more than 75% from \$290 billion in 1992 to \$67 billion or lower in 1997. This agreement finishes the job -- balances the budget in 2002 and puts the budget in surplus at least through 2007.**

SINGLE LARGEST INVESTMENT IN HEALTH CARE FOR CHILDREN SINCE THE PASSAGE OF MEDICAID IN 1965

- ✓ **An unprecedented \$24 billion for children's health care.**
- ✓ **Guarantee of meaningful health coverage including full range of benefits to as many as 5 million uninsured children.**
- ✓ **Provisions to ensure that states use this investment to provide health care coverage to children who do not currently have health insurance and that there are adequate cost protections so that families are not burdened with excessive costs so that care is affordable.**

CRITICAL LONG-TERM ENTITLEMENT REFORMS

- ✓ **Between \$400-\$450 billion in ten-year Medicare savings.**
- ✓ **Extends the life of the Medicare Trust Fund for at least a decade.**
- ✓ **Prepares Medicare for the 21st century -- more choice, competition, improved payment systems.**
- ✓ **\$4 billion in preventive benefits to fight diseases like breast cancer, diabetes & colon cancer.**
- ✓ **\$1.5 billion to help pay the premiums of low-income Medicare beneficiaries.**

PROTECTS THE PRESIDENT'S CRITICAL DOMESTIC PRIORITIES. The Budget Agreement, which will be enacted in the Appropriations bills in the fall, includes 99% of total amount of President's 5-year Domestic Discretionary Budget.

- ✓ **Largest education investment in 30 years.**
- ✓ **Pell Grant expansion -- maximum grant increased to \$3,000.**
- ✓ **New child literacy initiative consistent with President's America Reads.**
- ✓ **Head Start expansion -- on track to 1 million children in 2002.**
- ✓ **Full funding for President's training budget, including Job Corps.**
- ✓ **President's FY 98 budget request for EPA Operating Budget**
- ✓ **National Park Service full funding for operations budget, plus land acquisition and state assistance, and Everglades Restoration.**
- ✓ **Superfund -- clean-up of 500 toxic sites in next four years (if policies can be worked out).**
- ✓ **COPS -- funding on track to put 100,000 more police officers on streets by 2000, plus full funding for overall Violent Crime Reduction Trust Fund.**

MOVES PEOPLE FROM WELFARE TO WORK & TREATS LEGAL IMMIGRANTS FAIRLY

- ✓ **\$3 billion to help states and local communities move people from welfare to work.**
- ✓ **\$12 billion to restore both disability and health benefits for 350,000 legal immigrants in 2002 who are currently receiving assistance or become disabled, ensuring that they will not be turned out of their apartments or nursing homes or otherwise helpless.**
- ✓ **Preserves the minimum wage and other labor protections for welfare recipients moving from welfare to work.** Does not include the House-passed provision to leave welfare participants unprotected by the
- ✓ **Fair Labor Standards Act and other employment laws.** Protects workers from displacement by those leaving the welfare rolls, and establishes a strong process for workers to raise grievances with an independent agency.

A MAINSTREAM TAX CUT

On December 15, 1994, President Clinton proposed the Middle Class Bill of Rights, which included a \$500 Child Tax Credit, an expanded IRA to allow people to withdraw money tax-free and without penalty for education, and a tax deduction for post-high school education expenses. Each of the President's proposals is included in this budget:

A CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES.

- ✓ **\$500 Per-Child Tax Credit for approximately 27 million families with 45 million children under 17.** The credit begins to phase out for couples with incomes above \$110,000.
- ✓ **13 million children from families with incomes below \$30,000 will receive the child tax credit -- up to 7.5 million* more than would have under the Congressional plans.** Families earning under \$30,000 such as young teachers, police officers, farmers, and nurses who work hard and play by the rules will now receive the Child Tax Credit. *Comparison to House passed bill; vs. Senate bill: 5.9 million.

A VICTORY FOR MIDDLE CLASS PARENTS TRYING TO PAY FOR THEIR CHILDREN'S

COLLEGE AND FOR WORKING PEOPLE TRYING TO UPGRADE THEIR SKILLS.

- ✓ **\$1,500 HOPE Scholarship to make the first two years of college universally available.** The final agreement includes the President's initiative to help make the 13th and 14th grades as universal as a high school diploma is today. Students will receive a scholarship of 100% on the first \$1,000 of tuition and fees and 50% on the second \$1,000.
- ✓ **20% Tuition Tax Credit for college juniors, seniors, graduate students and for working Americans pursuing lifelong learning to upgrade their skills.** The 20% credit will be applied to the first \$5,000 of qualified education expenses through 2002, and to the first \$10,000 thereafter. The President has long understood that the economy is changing and that people need the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and was a major improvement over the bills passed by Congress.

TAX INCENTIVES TO REVITALIZE OUR NATION'S DISTRESSED URBAN AREAS.

A key component of the President's tax cutting agenda has been to spur economic activity in distressed areas of our nation's cities. This budget reflects the President's agenda:

- ✓ **A New Tax Cut Plan Helps to Clean Up and Redevelop Brownfields.** The 3-year Brownfields tax incentive will reduce the cost of cleaning up thousands of contaminated, abandoned sites in economically distressed areas by permitting clean-up costs to be deducted immediately for tax purposes. This will, in turn, encourage redevelopment of these areas. *The Treasury Department estimates that this \$1.5 billion tax incentive would leverage more than \$6 billion for private sector cleanups nationwide, allowing redevelopment of 14,000 brownfields.*
- ✓ **New Empowerment Zones (EZs).** The budget includes a second-round of EZs -- 15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits from the first-round communities. For example, the EZs will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

HELPING MOVE PEOPLE FROM WELFARE TO WORK

- ✓ **A Welfare to Work Tax Credit.** This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first \$10,000 in wages in the first year of employment, and 50% of the first \$10,000 in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring but retention.
- ✓ **\$3 Billion to Help Move 1 Million People from Welfare to Work.** Includes President's proposal to create \$3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

PRESIDENT CLINTON DELIVERS THE LARGEST SINGLE INVESTMENT IN CHILDREN'S HEALTH CARE SINCE THE PASSAGE OF MEDICAID IN 1965

The President fought hard to ensure that the Budget Agreement includes \$24 billion to provide meaningful health care coverage to as many as five million of our nation's ten million uninsured children. This investment includes a meaningful benefits package, ensures that states use this money to cover uninsured children and not replace existing public or private spending, and guarantees adequate cost-sharing protections for families.

- ✓ **INVESTS UNPRECEDENTED \$24 BILLION FOR UNINSURED CHILDREN.** The President insisted on increasing the investment for children's health from \$16 billion to \$24 billion by including revenue from a new tobacco tax. Because of the President's leadership, this budget will contain the largest children's health care budget increase since the enactment of Medicaid in 1965. Including these additional revenues in the children's health initiative will not only further reduce the number of uninsured children, but it will also serve as a financial barrier to help prevent our children from starting smoking in the first place.
- ✓ **ENSURES MEANINGFUL HEALTH CARE COVERAGE, WHILE ALLOWING STATES TO DESIGN THEIR OWN BENEFITS PACKAGES.** The President fought hard to ensure that this investment guarantees the full range of benefits -- from checkups to surgery -- that children need to grow up strong and healthy. The President also worked to ensure that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children.
- ✓ **GIVES STATES THE FLEXIBILITY TO DESIGN BENEFITS THAT MEET THEIR NEEDS.** States will be able to choose from any of four benefits packages: (1) the FEHPB model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any of the three stated benefit plans as long as prescription drugs, vision, hearing, and mental health services now offered in these plans are guaranteed to equal at least 75 percent of the value of these services.
- ✓ **SUPPLEMENTS, NOT SUPPLANTS, CURRENT HEALTH CARE COVERAGE.** Includes provisions to ensure that states provide health care coverage to children who do not currently have health insurance. It requires that states maintain their current Medicaid eligibility levels of spending to access Federal dollars to ensure that this investment is not used to replace public or private money that already covers children.
- ✓ **ENSURES ADEQUATE COST-SHARING PROTECTIONS.** The President fought to ensure that families are not forced to shoulder excessive costs for their children. The Agreement guarantees that families under 150 percent of poverty will be protected against overly burdensome cost sharing.

PRESIDENT CLINTON DELIVERS A \$500 CHILD TAX CREDIT FOR APPROXIMATELY 27 MILLION FAMILIES

MAIN FEATURES OF THE CHILD TAX CREDIT:

- **Age.** Covers children under 17.
- **Amount per child.** \$400 in 1998. \$500 thereafter.
- **Income limits.** Begins to be phased out for couples making over \$110,000 and for one parent families making over \$75,000.
- **"Stacking."** Child tax credit will be calculated or "stacked" before the EITC, and will therefore be available for the up to 7.5 million children in working families who have incomes below \$30,000 and who were denied the child tax credit under the congressional bills.
- **For families with more than two children -- Refundability to cover out-of-pocket income and payroll taxes.** Because many large families have little income tax liability, but pay significant out-of-pocket payroll taxes, the child tax credit for these families is partially refundable. These families will receive a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.
- **Savings Incentive.** Taxpayers will be given the opportunity to contribute \$500 each year to an education Individual Retirement Account (IRA). Earnings would accumulate tax-free in the account, and no taxes will be due upon withdrawal for an approved purpose.

A CHILD TAX CREDIT FOR FAMILIES WHO WORK HARD AND PAY TAXES.

13 million children from families with incomes below \$30,000 will receive the child tax credit -- up to 7.5 million* more than would have under the Congressional plans. Families making under \$30,000 like young teachers, police officers, farmers, nurses and others who work hard and play by the rules will now receive the Child Tax Credit. *Comparison to House passed bill; vs. Senate bill: 5.9 million.

President Clinton worked to ensure that under any final agreement, these young parents would receive a child tax credit to make it easier for them to raise their children.

Consider a family of four with two small children: the father is a rookie police officer making \$23,000, and the mother has chosen to stay at home. Both congressional bills would have denied this family, and millions of others, the child tax credit. Under the final agreement, this family will receive a child tax credit of \$675.

	President Clinton's Proposal	Agreement	House Bill	Senate Bill
<i>Child Tax Credit for family of rookie police officer making \$23,000</i>	\$767	\$675	\$0	\$0

PRESIDENT CLINTON DELIVERS EDUCATION TAX CUTS TO HELP MIDDLE CLASS FAMILIES PAY FOR COLLEGE

THE PRESIDENT'S HOPE SCHOLARSHIP AND TUITION TAX CREDIT

From the beginning, promoting expanded educational opportunity has been the centerpiece of President Clinton's budget and his middle class tax cut proposal. Promoting education is the centerpiece of this final tax cut bill:

- ✓ **\$1,500 HOPE Scholarship to make the first two years of college universally available.** The final agreement includes the President's program to advance the goal of making the 13th and 14th grades as universally available as a high school diploma is today. Students will receive a scholarship of 100% on the first \$1,000 of tuition and fees and 50% on the second \$1,000.
- ✓ **20% Tuition Tax Credit for College Juniors, Seniors, Graduate Students and working Americans pursuing lifelong learning to upgrade their skills.** The 20% credit will be applied to the first \$5,000 of tuition and fees through 2002, and to the first \$10,000 thereafter. The President has long understood that the economy is changing and that people must have the opportunity to enhance their skills throughout their working lives. This is why the President insisted on the 20% tuition tax credit that is in the final bill and is a major improvement over the Congressionally-passed bills.

A SUMMARY OF ADDITIONAL EDUCATION TAX CUTS

- ***Education and Retirement Savings Accounts.*** Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers are given the opportunity to deposit \$500 into an education IRA. Earnings would accumulate tax-free and no taxes will be due upon withdrawal for an approved purpose.
- ***Employer-Provided Education Benefits.*** Extends Section 127 of the tax code for three years, which allows workers to exclude \$5,250 of employer-provided undergraduate education benefits from their taxable income.
- ***Student Loan Interest Deduction.*** Allows a deduction for up to \$2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. This deduction will be available even if the taxpayer does not itemize deductions.
- ***Community Service Loan Forgiveness.*** In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, the agreement excludes from taxable income both loan amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.
- ***Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities.*** Repeals the \$150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal applies to tax-exempt bonds issued by these institutions to finance new capital expenditures.

