Department of Education

STUDENT LOANS OVERVIEW

Fiscal Year 1997 Budget Request

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LOAN MAXIMUMS AND INTEREST RATES

The two tables which follow, display: 1) the current SLRA loan maximums and 2) interest rates by academic year for each of the program components discussed above.

FFEL AND DIRECT LOAN PROGRAMS–LOAN MAXIMUMS

Academic Level	Subsidized and Unsubsidized Stafford Loans	Additional Unsubsidized Loan Eligibility
Undergraduate	ANNUAL LIMITS	
First Year Student Full academic year 2/3 academic year 1/3 academic year	 $2,625 + $2,700 max Pell = $5,325 $1,750 $875	 $4,000 $2,500 $1,500
Second Year Student Full academic year 2/3 academic year 1/3 academic year	 $3,500 (Prorated for < academic year)	 $4,000 $2,500 $1,500
Third Year+ Student Full academic year < full academic year	 $5,500 Prorated	 $5,000 Prorated
Graduate or Professional Student	$8,500	$10,000
	AGGREGATE LIMITS	
Undergraduate	$23,000	$23,000
Graduate/Professional (incl. undergraduate)	$65,500	$73,000

Note: Eligibility for Stafford Loans is limited to borrowers with demonstrated financial need. Students whose financial need qualifies them for only a portion of the total Stafford limit may borrow the remaining loan amount under the Unsubsidized Stafford program. For students borrowing under both programs, the "Stafford and Unsubsidized Stafford" Loan limits displayed above apply to the combined amount borrowed.

For **independent undergraduate students** (or dependent undergraduate students whose parents cannot borrow under the PLUS program) and for **graduate and professional students,** the maximum amount a student can borrow during any academic year is: the combined Stafford and Unsubsidized Stafford Loan limit plus the amounts shown under the column entitled, "Additional Unsubsidized Loan Eligibility." For example, a second year independent student could borrow $3,500 under the combined Stafford and Unsubsidized Stafford Loan limit and an additional $4,000 in Unsubsidized Loans for a total of $7,500.

Current law allows no limit on PLUS loans other than the cost of attendance minus any financial assistance the student has been or will be awarded. However, the President's proposed policy would place an annual limit of $15,000 per student for PLUS loans.

IMPACT DATA — Fiscal Year

TOTAL FFEL PROGRAM LOANS	1995	1996	1997
Loan volume (w/o Consolidations)[1] ($million)	$18,519	$14,760	$13,193
Number of loans (w/o Consolidations) (000s)	5,332	4,094	3,474
Weighted Average (w/o Consolidations) ($whole)	$3,473	$3,605	$3,798
Consolidation Loan volume ($million)	$3,117	$4,031	$4,510
Consolidations: Number of loans (000s)	208	243	246
Consolidations: Average loan ($whole)	$15,005	$16,576	$18,356
FFELTotal Subsidy Cost[2] ($million)	$3,419	$2,964	$1,918
FFEL Weighted Average Subsidy Rate[3]	16.24%	11.60%	10.04%

TOTAL DIRECT LOAN PROGRAM LOANS	1995	1996	1997
Loan volume (w/o Consolidations)[1] ($million)	$5,161	$10,391	$13,161
Number of loans (w/o Consolidations) (000s)	1,298	2,659	3,423
Weighted Average (w/o Consolidations) ($whole)	$3,975	$3,908	$3,845
Consolidation Loan volume ($million)	$329	$882	$1,599
Consolidations: Number of loans (000s)	32	106	140
Consolidations: Average loan ($whole)	$10,281	$8,358	$11,394
Direct Loans Total Subsidy Cost[2] ($million)	$822	$138	$53
Direct Loans Weighted Average Subsidy Rate[3]	9.48%	3.55%	0.35%

Note: Loan volumes shown are based on fiscal years (FY) rather than academic years (AY), consistent with the President's budget submission.

[1]Reflects amounts disbursed, which are less than amounts committed (e.g., due to student withdrawal).
[2]The subsidy costs are estimated on a net present value basis and represent program subsidy budget authority.
[3]This rate reflects subsidy costs in a given year divided by loans committed for that year.