PRESIDENT CLINTON DELIVERS A BUDGET THAT STRENGTHENS AND PRESERVES MEDICARE

The Budget Agreement preserves and strengthens the Medicare program, saving \$115 billion over five years and extending the life of the Medicare Trust Fund for at least ten years. It modernizes Medicare by including new market-oriented reforms that have proved successful in the private sector plus \$4 billion in new preventive benefits. As this agreement strengthens and preserves the Medicare program, it also creates a Medicare Commission to examine the long-term needs of the program so that Medicare will be prepared for the retirement of the baby boomers.

- ✓ **SAVES APPROXIMATELY \$115 BILLION OVER FIVE YEARS.** Includes about \$115 billion in savings over five years and between \$400-\$450 billion over ten years.
- ✓ **EXTENDS THE LIFE OF THE MEDICARE TRUST FUND FOR AT LEAST TEN YEARS.** This agreement will keep Medicare solvent until at least 2007.
- ✓ **IMPLEMENTS NEW MARKET-ORIENTED REFORMS INCLUDING:**
 - (1) Empowering the Secretary of Health and Human Services to implement competitive market mechanisms;
 - (2) Opening up new options that offer more choice among competing health plans and have proven effective in the private sector, including Preferred Provider Organizations (PPOs) and Provider Sponsored Organizations (PSOs);
 - (3) Providing Americans with meaningful choices by reforming annual Medigap enrollment; and
 - (4) Building on Medicare's success in controlling hospital costs, restructuring the payment systems for home health, agencies, skilled nursing facilities and hospital outpatient departments so that rates are set in advance through a prospective payment system.
- ✓ **INCLUDES \$4 BILLION OVER FIVE YEARS FOR NEW PREVENTIVE BENEFITS.** Expanding coverage for mammograms and colorectal screening and improving self-management of diseases like diabetes.
- ✓ **ENSURES NEW PREMIUM PROTECTIONS FOR LOW-INCOME MEDICARE BENEFICIARIES.** The budget agreement invests \$1.5 billion over five years to pay the premiums for beneficiaries up to 135 percent of poverty. Beneficiaries over 135 percent of poverty to as high as 175 percent of poverty will get assistance as well.
- ✓ **TAKES STEPS TO ENSURE THAT VULNERABLE HOSPITALS ARE PROTECTED.** The Agreement reduces the Medicare Disproportionate Share Hospitals cut from \$2.4 billion in the Senate-passed bill to \$600 million over five years.
- ✓ **ESTABLISHES A MEDICARE COMMISSION.** The agreement creates a 17-member Medicare Commission which contains eight Democrats and eight Republicans and a Chair who will be selected jointly by the President and the Congressional leadership. The Commission will release a report in 1999 and require an 11 of 17 majority to ensure that its recommendations are bipartisan.

THE BUDGET AGREEMENT PROTECTED THE PRESIDENT'S PRIORITY PROGRAMS, INCLUDING EDUCATION, ENVIRONMENT AND LAW ENFORCEMENT

The Budget Agreement achieved 99% of the President's budget for non-defense discretionary spending over the next 5 years. While priority items are protected, there are \$61 billion of savings in non-defense discretionary outlays over the next 5 years -- a 10% real cut by 2002. These priorities will be ratified in the appropriations process under the budget agreement.

LARGEST INCREASE IN EDUCATION INVESTMENT IN 30 YEARS

The budget agreement endorsed President Clinton's overall plan for investing in education and training -- \$63 billion more than the Republican plan over five years. With the tax cuts for education, this represents the largest increase in the Federal investment in education in 30 years. The agreement specifically calls for:

- ✓ Increases funding for Head Start to continue on road to achieve enrollment of 1 million kids in 2002.
- ✓ Largest Pell Grant increase in two decades - boosts the maximum 1998 Pell grant from \$2,700 to \$3,000, and expands the program to more poor independent students.
- ✓ Adopts the President's budget request to launch a child literacy initiative consistent with his America Reads program.
- ✓ Increases funding for bilingual (27% increase) and immigrant education (50% increase).
- ✓ Includes all of the \$579 million increase in funding requested by the President in his FY 1998 budget of \$5.3 billion for Training and Employment Services, including Job Corps.

BOLSTERS ENVIRONMENTAL ENFORCEMENT AND KEY PROGRAMS

- ✓ Provides a 9% increase for EPA's Operating program which includes research, enforcement, state grants and regulatory programs.
- ✓ Doubles the pace of Superfund cleanups, if policy details can be worked out.
- ✓ Provides a 6 percent increase for operation of the National Parks, and a more than doubles funding (\$156 million) for Everglades Restoration.

PUTS MORE POLICE ON THE STREET

- ✓ Protects funding for the Community Oriented Policing Services (COPS) initiative, which should put 100,000 more police officers on the street by 2000.

URBAN INITIATIVES

- ✓ Expansion of Community Development Financial Institution Fund.

PRESIDENT CLINTON DELIVERS TAX CUTS TO CLEAN UP AND REVITALIZE URBAN AREAS...

- ✓ **THE BROWNFIELDS TAX INCENTIVE WILL REDUCE THE COST OF CLEANING UP THOUSANDS OF CONTAMINATED, ABANDONED SITES IN ECONOMICALLY DISTRESSED AREAS** by permitting clean-up costs to be deducted immediately for tax purposes. This will, in turn, encourage redevelopment of these areas. The tax incentive will be available for three years. *The Treasury Department estimates that this \$1.5 billion tax incentive would leverage more than \$6 billion for private sector cleanups nationwide, allowing redevelopment of 14,000 brownfields.*
- ✓ **THIS PROPOSAL IS A MAJOR PRIORITY FOR MANY OF AMERICA'S MAYORS.** Chicago Mayor Richard Daley, writing recently on behalf of the U.S. Conference of Mayors, urged Ways and Means Chairman Archer to include the President's Brownfields proposal in the tax bill: "This is a high priority for communities across the nation." [Letter to Chmn. Archer, 6/11/97]
- ✓ **CREATES NEW EMPOWERMENT ZONES.** Under the President's 1993 Empowerment Zones and Enterprise Communities initiative, participating communities develop a strategic plan to spur economic development, and they receive Federal tax benefits, social service grants and flexibility in use of Federal funds in order to put these plans into effect. The EZs and ECs are urban or rural areas with high poverty and unemployment rates.
 - ***A Strong Start since 1994.*** The 105 communities selected as EZ/ECs in 1994 amassed over \$8 billion in public-private commitments. In the six urban Empowerment Zones, the private sector has made or pledged \$2 billion in new investments.
 - ***A Second Round to Build on Successes.*** In response, the President proposed, and the bill includes, a second round of EZs -- 15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits from first-round EZs. They will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds.

...AND TO MOVE PEOPLE FROM WELFARE TO WORK

- ✓ **A WELFARE-TO-WORK TAX CREDIT.** This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first \$10,000 in wages in the first year of employment, and 50% of the first \$10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.
- ✓ **\$3 BILLION TO HELP MOVE 1 MILLION PEOPLE FROM WELFARE TO WORK.** Includes President's proposal to create \$3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, transportation and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.
- ✓ **PRESERVES THE MINIMUM WAGE AND OTHER LABOR PROTECTIONS FOR WELFARE RECIPIENTS MOVING FROM WELFARE TO WORK.** Does not include the House-passed provision to leave workfare participants unprotected by the Fair Labor Standards Act and other employment laws.
- ✓ **PROTECTS WORKERS FROM DISPLACEMENT BY THOSE LEAVING THE WELFARE ROLLS,** and establishes a strong process for workers to raise grievances with an

PRESIDENT CLINTON FOUGHT TO PROTECT OUR MOST VULNERABLE PEOPLE

Several provisions in last year's welfare reform bill had nothing to do with the goals of welfare reform. The President said so at the time and promised to work to correct these provisions. That's why he fought to ensure that any agreement protects the most vulnerable in our society. The President fought to better protect:

CHILDREN

- ✓ **KEEPING THE MEDICAID GUARANTEE.** Preserves the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. Also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.

LEGAL IMMIGRANTS

- ✓ **CURRENT RECIPIENTS.** Restores both SSI and Medicaid benefits for immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left helpless.
- ✓ **CURRENT RESIDENT NONRECIPIENTS.** Does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits. The budget will restore benefits to over 350,000 legal immigrants in FY 2002.
- ✓ **REFUGEES AND ASYLEES.** Extends the SSI and Medicaid eligibility period for refugees and asylees from 5 years after entry (the limit in the welfare bill) to 7 years to give these residents more time to naturalize. Adopts Administration proposal to treat Cuban and Haitian entrants and Amerasian immigrants as refugees to preserve benefits for these groups that have endured extraordinary hardships.

POOR ELDERLY AND DISABLED, INCLUDING CITIZENS

- ✓ **RECIPIENTS OF STATE SSI SUPPLEMENTS.** Does not include the House-passed provision that would have repealed the maintenance-of-effort requirement applying to State supplementation of SSI benefits which would have permitted States to reduce or eliminate benefits to almost 3 million poor blind, elderly and disabled individuals.

PEOPLE WHO WANT TO WORK BUT CAN'T FIND A JOB

- ✓ **235,000 MORE WORK SLOTS.** Last year's welfare reform bill restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The budget bill provides nearly \$1 billion for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment.
- ✓ **ALLOWS STATES TO EXEMPT UP TO 15 PERCENT OF THE FOOD STAMP RECIPIENTS (70,000 Individuals Monthly) WHO WOULD OTHERWISE BE DENIED BENEFITS AS A RESULT OF THE "3 IN 36" LIMIT.**

AN HISTORIC BALANCED BUDGET: BUILDING ON THE PRESIDENT'S STRONG RECORD OF DEFICIT REDUCTION AND GROWTH

President Clinton has achieved a balanced budget agreement that includes critical investments in education, health care, and the environment while strengthening and modernizing Medicare and Medicaid -- just as he promised last year. This achievement finishes the job of balancing the budget, a key priority for the President since he took office.

ONLY FOUR YEARS AGO. In 1993, the President inherited a budget deficit of \$290 billion that was expected to explode to over one-half trillion dollars in 2002. A decade of large deficits had weakened the foundation of our economy and sapped our power and prestige abroad. Unemployment was 7.5% in 1992, and job growth was sluggish.

THE PRESIDENT PASSES HIS 1993 ECONOMIC PLAN. President Clinton addressed this problem of fiscal instability immediately on a pledge to cut the deficit in half. Working with Democrats in Congress, he implemented an economic program designed to reduce the deficit and to invest in critical priorities, such as education and training. **The 1993 economic plan has exceeded all expectations: the deficit has fallen by more than 75%, dropping for a likely fifth year in a row to \$67 billion or lower in 1997; equipment investment has been the strongest since Kennedy was President; the economy has produced over 12.5 million new jobs; and the unemployment rate this year is the lowest in 24 years.**

THE PRESIDENT ACHIEVES BIPARTISAN AGREEMENT TO FINISH THE JOB. The President began his second term determined to fulfill his goal of balancing the budget. As we head into the next century, this bipartisan agreement protects our priorities, solidifies the nation's economic foundation, restores faith in our ability to govern ourselves, and bolsters America's preeminent position in the world economy. The balanced budget agreement includes roughly \$900 billion in 10 year net deficit savings and delivers the first balanced budget in a generation.

The First Balanced Budget in a Generation*		
1993	\$310	\$255
1994	\$302	\$203
1995	\$301	\$164
1996	\$298	\$107
1997	\$347	\$67
1998	\$387	\$90
1999	\$429	\$90
2000	\$475	\$83
2001	\$521	\$53
2002	\$576	\$1 Surplus

BUDGET STAYS IN BALANCE. In addition to delivering a balanced budget in 2002, the budget agreement delivers budget surpluses for each of the second five years of the budget window, 2003-2007, putting the nation on a solid fiscal path at a critical time as the baby boom generation edges toward retirement.