(ii) alternatives that develop sound citizenship, encourage student persistence, and make optimum use of assistance under this part in education and student development.

(c) APPLICATION.—Each eligible institution may submit an application for funds authorized by subsection (f) to use funds under subsection (b)(1) at such time and in such manner as the Secretary, by regulation, may reasonably require.

(d) MATCH REQUIRED.—Funds made available to work-colleges pursuant to this section shall be matched on a dollar-for-dollar basis from non-Federal sources.

(e) DEFINITIONS.—For the purpose of this section—

(1) the term "work-college" means an eligible institution that—

(A) has been a public or private nonprofit institution with a commitment to community service;

(B) has operated a comprehensive work-learning program for at least 2 years;

(C) requires all resident students who reside on campus to participate in a comprehensive work-learning program and the provision of services as an integral part of the institution's educational program and as part of the institution's educational philosophy; and

(D) provides students participating in the comprehensive work-learning program with the opportunity to contribute to their education and to the welfare of the community as a whole; and

(2) the term "comprehensive student work-learning program" means a student work/service program that is an integral and stated part of the institution's educational philosophy and program; requires participation of all resident students for enrollment, participation, and graduation; includes learning objectives, evaluation and a record of work performance as part of the student's college record; provides programmatic leadership by college personnel at levels comparable to traditional academic programs; recognizes the educational role of work-learning supervisors; and includes consequences for nonperformance or failure in the work-learning program similar to the consequences for failure in the regular academic program.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.

(42 U.S.C. 2756b) Enacted July 23, 1992, P.L. 102–325, sec. 447, 106 Stat. 567; amended December 20, 1993, P.L. 103–208, sec. 2(m), 107 Stat. 2486.

PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 451. PROGRAM AUTHORITY.

There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students (and the eligible parents of such students) in attendance at participating institutions of higher education selected by the Secretary, to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 1994. Such loans shall be made by participating institutions, or consortia thereof, that have agreements with the Secretary to originate loans, or by alternative originators designated by the Secretary to make loans for students in attendance at participating institutions (and their parents).

(20 U.S.C. 1087a) Enacted August 10, 1993, P.L. 103–66, sec. 4021, 107 Stat. 341.

SEC. 452. FUNDS FOR ORIGINATION OF DIRECT STUDENT LOANS.

(a) IN GENERAL.—The Secretary shall provide, on the basis of the need and the eligibility of students at each participating institution, and parents of such students, for such loans, funds for student and parent loans under this part—

(1) directly to an institution of higher education that has an agreement with the Secretary under section 454(a) to participate in the direct student loan programs under this part and that also has an agreement with the Secretary under section 454(b) to originate loans under this part; or

(2) through an alternative originator designated by the Secretary to students (and parents of students) attending institutions of higher education that have an agreement with the Secretary under section 454(a) but that do not have an agreement with the Secretary under section 454(b).

(b) FEES FOR ORIGINATION SERVICES.—

(1) FEES FOR INSTITUTIONS.—The Secretary shall pay fees to institutions of higher education (or a consortium of such institutions) with agreements under section 454(b), in an amount established by the Secretary, to assist in meeting the costs of loan origination. Such fees—

(A) shall be paid by the Secretary based on all the loans made under this part to a particular borrower in the same academic year;

(B) shall be subject to a sliding scale that decreases the per borrower amount of such fees as the number of borrowers increases; and

(C)(i) for academic year 1994–1995, shall not exceed a program-wide average of $10 per borrower for all the loans made under this part to such borrower in the same academic year; and

(ii) for succeeding academic years, shall not exceed such average fee as the Secretary shall establish pursuant to regulations.

(2) FEES FOR ALTERNATIVE ORIGINATORS.—The Secretary shall pay fees for loan origination services to alternative originators of loans made under this part in an amount established by the Secretary in accordance with the terms of the contract described in section 456(b) between the Secretary and each such alternative originator.