Year	Surplus*
2003	\$5
2004	\$20
2005	\$24
2006	\$30
2007	\$34

* Numbers from the budget agreement. Final Budget numbers from reconciliation still being tallied.

The Balanced Budget Delivers a Mainstream, Middle Class Tax Cut

How Typical American Families Will Benefit

Example #1

Consider a family of four with an income of \$40,000 a year. The father is a carpenter who makes \$25,000, and the mother works at a local department store and makes \$15,000. They have two children, a son who is 14 and a freshman in high school and a daughter enrolled full-time in her first year at a state university. Her tuition is \$5,000 a year.

This family benefits from the tax cut in at least two ways. They will receive a child tax credit of \$500 for their son, plus a HOPE Scholarship of \$1,500 for their daughter. In total, they will receive a \$2,000 tax cut.

Tax Cut

Family of four with two children
aged 14 and 18 and \$40,000 income:

Child Tax Credit for 14 year old	\$500
HOPE Scholarship for 18 year old	<u>\$1,500</u>

Total tax cut:	\$2,000
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* Tax Year 1999

Example #2

Consider a family of three making \$55,000 a year. The father has a degree in accounting and works for a local business in the accounting department. The mother works part-time at the local library. They have one daughter aged 7. The father would like to return to school to prepare for his CPA examination. He is going to attend the local liberal arts college. He has signed up for two courses with total tuition of \$4,000.

This family will receive a \$500 child tax credit for their daughter and an \$800 tuition tax credit to help pay for the father's course work.

Tax Cut

Family of three with one child
aged 7 and \$55,000 income:

Child Tax Credit for 7 year old	\$500
Tuition tax credit	<u>\$800</u>

Total tax cut:	\$1,300
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Example #3

Consider a family of three making \$80,000 combined. They have a daughter who is 17 years old and is trying to decide where to go to college. She is leaning towards a private liberal arts school. Her parents are staring at tuition payments in excess of \$10,000 a year for four school years and wondering how they will pay for it.

This tax cut will help. Their daughter will be eligible for a \$1,500 HOPE Scholarship in each of her first two years in college. During her junior and senior years, she will be eligible for a tuition tax credit of \$1,000. (because four school years fall across five tax years she will be eligible for another \$1,000 in the fifth year).

<u>Year</u>	<u>Tuition Tax Credits</u>
1998	\$1,500 Hope Scholarship
1999	\$1,500 Hope Scholarship
2000	\$1,000 Tuition Tax Credit
2001	\$1,000 Tuition Tax Credit
2002	\$1,000 Tuition Tax Credit
Cumulative Tax Cut to Help Pay for Daughter's Education	\$6,000

Example #4

A single mother lives with her six year old daughter in California. She's been working as a bank teller for several years and her pay is now \$20,000 a year. Working towards becoming a loan officer, she is taking one course a semester towards a bachelor's degree. Her tuition is \$1,000. This family will receive a \$500 child tax credit for the daughter and a \$200 tuition tax credit.

Tax Cut

Family of two with one child
aged 6 and \$20,000 income:

Child Tax Credit for 6 year old	\$500
Tuition Tax Credit	<u>\$200</u>
Total tax cut:	\$700

FY 98 Budget Reconciliation



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 24, 1997

The Honorable Gerald R. Solomon
Chairman
Committee on Rules
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As you consider this year's budget reconciliation bill, I am writing to transmit the views of the Administration on the Budget Committee reported legislation on the spending provisions. The Administration's views on the tax provisions of the legislation will be transmitted separately.

Many provisions of the reported bill are consistent with the Bipartisan Budget Agreement. We are pleased that, consistent with the Budget Agreement, the House is preparing to consider two separate reconciliation bills, the first for spending and the second for taxes. We expect that this consideration will continue throughout the process. However, there are a number of important areas where the legislation is not consistent with the Agreement. As you know, there are ongoing efforts to resolve a number of issues through an amendment at the Rules Committee. The Administration intends to continue working closely with the leadership on remedial amendments.

Key areas where the bill is inconsistent with the Budget Agreement include: failure to fully restore Supplemental Security Income (SSI) and Medicaid benefits for all disabled legal immigrants who are or become disabled and who entered the U.S. prior to August 23, 1996; assist low-income Medicare beneficiaries in paying additional premium amounts related to the home health reallocation; provide Medicaid benefits for disabled children; implement important Medicaid investments; properly implement the home health reallocation; create additional work slots for individuals subject to the Food Stamp time limits; fully provide for savings from spectrum auctions; and ensure that a substantial share of welfare-to-work funds go to cities and counties with large poverty populations.

The Bipartisan Budget Agreement is good for America, its people, and its future, and we are fully committed to working with Congress to see all of its provisions enacted into law by the August recess.

Items Contrary to the Bipartisan Budget Agreement

Assistance for Low-Income Medicare Beneficiaries -- Recognizing that premiums represent a significant burden on low-income beneficiaries, the Budget Agreement allocated \$1.5 billion to ease the impact of higher premiums on this population. The reported bill falls short of this, including only \$0.5 billion for this purpose. Additionally, the approach in the bill is too administratively complex for the value of the benefit provided.

Continued SSI and Medicaid Benefits for Legal Immigrants -- The President stated in his June 20 letter to Budget Committee Chairman Kasich and Ranking Member Spratt that he will be unable to sign legislation that does not include the agreement's policy protecting disabled immigrants. The Budget Agreement explicitly states: "Restore SSI and Medicaid eligibility for all disabled legal immigrants who are or become disabled and who enter the U.S. prior to August 23, 1996." The reported bill fails to reflect the Agreement. As a result, in 2002 it would protect 75,000 fewer immigrants than called for in the Budget Agreement. In addition, the President's strong preference is to cover both elderly and disabled immigrants. We will work with you to identify the necessary resources to do so.

Medicaid Benefits for Disabled Children -- The Budget Agreement clearly includes the proposal to restore Medicaid for current disabled children losing SSI because of the new, more strict definition of childhood eligibility. The reported bill fails to include this proposal. We strongly urge the House to include this provision and retain Medicaid benefits for approximately 30,000 children who could lose their health care coverage in FY 1998.

Medicaid Investments -- After extended negotiations that preceded the Bipartisan Budget Agreement, the Administration and the Congressional leadership agreed to specified savings and investments in the Medicaid program over five years. Specifically, the Agreement calls for a higher Federal matching payment for the Medicaid program in the District of Columbia and adjustments for the Medicaid programs in Puerto Rico and the territories. The reported bill fails to include these provisions.

Home Health Reallocation -- The home health reallocation in the Budget Agreement is not properly reflected in the reported bill. During the negotiations, we discussed at great length the shift of home health expenditures to Part B, and it was always understood to be immediate. We agreed to phase in the increased Part B premium, but not to postpone the reallocation of home health spending. The Ways and Means Committee's phase-in of the reallocation means a loss of two years of solvency in the Part A trust fund, two years which we can ill afford to lose. We urge the House to incorporate the provision included in the Commerce Committee reported title.

Additional Work Slots for Individuals Subject to the Food Stamp Time Limits -- The Bipartisan Budget Agreement includes \$1.5 billion in additional funding for the Food Stamp Program to increase support for work and provide States with flexibility to exempt individuals

from the Food Stamp time limits due to hardship. While we appreciate that the Committee reported bill implements the 15 percent hardship exemption consistent with the Agreement, the bill's approach for employment and training (E&T) funds for able-bodied childless adults aged 18-50 falls short of creating the maximum level of work slots. The Agreement specifically states that existing Food Stamp E&T funds will be redirected and new capped mandatory funding added "to create additional work slots for individuals subject to the time limits." The Agreement provides \$1 billion for this purpose. The approach in the Committee bill would create more than 100,000 fewer work slots than the Administration's legislative proposal and approximately 60,000 fewer than the approach taken by the Senate bill. Specifically, the bill lacks performance standards and accountability to ensure that the new Federal funding creates additional work slots that meet the welfare reform statute's tough work requirements for Food Stamp recipients, particularly by allowing 100 percent of the money to be spent on job search activities.

Spectrum -- The bill needs to be modified to achieve the full \$26.3 billion in savings and policies described in the Balanced Budget Agreement. At a minimum, we urge the Rules Committee to meet the target savings number in the year 2002. It is our understanding that current attempts to redraft the bill still fall over \$8 billion short of target levels. The reported bill does not include two of the proposals included in the Budget Agreement, the auction of "vanity" toll free telephone numbers and the spectrum penalty fee. The bill does not include reimbursement authority for Federal users that are required to relocate to new spectrum bands. Reimbursement of Federal agencies, such as the Department of Defense, is critical in order to avoid demands for increased discretionary spending (which could total several billion dollars) under the agreed upon discretionary spending caps. Additionally, the bill does not provide a firm date for the termination of analog broadcasting, thus causing significant savings reductions.

Additional concerns include the lack of authority for the FCC: (1) to retain a portion of auction receipts to cover the expense of administering auctions that would require additional discretionary appropriations to cover these costs; (2) to use economic mechanisms other than auctions where appropriate (i.e., user fees to create incentives for efficient spectrum management); and (3) to revoke and reacquire licenses when an entity declares bankruptcy, which is essential to preserving licenses awarded in previous auctions.

The reported bill also includes an expansive definition of public safety that would create loopholes permitting far too many entities to be exempted from auctions and language that would protect spectrum for use by specific Federal users, which is contrary to the Administration's policy to manage spectrum across the Federal government through a process administered by the National Telecommunications and Information Administration. The Administration also has concerns with the non-germane language that eliminates the Duopoly and Newspaper Broadcast Cross-Ownership Rules. The reported bill language could short-change our Nation's long-standing commitment to fostering a diverse marketplace of ideas and ignores potential telecommunications policy and revenue gains that may be achieved if the FCC were to repack this spectrum for alternative uses.

Targeting Welfare-to-Work Funding to Cities and Counties with Large Poverty Populations -- The Administration strongly believes that a substantial amount of all welfare-to-work funds should be managed by cities and other local areas. The welfare-to-work structure crafted by the Ways and Means Committee accomplishes this goal through its division of funds between formula (50 percent) and competitive (50 percent) grants; its formula grant sub-States allocation factors and method of administration; and its reservation of 65 percent of competitive grants for cities with large poverty populations. The Education and Workforce Committee proposal would reduce the competitive funding share from 50 percent to 5 percent, thus severely restricting the amount for which cities can apply directly. The Ways and Means proposal accurately reflects the Agreement.

Additional Concerns

Although the Budget Agreement did not specifically address the following items, the Administration has significant concerns about them. The Administration urges the Rules Committee to address these concerns.

Medicare

Medical Savings Accounts (MSAs) -- The reported bill provides for a demonstration with 500,000 participants, costing \$2 billion, which is many times larger than any other Medicare demonstration. Moreover, the demonstration exposes beneficiaries to any additional charges providers choose to levy without limitation. We strongly believe that the current law limits on balanced billing should be applied to this demonstration. We commend the Senate Finance Committee for limiting this demonstration to 100,000 participants, but still prefer a demonstration limited geographically for a trial period.

Medical Malpractice -- We believe that the malpractice provisions in the reported bill are extraneous to the Bipartisan Budget Agreement. As you know, the Administration opposed the malpractice provisions in the vetoed Balanced Budget bill, as well as those adopted in the House version of the Health Insurance Portability and Accountability Act. We find these provisions highly objectionable, and we oppose them.

Preventive Benefits -- While the preventive benefits in the reported bill are largely the same as those advanced in the President's Budget, we bring to your attention the failure to waive coinsurance for mammograms. As you know, mammography saves lives, yet many Medicare beneficiaries fail to use this benefit. Research has found that copayments hinder women from fully taking advantage of this benefit. Thus, we continue to support waiving copayments for mammograms.

Medical Education/Disproportionate Share (DSH) Carve-out -- The Administration's budget would move the medical education (indirect and direct) and DSH adjustments out of

managed care payment rates and redirect these funds to eligible hospitals that provide services to Medicare managed care enrollees. This is an important proposal designed to ensure that the Nation's teaching hospitals and those that serve low-income populations receive the Medicare payments to which they are entitled. We urge the House to include the Ways and Means proposal.