(c) NO ENTITLEMENT TO PARTICIPATE OR ORIGINATE.—No institution of higher education shall have a right to participate in the programs authorized by this part, to originate loans, or to perform any program function under this part. Nothing in this subsection

FISCAL YEAR 1997 BUDGET ESTIMATE

CORPORATION

FOR NATIONAL

SERVICE

ACTIVITIES AUTHORIZED BY THE NATIONAL AND COMMUNITY SERVICE ACT

SUBMISSION TO THE CONGRESS

MARCH 1996

5

Budget Activity 1: NATIONAL SERVICE TRUST - continued

Education awards may be earned for each of up to two terms of service and will be paid out upon successful completion of service according to the criteria set out in the National and Community Service Act of 1990, as amended. In general, awards must be used within seven years of completion of service.

Planned Accomplishments in FY 1996:

The Corporation's primary activities, with regard to the Trust, during the year are: (a) conduct the operations of the Trust during its third year of existence, including: managing all investment activities, handling inquiries from AmeriCorps Members, processing education awards, and making payments to financial and educational institutions; (b) implement regulations issued in 1994 to govern the process of providing education awards and other benefits under the Trust Fund; (c) allocate available education awards to the various AmeriCorps programs and projects sponsored by the Corporation; (d) operate the new Trust Fund system, which became functional in fiscal year 1995, and work to integrate it fully with the other databases of the Corporation; and (e) continue working with organizations representing the postsecondary education and lending communities to assure an effective implementation of the program within the higher education and financial communities.

Several institutions of higher education have announced their intent to make institutional assistance available to AmeriCorps Members who complete service under AmeriCorps and pursue higher education. The institution will match the AmeriCorps contribution for additional Member work.

In fiscal year 1996, the Corporation anticipates that up to 25,000 individuals will enroll in approved AmeriCorps positions leading to an education award. A portion of these individuals will be granted loan forbearance during their period of service, and all or part of the interest that accrues during the period of service will be paid by the Corporation.

Planned Accomplishments in FY 1997:

Fiscal year 1997 will mark the fourth year of implementation of the National and Community Service Trust Act, as amended. During this year, the Corporation anticipates the following activities with respect to the National Service Trust: (a) explore contracting out certain operations of the Trust during its fourth year of existence, including: handling inquiries from AmeriCorps Members, processing education awards, and making payments to financial and educational institutions; and (b) allocate available new education awards to the various AmeriCorps programs and projects sponsored by the Corporation. The Corporation will also maintain certain investment responsibilities with respect to the funds available in the Trust.

In total, the Corporation anticipates supporting all individuals enrolling in terms of service leading to an education award in fiscal year 1997, as well providing interest forbearance for AmeriCorps Members holding outstanding loans.

Public Law 103-82
103d Congress

An Act

To amend the National and Community Service Act of 1990 to establish a Corporation for National Service, enhance opportunities for national service, and provide national service educational awards to persons participating in such service, and for other purposes.

Sept. 21, 1993
[H.R. 2010]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National and Community Service Trust Act of 1993. Intergovernmental relations: Youth. 42 USC 12501 note.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National and Community Service Trust Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purpose.

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

Sec. 101. Federal investment in support of national service.
Sec. 102. National Service Trust and provision of national service educational awards.
Sec. 103. School-based and community-based service-learning programs.
Sec. 104. Quality and innovation activities.
Sec. 105. Public Lands Corps.
Sec. 106. Urban Youth Corps.

Subtitle B—Related Provisions

Sec. 111. Definitions.
Sec. 112. Authority to make State grants.
Sec. 113. Family and medical leave.
Sec. 114. Reports.
Sec. 115. Nondiscrimination.
Sec. 116. Notice, hearing, and grievance procedures.
Sec. 117. Nondisplacement.
Sec. 118. Evaluation.
Sec. 119. Engagement of participants.
Sec. 120. Contingent extension.
Sec. 121. Audits.
Sec. 122. Repeals.
Sec. 123. Effective date.

TITLE II—ORGANIZATION

Sec. 201. State Commissions on National and Community Service.
Sec. 202. Interim authorities of the Corporation for National and Community Service and ACTION Agency.
Sec. 203. Final authorities of the Corporation for National and Community Service.
Sec. 204. Business plan.
Sec. 205. Actions under the national service laws to be subject to the availability of appropriations.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

Sec. 301. Authorization of appropriations.

69-139 O - 93 (82)

"(A) was unavoidably prevented from using the national service educational award during the original 7-year period; or

"(B) performed another term of service in an approved national service position during that period.

"(e) SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.—

"(1) IN GENERAL.—An individual who, after qualifying under this section as an eligible individual, has been convicted under any Federal or State law of the possession or sale of a controlled substance shall not be eligible to receive a national service educational award during the period beginning on the date of such conviction and ending after the interval specified in the following table:

"If convicted of:	
The possession of a controlled substance:	Ineligibility period is:
1st conviction	1 year
2nd conviction	2 years
3rd conviction	indefinite
The sale of a controlled substance:	
1st conviction	2 years
2nd conviction	indefinite

"(2) REHABILITATION.—An individual whose eligibility has been suspended under paragraph (1) shall resume eligibility before the end of the period determined under such paragraph if the individual satisfactorily completes a drug rehabilitation program that complies with such criteria as the Corporation shall prescribe for purposes of this paragraph.

"(3) FIRST CONVICTIONS.—An individual whose eligibility has been suspended under paragraph (1) and is convicted of a first offense may resume eligibility before the end of the period determined under such paragraph if the individual demonstrates that he or she has enrolled or been accepted for enrollment in a drug rehabilitation program described in paragraph (2).

"(4) DEFINITIONS.—As used in this subsection, the term 'controlled substance' has the meaning given in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

"(5) EFFECTIVE DATE.—This subsection shall be effective upon publication by the Corporation in the Federal Register of criteria prescribed under paragraph (2). Federal Register, publication.

"(f) AUTHORITY TO ESTABLISH DEMONSTRATION PROGRAMS.—The Corporation may establish by regulation demonstration programs for the creation and evaluation of innovative volunteer and community service programs.

"SEC. 147. DETERMINATION OF THE AMOUNT OF THE NATIONAL SERVICE EDUCATIONAL AWARD. 42 USC 12603.

"(a) AMOUNT FOR FULL-TIME NATIONAL SERVICE.—Except as provided in subsection (c), an individual described in section 146(a) who successfully completes a required term of full-time national service in an approved national service position shall receive a national service educational award having a value, for each of not more than 2 of such terms of service, equal to 90 percent of—

Armed Forces.

"(1) one-half of an amount equal to the aggregate basic educational assistance allowance provided in section 3015(b)(1) of title 38, United States Code (as in effect on July 28, 1993), for the period referred to in section 3013(a)(1) of such title (as in effect on July 28, 1993), for a member of the Armed Forces who is entitled to such an allowance under section 3011 of such title and whose initial obligated period of active duty is 2 years; less

"(2) one-half of the aggregate basic contribution required to be made by the member in section 3011(b) of such title (as in effect on July 28, 1993).

"(b) AMOUNT FOR PART-TIME NATIONAL SERVICE.—Except as provided in subsection (c), an individual described in section 146(a) who successfully completes a required term of part-time national service in an approved national service position shall receive a national service educational award having a value, for each of not more than 2 of such terms of service, equal to 50 percent of value of the national service educational award determined under subsection (a).

"(c) AWARD FOR PARTIAL COMPLETION OF SERVICE.—If an individual serving in an approved national service position is released in accordance with section 139(c)(1)(A) from completing the full-time or part-time term of service agreed to by the individual, the Corporation may provide the individual with that portion of the national service educational award approved for the individual that corresponds to the quantity of the term of service actually completed by the individual.

42 USC 12604.

"SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDUCATIONAL AWARDS.

Loans.

"(a) IN GENERAL.—Amounts in the Trust shall be available—

"(1) to repay student loans in accordance with subsection (b);

"(2) to pay all or part of the cost of attendance at an institution of higher education in accordance with subsection (c);

"(3) to pay expenses incurred in participating in an approved school-to-work program in accordance with subsection (d); and

"(4) to pay interest expenses in accordance with regulations prescribed pursuant to subsection (e).