MedicarePlus -- The bill permits beneficiaries to be locked into a MedicarePlus plan for as long as nine months, after a lengthy transition period. We continue to support the monthly disenrollment option as an important safety valve for managed care enrollees who are dissatisfied with their managed care plan. Moreover, we would support the ability of these enrollees to opt to purchase any Medigap plan of their choice upon disenrollment.

We have expressed concerns about balanced billing limits in MedicarePlus plans and anticipate a resolution of this issue such that MedicarePlus beneficiaries maintain their current law managed care protections against excessive cost-sharing (including those prohibiting balanced billing).

Prudent Purchasing -- We are pleased that the House included our proposal to expand the "Centers of Excellence" program and included a limited demonstration of durable medical equipment competitive bidding in the reported bill. However, we urge the House to take advantage of all of our prudent purchasing proposals. The Medicare program is governed by a strict set of provider payment rules that have the effect of limiting the ability of the Federal government to secure the most competitive terms available to other payers in the marketplace. We have advanced a set of proposals to allow Medicare, the Nation's largest health insurer, to also take advantage of lower rates providers offer to other payers.

Medicare Commission -- The reported bill would establish a Medicare commission. Establishing a bipartisan process that is mutually agreeable is essential to successfully address the challenges facing Medicare. We look forward to working with you on the development of the best possible bipartisan process to address the long-term financing challenges facing Medicare while simultaneously ensuring the sound restructuring of the program to provide high-quality care for our Nation's senior citizens.

Hospital Outpatient Department (OPD) Coinsurance Waiver -- While we support the policy in the reported bill that allows hospitals to reduce coinsurance for beneficiaries without being charged with a kickback violation, we would urge the House to include language barring such hospitals from charging the Medicare program for bad debt for such waived coinsurance. We suggest that hospitals make an election with the Secretary where they choose on an across-the-board basis for all beneficiaries to waive coinsurance and consequently do not bill Medicare for the waived coinsurance. Such a policy will permit proper monitoring of bad debt.

Medicaid

Disproportionate Share Hospitals -- We have concerns about the allocation of the disproportionate share hospital (DSH) payment reductions among States included in the reported bill. Although we agree that there have been abuses of this program in the past, taking such large reductions in certain States whose Medicaid programs are particularly dependent on DSH spending will likely affect their ability to cover services. We urge the House to revisit the FY 1998 President's Budget proposal, which ensures that States with the highest DSH spending are not bearing most of the impact of the savings policy.

We are very concerned that the reported bill does not include any retargeting of DSH funds. As the Administration has stated previously, we believe that significant savings from DSH payments should be linked to an appropriate targeting mechanism. We support proposals that ensure DSH funds are better targeted to needy hospitals.

Children's Health

We believe that the \$16 billion Children's Health investment should be used for health insurance coverage. The Administration does not support the direct services option in the reported bill. We are concerned that a State could spend all of its money on one benefit or to offset the effects of the DSH cuts on certain hospitals, and that children would not necessarily get meaningful coverage.

We are also concerned that the reported bill may not be the most cost-effective manner possible to expand coverage to children, as required by the Agreement. The reported bill includes both a Medicaid and a grant option; however, the incentives in the reported bill could discourage States from choosing the Medicaid option. We believe that Medicaid is a cost-effective approach to covering low-income children, and would like to work with you on strengthening this option. We also believe that the grant program should be designed to be as efficient as possible. The provision that allows States to use funds for "other methods specified under the plan" with no details on what this means implies that States may use funds for purposes other than the intent of the Agreement (e.g., to offset States' share of Medicaid). We oppose this.

We are encouraged that the Senate-reported bill includes notable improvements. Specifically, we commend the decision not to allow use of the \$16 billion investment in areas other than insurance coverage and the improved definition of benefits relative to the House Commerce Committee provisions. We are also extremely concerned about the inadequacy of the bill's benefits definition and the lack of low-income protections.

As the Administration has stated many times, we do not support limiting access to medically necessary benefits, including abortion services. We would like to work with the Congress to resolve this issue.

Minimum Wage and Workfare

The Administration strongly opposes the proposals in the reported bill on the minimum wage and welfare work requirements. The proposals in the reported bill are not part of the Budget Agreement and, had they been raised during negotiations, we would have strongly opposed them. These proposals would undermine the fundamental goals of welfare reform. The Administration believes strongly that everyone who can work must work, and those who work should earn at least the minimum wage and receive the protections of existing employment laws -- whether they are coming off welfare or not. These proposals do not meet this test.

Welfare-to-Work

We are pleased that the reported bill includes provisions that would address priorities, including: the provision of formula grant funds to States based on poverty, unemployment, and adult welfare recipients; a sub-State allocation of the formula grant to ensure targeting to areas of greatest need; targeting of at least 90 percent of formula funds to individuals in greatest need; appropriate flexibility for grantees to use the funds for a broad array of activities that offer promise of permanent placement in unsubsidized jobs; funds awarded on a competitive basis; and a substantial set-aside for evaluation. We look forward to working with the Congress to refine these provisions.

Welfare-to-Work Performance Fund -- The reported bill does not include a performance fund. It is essential that welfare-to-work funds generate greater levels of placement in unsubsidized jobs than States will achieve with TANF and other funds. We hope the House will consider a mechanism to provide needed incentives and rewards for placing more of the hardest-to-serve in lasting, unsubsidized jobs that promote self-sufficiency. We look forward to working with the Congress during conference to refine these provisions.

Worker Displacement -- We strongly urge the House to adopt, at a minimum, the provisions on worker displacement included in H.R. 1385, the House-passed job training reform bill which were included in the Education and the Workforce Committee reported bill and apply both to activities under the new welfare-to-work grants and TANF.

Distribution of Funds by Year -- It does not appear that the bill's allocation of \$3 billion in budget authority over fiscal years 1998-2000 would, when combined with the program structure, result in an outlay pattern consistent with an estimate of zero outlays in FY 2002, as provided in the Budget Agreement. The Department of Labor is available to help craft language that satisfies the Agreement.

Repeal of Maintenance of Effort Requirement on State Supplementation of SSI Benefits

The Administration strongly opposes the repeal of the maintenance-of-effort requirement because it would let States significantly cut, or even eliminate, benefits to nearly 2.8 million poor

elderly, disabled, and blind persons. Congress instituted the maintenance-of-effort requirement in the early 1970s to prevent States from effectively transferring Federal benefit increases from SSI recipients to State treasuries. The proposal also could put at risk low-income elderly and disabled individuals who could lose SSI entirely and possibly then lose Medicaid coverage as well. The Administration opposed this proposal during last year's welfare reform debate.

Student Loans

The Administration opposes the provision regarding administrative cost allowances (ACAs) to guaranty agencies in the Federal Family Education Loan Program (FFELP). The provision would mandate ACAs to be paid at a rate of 0.85 percent of new loan volume from mandatory funding authorized under Section 458 of the Higher Education Act of 1965 (HEA), up to a cap of \$170 million in FY 1998 and 1999 and \$150 million in FY 2000-2002. It would represent a new entitlement to these agencies not included in the Budget Agreement. Moreover, any allowance to these agencies should bear some relationship to the costs these agencies incur and not be based on an arbitrary formula. This is an issue for the upcoming HEA reauthorization.

MEWAs

The reported bill includes language from H.R. 1515, the "Expansion of Portability and Health Insurance Coverage Act of 1997," in the budget reconciliation legislation. We believe that the bill as currently drafted has inadequate consumer protections and has the potential to result in premium increases for small businesses and employees who may bear the burden of adverse selection. H.R. 1515 would transfer the regulation of a large health insurance market away from the States through the preemption of State laws under the Employee Retirement Income Security Act ("ERISA").

Although there currently is strong bipartisan interest in strengthening consumer protections in health plans governed solely by ERISA, the current protections in ERISA are weak and inadequate. Any legislation like the current bill that expands ERISA's scope must be accompanied by an expansion of consumer protections. The Administration opposed these MEWA provisions when they were considered last year, and we believe it would be unfortunate and unwise to introduce this level of controversy into the budget reconciliation process. This far-reaching proposal should receive much greater analysis and discussion before consideration for enactment.

Privatization

The reported bill would allow the eligibility and enrollment determination functions of Federal and State health and human services benefits programs, including Medicaid and Food Stamps, to be privatized. While certain program functions, such as computer systems, can currently be contracted out to private entities, the certification of eligibility for benefits and

related operations (such as obtaining and verifying information about income and other eligibility factors) should remain public functions. The Administration believes that changes to current law would not be in the best interest of program beneficiaries and strongly opposes this provision.

Debt Limit Extension

The Administration strongly urges the House to include the debt limit extension contained in the Bipartisan Budget Agreement in the first reconciliation bill, the spending bill.

Vocational Education in TANF and Transfers to Title XX

The Administration opposes provisions in the reported bill that alter the TANF work requirements regarding vocational education and educational services for teen parents. In particular, the Administration opposes the provision allowing States to divert TANF funds away from welfare-to-work efforts to other Title XX social service activities.

Other Provisions That May Be Added at the Rules Committee

We are also concerned by reports that the Rules Committee may consider provisions that add further restrictions to immigrants' access to public benefits. Many of the potential provisions were considered during last year's immigration reform debate and were removed from the final legislation after negotiations between Congress and the Administration because they were unacceptable to the Administration. The Administration strongly opposes these punitive provisions, which would introduce known controversies into the budget reconciliation process.

The Bipartisan Budget Agreement reflects compromise on many important and controversial issues, and challenges the leaders on both sides of the aisle to achieve consensus under difficult circumstances. It is critical that we do so on a bipartisan basis.

I look forward to working with you to implement this historic agreement.

Sincerely,



Franklin D. Raines
Director

Identical letter sent to The Honorable Joseph Moakley, The Honorable John R. Kasich,
and The Honorable John Spratt



COMMITTEE FOR EDUCATION FUNDING

Budget
feedback

Conferee
FY97 Emergency Supplemental Appropriations

PRESIDENT

CARIE C. HAYES
Council of Chief State
School Officers

May 20, 1997

VICE-PRESIDENT

KENNETH McINERNEY
National Association of
Student Financial Aid Administrators

Dear Conferee:

TREASURER

MYRNA R. MANDLAWITZ
National Association of State
Directors of Special Education

The Committee for Education Funding (the Committee), a non-partisan coalition of 87 major organizations reflecting the broad spectrum of the education community, urges you to remove the automatic Continuing Resolution language from the FY97 Supplemental Appropriations bill in conference.

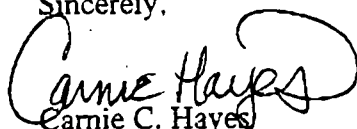
EXECUTIVE DIRECTOR

EDWARD R. KEALY

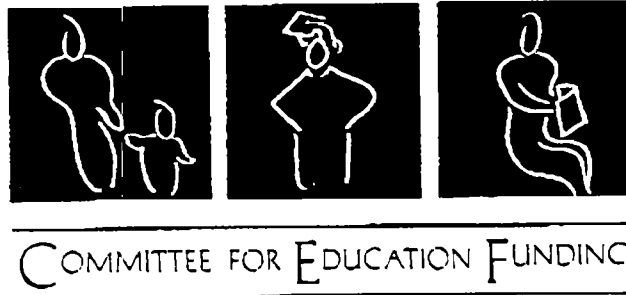
We strongly support the bill's purpose of providing needed relief for natural disasters and the Senate amendment on Title I funding. However, we strongly oppose the automatic CR provision which would freeze discretionary education spending, a cut of almost \$1 billion in real terms. Not only is this poor fiscal policy, but it unnecessarily holds hostage money which is critical for those who have suffered tremendous loss due to natural disasters. Congress can easily avoid a government shutdown through continued bipartisan cooperation in completing FY98 appropriations on time.

We urge you to support education funding and pass the bill for disaster relief without this harmful provision.