"(b) USE OF EDUCATIONAL AWARD TO REPAY OUTSTANDING STUDENT LOANS.—

"(1) APPLICATION BY ELIGIBLE INDIVIDUALS.—An eligible individual under section 146 who desires to apply the national service educational award of the individual to the repayment of qualified student loans shall submit, in a manner prescribed by the Corporation, an application to the Corporation that—

"(A) identifies, or permits the Corporation to identify readily, the holder or holders of such loans;

"(B) indicates, or permits the Corporation to determine readily, the amounts of principal and interest outstanding on the loans;

"(C) specifies, if the outstanding balance is greater than the amount disbursed under paragraph (2), which of the loans the individual prefers to be paid by the Corporation; and

BUDGET

SUPPLEMENT

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 1997

8. INVESTING IN EDUCATION AND TRAINING

> *We have worked on a simple strategy for education. We believe in high standards. We believe in high expectations. We believe in high levels of opportunity. We believe in high technology. And we believe the doors of college should be open to every single American citizen.*
>
> President Clinton
> February 1996

Today's most successful workers are those with technical skills and a firm educational footing who continue to learn throughout their careers in order to compete successfully in this fast-changing economy.

In recent years, education and wages have become increasingly intertwined. Generally, those with the best skills and education have made steady progress, enjoying higher living standards. Those without the requisite skills and education have fallen behind. Tomorrow's workers face an even greater challenge: As the very nature of work changes with technological innovation, employers will demand even more highly-skilled workers. The best-paying jobs increasingly will go only to those with education and training beyond high school.

For the most part, our Nation places responsibility for education and training on State and local governments, families and individuals, and the private sector. Nevertheless, the Federal Government plays a crucial, if limited, role in providing education for a lifetime—from pre-school to adult career training.

Federal resources help States improve the quality of education and training for the disadvantaged and people with disabilities; support State- and locally-designed elementary and secondary school reform; and help low- and middle-income families gain financial access to postsecondary education and skill training through loans and grants. To help States raise student achievement, the President has consistently worked to make schools safer, improve teacher quality, move technology into the classroom as quickly as possible, raise academic standards, and better prepare students for college and the new workplace.

The budget reaffirms the President's long-standing commitment to education and training. It builds on previous legislative and management reforms, and continues support for policies that the President has articulated since assuming office in 1993.

Over seven years, the budget proposes $311 billion for education and training, $61 billion more than the 1996 congressional budget resolution (see Chart 8–1). For selected programs, the budget proposes an increase of $5.9 billion, or 24 percent, over the 1993 level (see Table 8–1).

The Education Department's programs play a key role in the Nation's efforts to improve the quality of elementary and secondary education for all children, and to help low- and middle-income families pay for postsecondary education and skill training. For 1997, the budget proposes $25.6 billion in discretionary funds for department programs.

Preparing Children for School

Head Start: A healthy, caring family environment is the best preparation for school. For over 30 years, Head Start has helped families create this environment by taking a comprehensive approach to child development—improving children's learning skills, health, nutrition, and social competency. Head Start involves parents in their children's learning,

Table 8–1. THE BUDGET INCREASES SPENDING ON MAJOR EDUCATION AND TRAINING PROGRAMS BY $3.4 BILLION, OR 13 PERCENT, OVER 1995, AND BY $5.9 BILLION, OR 24 PERCENT, SINCE 1993

(Budget authority, dollar amounts in millions)

	1993 Actual	1995 Actual	1996 Estimate [1]	1997 Proposed	Dollar Change: 1995 to 1997	Percent Change: 1995 to 1997	Dollar Change: 1993 to 1997	Percent Change: 1993 to 1997
Head Start	2,776	3,534	3,631	3,981	+447	+13%	+1,205	+43%
Goals 2000	....	372	486	491	+119	+32%	+491	NA
Charter Schools	....	6	20	40	+34	+567%	+40	NA
Title I—Ed for disadvantaged	6,709	7,228	7,328	7,679	+451	+6%	+970	+14%
Education Technology	....	56	74	357	+301	+538%	+357	NA
Safe and Drug-Free Schools	582	466	500	540	+74	+16%	–42	–10%
Special education	2,966	3,253	3,342	3,553	+300	+9%	+587	+20%
Eisenhower/Ch. 2 teacher training	682	599	599	610	+11	+2%	–72	–11%
Summer jobs for youth	849	867	635	871	+4	+*%	+22	+3%
Job Corps	966	1,089	1,121	1,154	+65	+6%	+188	+19%
Out-of-School Youth	....	....	....	250	+250	NA	+250	NA
School-to-Work opportunities	....	245	372	400	+155	+63%	+400	NA
Vocational and adult education	1,474	1,383	1,383	1,420	+37	+3%	–54	–4%
Adult/dislocated worker training	1,666	2,226	2,176	2,240	+14	+1%	+574	+34%
Honors scholarships	....	....	....	130	+130	NA	+130	NA
Pell grants [2]	5,633	5,444	6,189	6,425	+981	+18%	+792	+14%
College work-study	616	617	617	679	+62	+10%	+63	+10%
Total	**24,919**	**27,385**	**28,473**	**30,820**	**+3,435**	**+13%**	**+5,901**	**+24%**
Student loans (dollar amount of loans, in millions):								
New loans:								
Direct loans	....	5,200	10,400	13,200	+8,000	+154%	+13,200	NA
Guaranteed loans	16,100	18,500	14,800	13,200	–5,300	–29%	–2,900	–18%
Loan consolidations	1,500	3,400	4,900	6,100	+2,700	+79%	+4,600	+307%
Total loan volume	**17,600**	**27,100**	**30,100**	**32,500**	**+5,400**	**+20%**	**+14,900**	**+85%**

NA = Not applicable.
* Less than $500 thousand or 0.5 percent.
[1] Includes Administration's proposed adjustments to 1996 continuing resolution levels.
[2] To permit comparability, data are shown at the program level, not budget authority.

and links children and their families to a wide array of services in their communities.

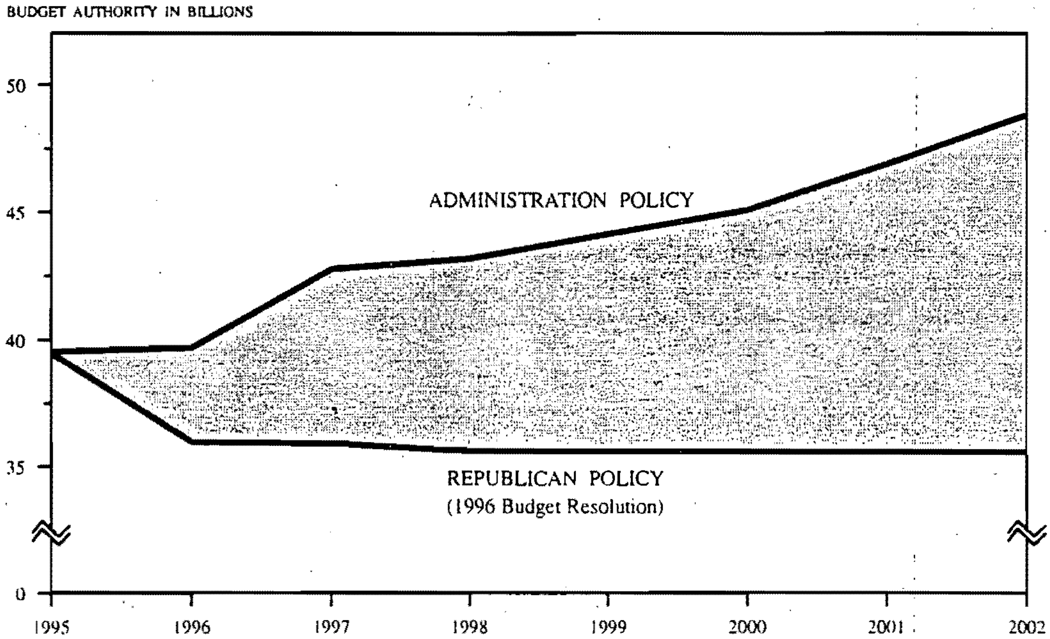
To ensure that all Head Start programs consistently deliver the high-quality services needed to produce good results for children, the President proposed, and Congress enacted, major quality improvements in 1994. This budget builds on these important gains by continuing to support local efforts to improve the quality of instruction, attract and retain better workers, improve child-to-staff ratios, and upgrade facilities.