Sincerely,


Carrie C. Hayes
President


Edward R. Kealy
Executive Director



Member
U.S. House of Representatives
Washington, DC 20515

May 20, 1997

**OPPOSE SHUSTER AMENDMENT
SUPPORT EDUCATION INVESTMENTS**

Dear Representative:

The Committee for Education Funding (the Committee), a nonpartisan coalition of 87 organizations representing the broad spectrum of the education community, urges you to support at least a \$4.3 billion increase for discretionary education funding in the FY98 Budget Resolution.

As important and necessary as the budget resolution's increases are for certain education programs, such as Pell Grants and technology, other education programs which are critical to the continuum of service for students are jeopardized by inadequate funding assumptions. We strongly support and encourage amendments to add and restore funds for essential programs that serve elementary and secondary students, provide for need-based student aid, and advance quality in other elementary and secondary and higher education programs.

We strongly oppose the Shuster amendment which would cut education by almost \$1 billion in the FY98 budget agreement over five years. This amendment would undermine school reform, access to higher education, child literacy initiatives, Head Start and Job Corps programs among many others. We also oppose any other amendments to the budget resolution that would cut education.

The Committee is also extremely concerned about the restrictive domestic discretionary spending caps through FY2002. Restricting growth for Function 500 education programs will thwart efforts to match investments to vital education needs. We also oppose the use of firewalls separating defense and nondefense discretionary spending in FY98-99. These devices let Congress avoid making important decisions on investment priorities like education. With caps, the budget resolution makes it impossible for existing programs for education to be funded adequately as we approach the 21st century.

Thank you for your support for education.

Sincerely,


Carrie C. Hayes
President


Edward R. Kealy
Executive Director



COMMITTEE FOR EDUCATION FUNDING

Senator
United States Senate
Washington, DC 20510

May 21, 1997

SUPPORT INCREASED EDUCATION INVESTMENT IN FY98 BUDGET RESOLUTION

Dear Senator:

The Committee for Education Funding (the Committee), a nonpartisan coalition of 87 organizations representing the broad spectrum of the education community, urges you to support at least a \$4.3 billion increase for discretionary education funding in the FY98 Budget Resolution. We also support at least \$35 billion over five years in tax provisions for postsecondary education.

Increased investment in education is vital to secure America's future and meet the challenges of record enrollments, growing student needs, rapidly advancing educational technology, and a dynamic information-based economy that demands a more educated workforce. As important and necessary as the budget resolution's increases are for certain education programs such as Pell Grants and technology, other crucial education programs are jeopardized by inadequate funding assumptions.

We strongly encourage and support amendments to add and restore funds for essential programs that serve elementary and secondary students, provide for need-based student aid and advance quality in other elementary and secondary and higher education programs. We urge you to reject any amendments to the budget resolution that would cut education.

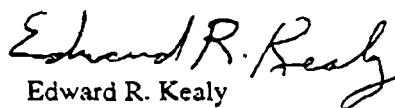
The Committee strongly supports the Moseley-Braun School Infrastructure Amendment, which seeks to make \$5 billion available for school repair, renovation, modernization and construction, provided it does not cut education funding or assistance.

The Committee is greatly concerned about the restrictive domestic discretionary spending caps through FY2002 in the budget resolution. Restricting growth for Function 500 education programs will thwart efforts to match investments to vital education needs. We also oppose the use of firewalls separating defense and nondefense discretionary spending in FY98-99. These devices let Congress avoid making important decisions on investment priorities like education. We urge you to support a budget resolution that makes it possible for existing programs for education to be funded adequately as we enter the 21st century.

Thank you for your support for education.

Sincerely,


Carrie C. Hayes
President


Edward R. Kealy
Executive Director

President Delivers First Balanced Budget Agreement in a Generation

Historic Agreement Promotes the Country's Values and Priorities

May 16, 1997

President Clinton has achieved a balanced budget agreement that promotes our values, providing critical funding for education, health care, and the environment while strengthening and modernizing Medicare and Medicaid. We have cut the deficit by 77%, from \$290 billion in 1992 to roughly \$67 billion this year. This historic achievement will finish the job, while meeting the President's goals.

GOAL: **To achieve the first balanced budget in a generation.**

- ✓ Budget balances by 2002 -- for the first time since 1969.
- ✓ Saves over \$200 billion over five years and over \$900 billion over ten years.

GOAL: **To ensure that every 8 year-old can read, every 12 year-old can log on to the Internet, and every 18 year-old can go to college.**

- ✓ A child literacy initiative consistent with the President's America Reads challenge to help children learn to read well and independently by the end of the third grade.
- ✓ Expands Head Start to 1998 level in the President's budget, which assumes path to one million kids in 2002.
- ✓ Fully funds Technology Literacy Challenge Fund with at least \$425 million in FY 98.
- ✓ Largest single increase in higher education since the G.I. Bill in 1945.
- ✓ Provides largest Pell Grant increase in two decades -- four million students could receive a grant of up to \$3,000, an increase of \$300 in the maximum grant.
- ✓ \$35 billion of tax cuts targeted to higher education to make college more affordable for America's families, consistent with the President's HOPE Scholarship and tuition tax deduction.
- ✓ Adopts President's full training and employment budget, including Job Corps.

GOAL: **Expand health coverage for as many as 5 million uninsured children.**

- ✓ Provides \$16 billion for children's health care, including Medicaid improvements and investments, and/or a new capped mandatory grant program that supplements states' efforts to cover uninsured children in working families.

GOAL: **Secure and strengthen Medicare and Medicaid.**

- ✓ Extends the Medicare Trust Fund at least a decade through long overdue structural reforms.
- ✓ Expands coverage of critical preventive treatments of diseases such as diabetes and helps detect breast cancer and colon cancer earlier.
- ✓ Preserves the federal Medicaid guarantee of coverage to our nation's most vulnerable people.

GOAL: **Strengthen environmental protection and enforcement.**

- ✓ Provides \$3.4 billion in 1998 -- a 9% increase over 1997 -- for EPA operations, research, and enforcement programs to protect public health from environmental threats.
- ✓ Provides funding to cover the expansion of the Brownfield Redevelopment Initiative to help communities cleanup and redevelop contaminated areas.
- ✓ Likely to double the pace of Superfund cleanups -- 500 additional sites cleaned up by the end of 2000.

GOAL: **Move people from welfare to work and treat legal immigrants fairly.**

- ✓ A Welfare-to-Work tax credit to help long-term welfare recipients to get jobs.
- ✓ Provides funding to preserve food stamp benefits for people willing to work.
- ✓ Provides \$3 billion to states and localities to move recipients in disadvantaged areas into jobs.
- ✓ Restores \$10 billion in disability and health benefits for legal immigrants.

GOAL: **Cut taxes for America's hard working families.**

- ✓ A Child Tax Credit to make it easier for families to raise their kids.
- ✓ \$35 billion of tax cuts targeted to higher education to make college more affordable.
- ✓ A Welfare-to-Work tax credit to help long-term welfare recipients get jobs.
- ✓ Establishes additional Empowerment Zones and Enterprise Communities.

Summary of Budget Savings

President Clinton has achieved a balanced budget agreement that provides funding for critical investments in education, health care, and the environment while strengthening and modernizing Medicare and Medicaid – just as he promised last year. We have cut the deficit 77% -- from \$290 billion in 1992 to an expected \$67 billion this year. This historic achievement will finish the job, giving the American people the first balanced budget in a generation, while meeting the President's goals:

- ✓ ***The First Balanced Budget in a Generation.***
- ✓ ***Saves over \$200 Billion over 5 Years & over \$900 Billion over 10 Years.***
- ✓ ***Largest Increase in Education Funding in 30 Years - including \$35 billion in tax cuts to make college more affordable.***
- ✓ ***Entitlement Savings of Nearly a Half Trillion Dollars over 10 Years.***
- ✓ ***Strengthens and Modernizes Medicare – extending the life of the Trust Fund more than a decade through long overdue structural reforms.***
- ✓ ***Expanded Health Coverage for as many as 5 Million Children.***

BUDGET AGREEMENT SAVINGS

AREA	5 Year Savings 1998-2002 (\$ billion)	10 Year Savings 1998-2007 (\$billion)
<i>Discretionary Spending</i>		
<i>Defense</i>	-77	-247
<i>Nondefense</i>	-61	-273
<i>Subtotal</i>	-138	-520
<i>Mandatory Spending</i>		
<i>Medicare</i>	-115	-434
<i>Medicaid</i>	-14	-66
<i>Other</i>	-40	-60
<i>Subtotal</i>	-168	-560
<i>Net Interest</i>	-14	-142
<i>Gross Savings</i>	-320	-1,221
<i>Initiatives</i>		
<i>Children's Health</i>	16	39
<i>Welfare Reform</i>	14	23
<i>Tax Cut</i>	85	250
<i>Net Savings</i>	-204	-906

FACT SHEET ON THE BUDGET AGREEMENT

May 16, 1997

DEFICIT REDUCTION

- **First balanced budget in a generation.** Budget balances by 2002 -- for the first time since 1969.
- **Finishes the job.** The 1993 Economic Plan has already reduced the deficit 77%, from \$290 billion in 1992 to an expected \$67 billion this year. This budget agreement finishes the job, balancing the budget by 2002 -- with \$204 billion in net budget savings over the next 5 years.
- **Keeps budget balanced through 2007.** The agreement will maintain budget balance until 2007, and save \$906 billion over the next 10 years.

CONSERVATIVE ASSUMPTIONS

- **Proven record on forecasts.** For four years in a row, growth has been higher and the deficit has been lower than predicted. For example, CBO predicted growth for 1996 of 2.0 percent and the Administration predicted 2.2 percent. Actual growth was 2.4 percent. CBO forecast a deficit of \$197 billion, and the Administration forecast a deficit of \$211 billion. The actual deficit was \$107 billion.
- **Conservative assumptions.** The assumptions used in this agreement are similarly conservative. The real growth assumption over the next 5 years (2.2 percent per year), for example, is lower than the Blue Chip private sector consensus (2.3 percent). It is intended to reflect average growth over different stages of the business cycle. Since 1973, over several business cycles, growth has averaged 2.6 percent per year.
- **80% of the \$225 billion in additional CBO revenue either already assumed or used for deficit reduction.** The majority of the \$225 billion adjustment had already been assumed in the budget negotiations.

DISCRETIONARY SPENDING

- **Budget agreement achieves 99% of the President's budget for non-defense discretionary spending over the next 5 years.** \$61 billion of savings in non-defense discretionary outlays over the next 5 years -- a 10% real cut by 2002. \$77 billion of savings in defense spending over the next 5 years -- an 11% real cut by 2002.

TAX CUTS

- **\$85 billion in net tax cuts.** \$85 billion in net tax cuts over the next 5 years and \$250 billion in net tax cuts over the next 10 years.
- **\$35 billion for the President's education tax proposals.** The agreement includes a commitment to provide roughly \$35 billion over 5 years for post-secondary education, including a deduction and tax credit.
- **Other commitments.** The agreement commits the House and Senate Leadership to seek approval of various proposals, including:
 - \$500 per child tax credit
 - The welfare-to-work tax credit
 - Capital gains tax relief for home sales
 - The Administration's EZ/EC proposals
 - Tax relief for brownfields legislation
 - Tax relief for FSC software
 - Tax incentives to spur DC growth

ENTITLEMENT SAVINGS

- **Extends life of Medicare Trust Fund for more than a decade.** Contains Medicare savings of \$115 billion over 5 years including payment reductions and long overdue structural reforms, extending the life of the Trust Fund for at least a decade. Helps protect the Medicare Part A Trust Fund by reallocating a portion of home health care costs to Part B and phasing in these costs over 7 years into the Part B premium.
- **Modernizes Medicare.** Modernizes Medicare by:
 - Increasing the number of health plan options such as preferred provider organizations and provider sponsored organizations;
 - Implementing a new prospective payment system for skilled nursing home facilities, home health, and hospital outpatient departments; and
 - Increasing financial incentives for managed care plans in rural communities.
- **New Medicare improvements.** Establishing new benefits including: helping detect breast cancer, colon cancer, and helping manage diabetes; and reducing excessively high outpatient hospital coinsurance.
- **Reforms Medicaid while maintaining Federal guarantee.** Medicaid savings of \$13.6 billion through reductions in DSH payments and increased state flexibility, while maintaining the Federal guarantee. Setting aside \$1.5 billion for low-income protections to help ease the impact of Medicare premiums.

CHILDREN'S HEALTH CARE

- Invests \$16 billion to expand health care coverage to as many as 5 million children through one or both of the following: expanding Medicaid coverage by improving outreach initiatives and adding new options for coverage and/or a capped mandatory grant program.

EDUCATION

- **Largest increase in education investment in 30 years.**
- **Fully Funds Education and Training.** Adopts the President's FY 1998 request for discretionary education and training programs.
- **Higher Education Tax Cuts.** Provides roughly \$35 billion over five years for postsecondary education tax cuts consistent with the President's HOPE Scholarship and tax deduction proposals.
- **Largest Pell Grant Expansion in Two Decades.** Increases the maximum Pell Grant for low-income college students to \$3,000 -- the largest increase in two decades. Provides a \$1.7 billion increase in funding -- a 25% increase in FY 1998.
- **America Reads Challenge.** Adopts the President's budget request to launch a child literacy initiative consistent with his America Reads program.

WELFARE TO WORK

- **Fully funds the President's welfare-to-work jobs initiative.** Adds \$3 billion, the full amount requested by the President for the Welfare-to-Work Jobs Challenge, to the TANF block grant to fund welfare-to-work efforts in high-poverty, high-unemployment areas. A share of the funding will go to cities and counties with large numbers of people in poverty.
- **Preserves food stamps for people willing to work.** Provides \$750 million to create additional work slots for able-bodied unemployed childless adults subject to the time limit on food stamps. Also allows States to exempt a limited number of persons falling into this category who are willing to work but would otherwise be ineligible for food stamps.
- **Welfare-to-work tax credit.** The President and the Congressional leadership have agreed to seek a welfare to work tax credit to encourage employers to give welfare recipients the chance to work.

RESTORING BENEFITS TO LEGAL IMMIGRANTS

- **Benefits for legal immigrants.** Restores full SSI and Medicaid benefits for disabled legal immigrants currently receiving assistance; and for legal immigrants in the country prior to August 23, 1996 who are not now receiving benefits but subsequently become disabled.

ENVIRONMENT

- **EPA operations, enforcement, and research.** Provides a 9 percent increase, to \$3.4 billion, for EPA's operating program — which finances most of EPA's research, enforcement, and regulatory programs.
- **Doubles the pace of Superfund cleanups.** Pending agreement on detailed policies, adopts the President's proposals for Superfund cleanups of an additional 500 sites by the end of the year 2000.
- **Brownfields initiative.** Boosts funding by \$75 million in 1998 to provide grants to communities for site assessment and development planning and to leverage state, local, and private funds to foster redevelopment.
- **National Parks.** Provides a 6 percent increase for operation of the National Parks, and an 89 percent increase (\$234 million) for Everglades Restoration.

(F)

Bipartisan Budget Agreement

May 15, 1997

- I. Bipartisan Budget Agreement between the President and the Leadership of Congress
- II. Summary Tables
- III. Description of Agreement by Major Category
 - A. Discretionary Programs
 - B. Mandatory Programs
- IV. Budget Process
- V. Letters pertaining to tax issues

Bipartisan Budget Agreement between the President and the Leadership of Congress

1. The elements of this Bipartisan Budget Agreement provide for deficit reduction amounts that are estimated to result in a Balanced Budget by fiscal year 2002.
2. The Bipartisan Budget Agreement is approved by the President, the Speaker of the House of Representatives, the Senate Majority Leader, and the Senate Minority Leader. The President and the Congressional leadership agree to engage in a coordinated effort seeking to enact the Bipartisan Budget Agreement. Their coordinated effort shall seek to produce support for the Agreement by a majority of Democrats and Republicans in both the House and the Senate. This agreement represents commitments to good faith efforts; it does not purport to amend or suspend rules of the House or Senate. If bills, resolutions, or conference reports are deemed to be inconsistent, remedial efforts shall be made by all parties to assure consistency. Such efforts shall include bipartisan Leadership consultation and concurrence on amendments and scheduling as necessary.
3. Agreed upon budget levels are shown on the tables included in this agreement, including deficit reduction levels, major category levels for discretionary, mandatory, and tax and receipt changes.
4. Discretionary priority spending will be protected by the amounts set forth in this Agreement.
5. Agreed budget process items will be included in the budget resolution (as appropriate) and reconciliation, and are set forth in the budget process description included in this Agreement.
6. An increase in the debt limit sufficient to extend the limit at least to December 15, 1999 will be included in a reconciliation bill carrying out this Agreement.
7. Both Houses shall pass the 1998 budget resolution with reconciliation instructions fully reflecting the Bipartisan Budget Agreement. Such budget resolution shall contain 602(a) allocations consistent with this Agreement and shall instruct appropriate Committees to report, with or without a recommendation, legislation necessary to implement this Agreement. Conference reports on the reconciliation bills and appropriations bills that reflect the Bipartisan Budget Agreement shall be voted in both houses of Congress.

SUMMARY OF DEFICIT REDUCTION IN BUDGET RESOLUTION MARK

(Dollars in billions)

	1997	1998	1999	2000	2001	2002	5-Yr Total
Baseline deficits a/.....	67	89	109	121	95	105	
Discretionary:							
Defense.....	--	-3	-10	-18	-18	-28	-77
Nondefense.....	--	-1	-3	-8	-17	-32	-61
Mandatory:							
Presidential initiatives.....	--	6	6	7	7	6	31
Medicare.....	--	-7	-17	-23	-29	-40	-115
Medicaid.....	--	--	-2	-2	-4	-6	-14
Other mandatory.....	--	-1	-6	-14	1	-19	-40
Revenues:							
Net tax relief.....	--	7	11	22	23	21	85
Total policy changes.....	--	1	-19	-36	-37	-99	-190
Debt service.....	--	0	-0	-2	-4	-7	-14
Total deficit reduction.....	--	1	-19	-38	-41	-106	-204
Resulting deficit/surplus.....	67	90	90	83	53	-1	

NOTE: Details may not add to totals due to rounding. All totals shown on a unified budget basis. Revenue reduction shown as positive because it increases the deficit.

a/ Baseline includes fiscal dividend, CBO revenue update, and assumes discretionary spending increases at the rate of inflation.

Prepared by SBC Majority Staff,

15-May-97

Long Range Summary, 1997-2007
(in billions of dollars)

	Agreement						Proposals					Totals	
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	98-02	98-07
Current Services Deficit.....	87.2	89.0	109.1	121.3	94.5	104.9	103.2	108.6	133.3	127.8	117.0		
Discretionary savings:													
Defense.....	--	-3.0	-9.9	-17.9	-18.3	-27.7	-32.1	-33.0	-34.0	-35.0	-38.1	-78.8	-247.0
Nondefense.....	--	-1.0	-2.5	-8.0	-17.4	-32.3	-36.5	-39.9	-42.6	-45.1	-47.5	-81.2	-272.8
Subtotal, discretionary savings.....	--	-4.0	-12.5	-25.9	-35.7	-59.9	-68.6	-72.9	-76.6	-80.1	-83.6	-138.0	-619.9
Mandatory savings:													
Medicare, net.....	--	-8.5	-16.8	-22.7	-28.0	-40.0	-50.0	-60.0	-65.0	-70.0	-74.0	-115.0	-434.0
Medicaid, net.....	--	--	-1.5	-2.4	-3.6	-6.2	-7.1	-8.6	-10.2	-12.0	-13.8	-13.7	-65.5
Other mandatory													
Spectrum.....	--	--	-3.5	-3.5	-4.5	-14.8	-1.9	-1.0	-1.0	-1.0	-1.0	-26.3	-32.2
Other.....	--	-1.3	-2.1	-10.9	5.5	-4.4	-1.6	-3.2	-17.7	-4.8	12.3	-13.3	-28.2
Subtotal, mandatory savings.....	--	-7.8	-23.9	-39.5	-31.6	-65.4	-60.6	-72.8	-93.9	-87.9	-76.6	-168.3	-559.9
Debt service, net.....	--	0.0	-0.5	-2.0	-3.8	-7.4	-12.5	-18.2	-25.0	-32.5	-39.9	-13.6	-141.6
Subtotal, savings proposals.....	--	-11.8	-36.8	-67.4	-71.1	-132.8	-141.6	-183.9	-195.5	-200.5	-200.0	-319.9	-1,221.4
Domestic initiatives.....	--	5.9	6.1	6.7	6.5	6.0	6.8	7.0	7.0	7.0	7.0	31.2	65.8
Net tax cut.....	--	7.4	11.3	22.4	23.4	20.5	27.2	28.5	31.4	38.2	41.8	85.0	249.8
Total changes.....	--	1.5	-19.4	-36.3	-41.2	-108.3	-107.8	-128.4	-167.1	-157.3	-151.4	-203.7	-905.7
Resulting deficit/surplus (-).....	67.2	80.4	89.7	83.0	53.3	-1.3	-4.6	-19.8	-23.9	-28.5	-34.4		

NOTE: 2000 and 2005 have 13 benefit payments and 2001 and 2007 have 11. The baseline has been adjusted to effect normalization to 12 benefit payments in each year.

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Domestic Initiatives and Restorations in Agreement

(in billions of dollars)

	1998	1999	2000	2001	2002	5-year total
Assistance to immigrants:						
Elderly/Disabled						
Medicaid	0.4	0.4	0.3	0.3	0.3	1.7
SSI	1.7	1.6	1.6	1.2	1.2	7.5
Disabled kids (SSI only) ¹	0.1	0.1	0.1	0.1	0.1	0.3
Refugees/asylees	0.0	0.0	0.0	0.0	0.0	0.2
Subtotal, immigrants	2.2	2.2	2.0	1.7	1.6	9.7
Nutrition assistance:						
Add work slots for 18-50's	0.2	0.2	0.2	0.2	0.2	1.0
15% exemption for 18-50's	0.1	0.1	0.1	0.1	0.1	0.5
Subtotal, nutrition assistance	0.3	0.3	0.3	0.3	0.3	1.5
Welfare to work add to TANF	0.7	0.7	1.0	0.6	--	3.0
Subtotal, immigrants, nutrition, and work	3.2	3.3	3.4	2.4	2.0	14.2
Children's Health	2.3	2.7	3.2	3.7	3.9	16.0
Federal land acquisition & exchange²	0.3	0.2	0.2	0.1	--	0.7
Environmental reserve	0.2	0.2	0.2	0.2	0.2	1.0
Offset low-income Medicare premiums	0.2	0.3	0.3	0.3	0.4	1.5
Total, Domestic Initiatives and restorations	6.3	6.6	7.3	7.0	6.5	33.6

1/ Medicaid costs reflected in elderly/disabled medicaid line

2/ Discretionary

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Agreement on Discretionary Funding (In millions of dollars)

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For functions specified below, implementing legislation will protect the function levels.

	FY 1998		FY 1999		FY 2000		FY 2001		FY 2002	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
1 -- National Defense.....	269,000	268,813	271,500	268,518	275,367	268,995	281,847	270,084	289,610	273,100
1-Defense Discretionary.....	257,857	266,445	261,499	292,803	261,826	295,270	260,185	293,731	261,464	287,699
al Discretionary.....	516,857	535,258	532,999	559,321	537,193	564,265	542,032	564,315	551,074	560,799
Protected Functions:										
150 -- International Affairs.....	19,038	19,179	18,601	18,842	18,533	18,809	18,348	18,563	18,218	18,442
300 -- Natural Resources and Environment.....	22,807	21,393	22,222	21,857	21,568	21,944	21,185	21,82	21,152	21,472
400 -- Transportation.....	13,556	38,267	14,974	38,933	14,788	39,310	15,066	39,48	15,347	38,418
500 -- Education, Training, Employment and Social Services....	46,721	43,185	47,015	46,107	47,858	47,065	48,478	47,78	49,199	48,559
750 -- Administration of Justice.....	24,405	22,170	24,795	24,191	23,887	24,998	24,084	25,63	24,675	24,713
Subtotal, Protected Functions.....	126,527	144,194	127,607	148,730	128,832	152,123	127,170	153,214	128,591	152,804
All Other.....	400,330	409,074	405,392	409,591	410,581	412,140	414,862	411,112	422,483	408,195
al Discretionary Spending.....	526,857	553,268	532,999	559,321	537,193	564,265	542,032	564,315	551,074	560,799
Anomalies Include Above:										
Subsidized Housing (Function 600).....	5,682	---	9,852	---	12,047	---	13,295	---	14,504	---
Fixed Assets (Upfront Funding and Advance Appropriations):										
050 -- Defense.....	2,218	---	---	---	---	---	---	---	---	---
250 -- General Science, Space, and Technology.....	---	---	2,735	---	2,226	---	1,817	---	1,271	---
270 -- Energy.....	110	---	52	---	8	---	---	---	---	---
300 -- Environment.....	51	---	581	---	458	---	253	---	84	---
370 -- Commerce and Housing Credit.....	---	---	724	---	551	---	480	---	375	---
400 -- Transportation.....	---	---	675	---	724	---	424	---	208	---
650 -- Health.....	---	---	129	---	71	---	---	---	---	---
750 -- Administration of Justice.....	---	---	48	---	---	---	---	---	---	---
800 -- General Government.....	---	---	500	---	---	---	---	---	---	---
Total, Anomalies.....	8,061	---	15,088	---	16,085	---	18,299	---	18,440	---
al Discretionary Less Anomalies.....	518,796	553,268	517,903	559,321	521,108	564,265	523,733	564,315	532,634	560,799

Protected Domestic Discretionary Priorities

(Funded at levels proposed in the President's FY 1998 budget.)

Department of Commerce

- National Institute of Standards and Technology (NIST)

Department of Education

- Education Reform (includes Technology Literacy Challenge Fund)
- Bilingual and Immigrant Education
- Pell (\$300 increase in 1998 maximum award amount, to \$3,000) *1.7 billion*
- Child literacy initiatives consistent with the goals and the concepts of the President's America Reads program.

Department of Health and Human Services

- Head Start -

Department of the Interior

- National Park Service: Operation of the National Park System, Land Acquisition and State Assistance; and Everglades Restoration Fund (including Corps of Engineers)
- Bureau of Indian Affairs, Tribal Priority Allocations

Department of Labor

- Training and Employment Services, including Job Corps

Department of Treasury

- Community Development Financial Institution Fund

Environmental Protection Agency

- EPA Operating Program
- Superfund appropriations will be at the President's level if policies can be worked out.

Violent Crime Reduction Trust Fund, including COPS

Spectrum Auctions

(outlay savings in billions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Spectrum	---	-3.5	-3.5	-4.5	-14.8	-26.3	-32.3

Note: Estimates for 1998-2002 were developed by the Congressional Budget Office (CBO). CBO has not formally provided estimates for 2003-2007. Tentative estimates for 2003-2007 are provided.

Four auction proposals and a penalty fee are assumed with expected receipts totaling \$26.3 billion over five years and \$32.3 billion over ten years (CBO scoring).

1. Auction of 78 Megahertz (MHz) of spectrum currently allocated to analog broadcasting: Codify current Federal Communications Commission (FCC) plans to reclaim surplus "analog" broadcast spectrum after broadcasters have migrated to new digital channels.
2. Auction of 36 MHz of spectrum currently allocated to television channels 60-69: 24 MHz will be reserved for public safety uses (e.g., police and emergency vehicle communications).
3. Broaden and Extend FCC Auction Authority: Expand the FCC's current authority to auction non-broadcast spectrum and extend FCC auction authority beyond 1998, when it currently expires. This proposal continues a policy to allocate spectrum via auctions.
4. Auction "Vanity" Toll Free Telephone Numbers: Authorize the FCC to award new generations of toll-free vanity telephone numbers (e.g., 1-888-BALANCE) through an auction.
5. Spectrum Penalty: As authorized by current law, a penalty fee would be levied against those entities who received "free" spectrum for advanced, advertiser-based television services, but failed to utilize it fully.

Student Loans

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Total, Student Loan savings	- 241	- 240	- 151	- 81	- 1,050	- 1,763	- 1,996

The Agreement provides for outlay savings of \$1.763 billion over five years and \$1.996 billion over ten years from the student loan programs:

- savings will be achieved without increasing costs, reducing benefits, or limiting access to loans for students and their families
- savings will be derived as follows:
 - (a) \$1,000 million over five years from guaranty agency reserves
 - (b) \$603 million over five years, and \$606 million over ten years, from section 458.
 - (c) \$160 million over five years and \$390 million over ten years from elimination of the \$10 per loan fee paid to institutions participating in the direct loan program.

Civil Service Retirement

(deficit reduction in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Increased Agency Contributions	-597	-591	-586	-582	-577	-2,933	-2,933
Increased Employee Contributions	---	-214	-423	-571	-621	-1,829	-1,985

- Increase agency contributions (except Postal Service and D.C.) for Civil Service Retirement System (CSRS) by 1.51 percentage points effective October 1, 1997 through September 30, 2002.
- Phase in increased employee contributions to the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS).
- Employee contributions would increase 0.25 percentage points January 1, 1999; an additional 0.15 percentage points January 1, 2000; and a final 0.10 percentage points for a total cumulative increase of 0.50 percentage points January 1, 2001. Increased contributions remain in effect through December 31, 2002.
- Legislation provides that agency contributions to FERS would remain unaffected by this change.
- The CBO March Baseline is explicitly assumed for all Civil Service Retirement options, including any potential FEHB options.

U.S. Postal Service

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
End Transitional Payment for Worker's Compensation	---	-25	-33	-32	-31	-121	-261

- The proposal would repeal the payment to the U.S. Postal Service (USPS) to finance workers compensation benefits for employees injured before the USPS was created in 1971. USPS would be required to pay these costs out of the Postal Fund.

Veterans Home Loan Benefit Fund

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Allow VA to use refund offset to collect deficiency balances...	-90	0	0	0	0	-90	-90

- This provision would allow VA to collect outstanding VA loan guaranty debts by Federal salary offset or Federal income tax offset. Currently VA is prohibited from using non-VA Federal offsets to satisfy debts unless the debtor consents in writing, or if a court has determined that the debtor is liable to VA for the deficiency.
- This will save the program \$90 million in outlays in the first year of implementation.

Veterans Compensation Program

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Round down monthly compensation benefits after applying COLA	-23	-51	-88	-101	-128	-391	-1,469

- Authorizes VA to permanently round-down monthly compensation benefit payments to the nearest dollar after applying the annual COLA in each year, an extension of current law.
- The practice of rounding down monthly benefit checks is consistent with all other major pension programs including veterans pensions and military and civilian retirement benefits.

Medical Care Cost Recovery

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Mandatory Admin. Savings from moving receipts to discretionary	-118	-123	-128	-133	-139	-641	-1,427

- This proposal allows Medical Care to retain user fees to offset the cost of care provided in VA facilities. Currently, all receipts in excess of administrative costs are returned to Treasury. Under this structure, the administrative costs of debt collection are mandatory spending. Allowing the discretionary VA Medical Care account to retain all of these receipts and fund the cost of this activity out of its collections will result in a mandatory savings of \$641 million over five years and \$1,427 million over ten years.

Veterans Pension Program

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Extension of OBRA Provisions for VA Pensions (See Note 1)	---	-133	-211	-143	-190	-677	-1,866

There are two OBRA savings provisions related to the veterans pension program. The overwhelming majority of the above savings are attributed to the \$90 benefit limit described below.

- This provision extends the current limitation on VA pension benefits to Medicaid-eligible recipients in nursing homes. Under this provision veterans get to keep a greater monthly benefit (the \$90 VA benefit). The full cost of the beneficiaries' nursing home care would be paid by the Medicaid program, where costs are shared with the states.
- This provision extends the authorization for VA to match income information submitted by beneficiaries with IRS and SSA records.

Note 1: The savings reflected in the table are net of Medicaid costs.

Veterans Housing Benefit Fund

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Extend Loan Asset Sale Authority	-5	-5	-5	-5	-5	-25	-50

- This provision would extend VA's authority to guarantee VA securities issued in the secondary market directly, thereby enhancing their value.
- To cover obligations of VA's home loan program, VA secures its direct or "vendee" loans and guarantees the certificates sold to investors. VA has its own securitization vehicle which issues multiple-class pass-through securities and is taxed as a Real-Estate Mortgage Investment Conduit (REMIC). VA's REMIC currently carries the full faith and credit of the United States.

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Extend Higher Loans Fees/Resale Loss Provisions (OBRA) & increase home loan fees for non-veterans	-11	-228	-227	-224	-219	-909	-1,993

This includes two proposals—extend OBRA provisions and increase the fee for non-veterans financing through "vendee" loans.

- The OBRA provisions permanently extend three provisions that sunset September 30, 1998. This extends VA's authority to:
 - 1) charge borrowers using VA's home loan guaranty program a 2% instead of a 1.25% fee,
 - 2) charge veterans who use the loan guarantee benefit more than once a funding fee of 3 percent to reduce losses, and
 - 3) include expected losses on the resale of foreclosed properties.
- Second, this provision increases the fee for non-veterans using VA's vendee loan program to match FHA fees. When VA takes possession of properties resulting from defaulted veterans loans, the homes are ultimately sold to the general public. VA finances these properties through its vendee loan program, charging fees that are lower than those offered to veterans. This provision would raise these fees to 2.25% -- the same up-front funding fee that the general public pays for FHA loans.

FHA Assignment Program

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Extend FHA Assignment	-136	-145	-147	-128	-110	-666	-1,126

- This assumes continuation of current law policy to provide FHA with tools to encourage lenders to forbear for only up to 1 year. This would improve the targeting and efficiency of HUD's current program, and allow FHA homeowners experiencing temporary economic distress to stay in their homes.

Vessel Tonnage Duties

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Extend Vessel Tonnage Fees	---	-49	-49	-49	-49	-196	-441

- This proposal would extend vessel tonnage duties at their current levels through 2002. These duties, which would otherwise be reduced after 1998, are collected by the U.S. Customs Service from commercial vessels entering U.S. ports from foreign ports, based on their cargo-carrying capacity.

Lease of Excess Strategic Petroleum Reserve Capacity

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Lease Excess SPR Capacity	---	-1	-2	-4	-6	-13	-43

- Proposal would lease excess Strategic Petroleum Reserve storage capacity to foreign nations for storage of their crude oil.
- Proposal assumes that a total of five million barrels of oil are stored with a fee of \$1.20 per barrel.

Unemployment Trust Fund

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Raise UTF Ceilings	---	---	-200	-208	-216	-624	-624

- Increases the ceilings of the Federal FUTA-funded accounts in the Unemployment Trust Fund to increase trust fund solvency.

Unemployment Benefits

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
UI Benefits Integrity	-118	-158	-160	-162	-165	-763	-1,658

- Provides savings in mandatory unemployment insurance (UI) benefits due to increased discretionary spending on UI integrity activities (e.g., increased eligibility reviews, tax audits).
- Assumes President's Budget requested level of funding for UI integrity (\$89 million in 1998) is provided in addition to continuing integrity activities already funded in the base UI administrative grants to obtain these savings.

VA Medical Care Cost Recovery and SSA User Fees

(in millions of dollars)

		1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Estimated spending associated with the VA user fee proposal:								
	BA	604	628	654	681	710	3,277	7,282
	OL	544	620	651	678	707	3,200	7,788
Estimated spending associated with the SSA user fee proposal:								
	BA	35	75	80	90	100	380	1,065
	OL	33	73	80	89	99	374	1,054

The proposals described below are included in the 1998 Budget and are assumed in the Budget Agreement.

VA Medical Care Cost Recovery Fees

- The 1998 Budget included a proposal to shift existing offsetting receipts from the mandatory side to the discretionary side. The Agreement assumes that Medical Care Cost Recovery fees are available to support domestic discretionary spending associated with VA Medical Care.
- The shift of the offsetting receipts from mandatory spending to discretionary spending has been incorporated into the Budget Committee's adjusted baseline.

SSA Fees

- The Agreement assumes a proposal to increase existing fees to offset SSA-related spending.

Earned Income Tax Credit

(deficit reduction savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Earned Income Tax Credit	---	-13	-36	-37	-38	-124	-332

- Treasury announced a package of legislative initiatives in April concurrent with the release of an IRS study on EITC noncompliance levels. Final scoring is not available.
- Other mutually acceptable EITC reforms targeted to reducing noncompliance and fraud may also be considered within these total savings targets.

The Smith-Hughes Act of 1918

(outlay savings in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Repeal appropriations under Smith Hughes	-1	-7	-7	-7	-7	-29	-64

- Eliminate the mandatory appropriation under the Smith-Hughes Act of 1918 in favor of increased discretionary spending on job training and vocational education in the Administration's GI Bill for America's Workers.
- Eliminating this program would save \$29 million over five years and \$64 million over ten years.
- Activities funded under the Smith-Hughes Act can be supported by the Department of Education's vocational education program.

Environmental Reserve Fund

(outlay increases in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Spending	10-Year Spending
Orphan share spending	200	200	200	200	200	1,000	2,028

- The proposal would provide new mandatory spending for orphan shares at Superfund hazardous waste cleanup sites. Orphan shares are portions of financial liability at Superfund sites allocated to non-Federal parties with limited or no ability to pay.
- The funds will be reserved for this purpose based on the assumption of a policy agreement on orphan share spending.

Priority Federal Land Acquisitions and Exchanges

(outlay increases in millions of dollars)

	1998	1999	2000	2001	2002	5-Year Spending	10-Year Spending
Priority Federal Land Acquisitions and Exchanges	300	150	150	100	--	700	700

- Under this proposal, up to \$315 million would be available from the Land and Water Conservation Fund (LWCF) to finalize priority Federal land exchanges in FY 1998 and FY 1999.
- Funding from the LWCF for other high priority Federal land acquisitions and exchanges (totaling \$385 million) would be available in fiscal years 1999 through 2001.
- The funding will be allocated to function 300 as a reserve fund exclusively for this purpose.

Major Mandatory Programs

Medicare

(outlay savings in billions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Medicare, net	-6.5	-16.8	-22.7	-29.0	-40.0	-115.0	-434.2

- Reduce projected Medicare spending by \$115 billion over five years.
- Extend solvency of the Part A Trust Fund for at least 10 years through a combination of savings and structural reforms (including the home health reallocation).
- Structural reforms will include provisions to give beneficiaries more choices among competing health plans, such as provider sponsored organizations and preferred provider organizations.
- The Medicare program reforms provide beneficiaries with comparative information about their options, such as now provided Federal employees and annuitants in the FEHB program.
- Maintain the Part B premium at 25 percent of program costs and phase in over seven years the inclusion in the calculation of the Part B premium the portion of home health expenditures reallocated to Part B.
- Reform managed care payment methodology to address geographic disparities.
- Reform payment methodology by establishing prospective payment systems for areas such as home health providers, skilled nursing facilities, and outpatient departments.
- Funding for new health benefits including: (1) expanded mammography coverage; (2) coverage for colorectal screenings; (3) coverage for diabetes self-management; and (4) higher payments to providers for preventive vaccinations to the extent it will lead to greater use by beneficiaries. Invest \$4 billion over five years (and \$20 billion over ten years) to limit beneficiary copayments for outpatient services, unless there is a more cost-effective way to provide such services to beneficiaries as mutually agreed.

Medicaid

(outlay savings in billions of dollars)

	1998	1999	2000	2001	2002	5-Year Savings	10-Year Savings
Medicaid, net	0.0	-1.5	-2.4	-3.6	-6.2	-13.6	-65.5

- Include net Medicaid savings of \$13.6 billion over five years.
- Net Medicaid savings include a higher match for D.C., an inflation adjustment for programs in Puerto Rico and other territories, Part B premium interactions, and \$1.5 billion to ease the impact of increasing Medicare premiums on low-income beneficiaries.
- The \$13.6 billion in Medicaid savings do not reflect the health care investments for children's coverage, protections for legal immigrants under welfare reform, or the extension of veterans' Medicaid income protections.
- Savings derived from reduced disproportionate share payments and flexibility provisions.
- Include provisions to allow States more flexibility in managing the Medicaid program, including repeal of the Boren amendment, converting current managed care and home/community-based care waiver process to State Plan Amendment, and elimination of unnecessary administrative requirements.

Immigration, Nutrition Assistance and Work

(outlay increases in billions of dollars)

	1998	1999	2000	2001	2002	5-Year Spending	10-Year Spending
Immigrants	2.2	2.1	2.0	1.6	1.6	9.7	16.5
Nutrition Assistance	0.3	0.3	0.3	0.3	0.3	1.5	3.1
Welfare to Work	0.7	0.7	1.0	0.6	---	3.0	3.0
Total	3.2	3.3	3.4	2.5	2.0	14.2	22.5

Immigrants

- Eligibility for legal immigrants. Restore SSI and Medicaid eligibility for all disabled legal immigrants who are or become disabled and who entered the U.S. prior to August 23, 1996. Those disabled legal immigrants who entered the U.S. after August 22, 1996, and are on the rolls before June 1, 1997 shall not be removed.
- Refugees and asylees. Lengthen the exemption for refugees and asylees from the first 5 years in the country to 7 years in order to provide SSI and Medicaid.

Nutrition Assistance

- Redirect existing food stamps employment and training funds and add \$750 million in new capped mandatory funding to create additional work slots for individuals subject to the time limits.
- Permit States to exempt 15 percent of the individuals who would lose benefits because of the time limits (beyond the current waiver policy), at a total cost of \$0.5 billion.

Welfare to Work

- Add \$3.0 billion in capped mandatory spending through 2001 to TANF, allocated to States through a formula and targeted within a State to areas with poverty and unemployment rates at least 20 percent higher than the State average. A share of funds would go to cities/counties with large poverty populations commensurate with the share of long-term welfare recipients in those jurisdictions.

Children's Health

(outlay increases in billions of dollars)

	1998	1999	2000	2001	2002	5-Year Spending	10-Year Spending
Children's Health	2.3	2.7	3.2	3.7	3.9	16.0	38.9

- Spend \$16 billion over five years (to provide up to 5 million additional children with health insurance coverage by 2002)
- The funding could be used for one or both of the following, and for other possibilities if mutually agreeable:
 1. Medicaid, including outreach activities to identify and enroll eligible children and providing 12-month continuous eligibility; and also to restore Medicaid for current disabled children losing SSI because of the new, more strict definition of childhood eligibility; and
 2. A program of capped mandatory grants to States to finance health insurance coverage for uninsured children.
- The resources will be used in the most cost-effective manner possible to expand coverage and services for low-income and uninsured children with a goal of up to 5 million currently uninsured children being served.

Budget Process

- Extend discretionary caps to 2002.
 - Extend and revise discretionary caps for 1998-2002 at agreed levels shown in tables included in this agreement, and extend current law sequester enforcement mechanism.
 - Within discretionary caps, establish separate categories (firewalls) for Defense and Non-Defense Discretionary (NDD) at agreed levels shown in agreement tables for each year 1998-1999 with associated sequester firewall enforcement as provided in BEA for 1990-93.
 - Retain current law on separate crime caps (VCRTF) at levels shown in agreement tables.
 - Extend and update special allowance for outlays; extend existing adjustment for emergencies.
 - Cap adjustment for exchanges of monetary assets, such as New Arrangements to Borrow, and for international organization arrears.
- Extend PAYGO to 2002.
- Revise the asset sales rule, which prohibits scoring the proceeds of asset sales, to score if net present value of all associated cash flows would not increase the deficit; scoring, if allowed, based on cash effect, not NPV.
- The Superfund tax shall not be used as a revenue offset.
- Reduce paygo balances to zero, including those derived from budget agreement.
- Provide for debt limit increase sufficient to extend limit to December 15, 1999.

Congress of the United States
Washington, DC 20515

May 15, 1997

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20515

Dear Mr. President:

We would like to take this opportunity to confirm important aspects of the Balanced Budget Agreement. It was agreed that the net tax cut shall be \$85 billion through 2002 and not more than \$250 billion through 2007. We believe these levels provide enough room for important reforms, including broad-based permanent capital gains tax reductions, significant death tax relief, \$500 per child tax credit, and expansion of IRAs.

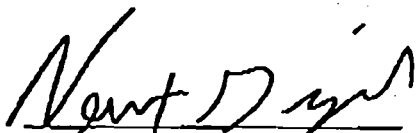
In the course of drafting the legislation to implement the balanced budget plan, there are some additional areas that we want to be sure the committees of jurisdiction consider. Specifically, it was agreed that the package must include tax relief of roughly \$35 billion over five years for post-secondary education, including a deduction and a tax credit. We believe this package should be consistent with the objectives put forward in the HOPE scholarship and tuition tax proposals contained in the Administration's FY 1998 budget to assist middle-class parents.

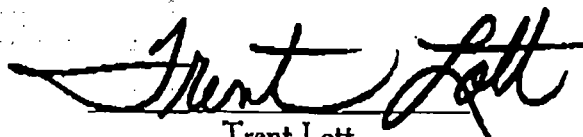
Additionally, the House and Senate Leadership will seek to include various proposals in the Administration's FY 1998 budget (e.g., the welfare-to-work tax credit, capital gains tax relief for home sales, the Administration's EZ/EC proposals, brownfields legislation, FSC software, and tax incentives designed to spur economic growth in the District of Columbia), as well as various pending congressional tax proposals.

In this context, it should be noted that the tax-writing committees will be required to balance the interests and desires of many parties in crafting tax legislation within the context of the net tax reduction goals which have been adopted, while at the same time protecting the interests of taxpayers generally.

We stand to work with you toward these ends. Thank you very much for your cooperation.

Sincerely,


Newt Gingrich
Speaker


Trent Lott
Senate Majority Leader

Congress of the United States
Washington, DC 20515

May 15, 1997

Mr. Erskine Bowles
Chief of Staff to
the President
The White House
Washington, D.C. 20502

Dear Mr. Bowles:

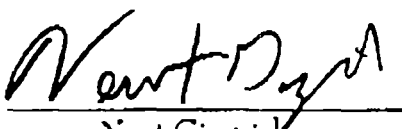
We are writing to express our desire for continued cooperation between Congressional staff and the staff of the various Administration agencies during the development of the current budget agreement.

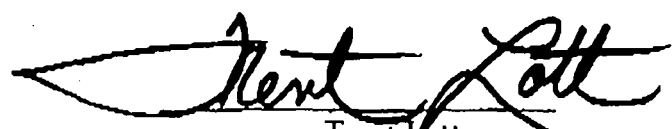
Much of the most difficult work in connection with the budget agreement will involve the development of the revenue provisions that will satisfy the parameters of the agreement. Historically, the staff of the Joint Committee on Taxation has provided technical legal and quantitative support to the House and Senate. The Budget Act *requires* the use of Joint Committee on Taxation revenue estimates. Ken Kies and his staff are committed to facilitating our work on the tax provisions of this budget agreement. You can be assured that they will cooperate with Administration counterparts in receiving Administration input as they carry out their statutory responsibilities.

The revenue estimating staffs of the Joint Committee on Taxation and the Office of Tax Analysis at Treasury have a long history of cooperation and communication among analysts. It is our understanding that steps have already been taken to insure that the cooperative efforts of these two staffs will be intensified during the current budget process. It is also our understanding that the professional staffs at the Office of Tax Analysis at Treasury and the Joint Committee on Taxation will consult and share information necessary to understand fully the basis of their revenue estimates and to minimize revenue estimating differences. The proposal shall not cause costs to explode in the outyears.

Now that we have agreed upon the overall parameters of this significant agreement, an inordinate number of details concerning specific provisions must be drafted and analyzed by the JCT and the committees of jurisdiction. We look forward to working with the Administration.

Sincerely,


Newt Gingrich
Speaker


Trent Lott
Senate Majority Leader