The budget proposes $3.98 billion for Head Start, $447 million more than in 1995, which would enable another 46,000 children to participate. The budget proposes to enable a million children to participate by 2002 (see Chart 8–2).

Elementary and Secondary Education

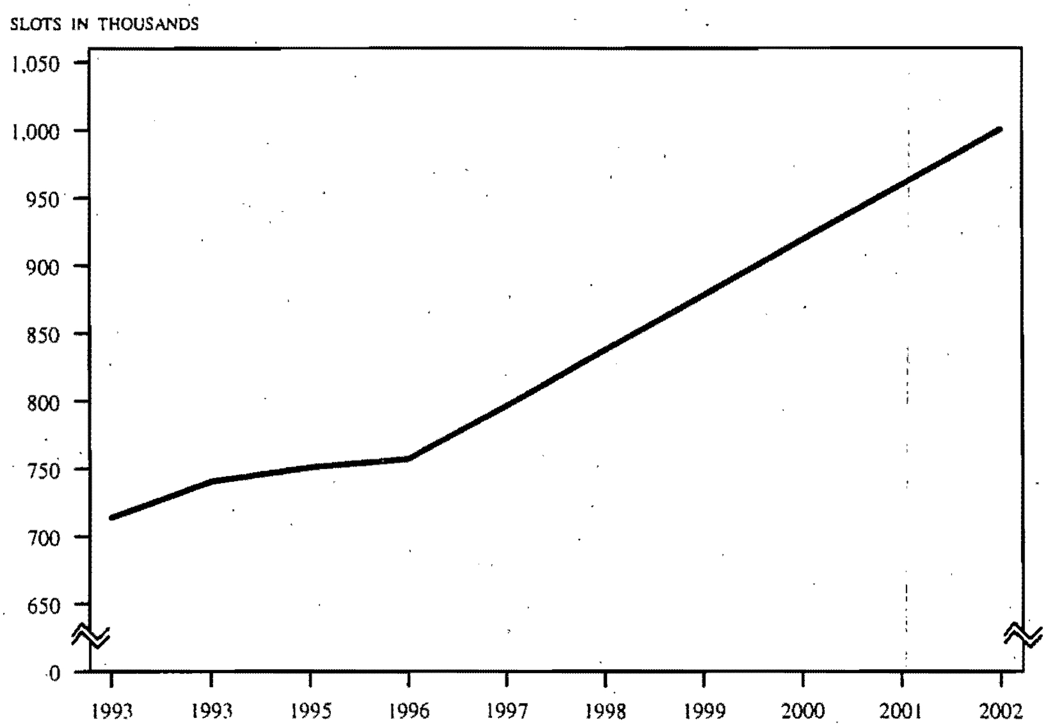
Education is a national priority and a State and local responsibility. Americans widely support State and local control of elementary and secondary education. At the same time, the Federal Government over the years has helped to improve areas of critical concern to all Americans, such as teacher education or schooling for low-income children or those with disabilities.

Chart 8-1. THE BUDGET MAINTAINS LONG-RANGE COMMITMENT TO EDUCATION AND TRAINING: $61 BILLION OVER REPUBLICAN PLAN, 1996-2002



Notes: Discretionary budget authority, function 500: Education, Training, & Social Services. Includes Education Department, Labor Department training, Head Start, national service, and other activities.
Because of anomalies in technical estimates for the Pell program, 1996 and 1997 include program level instead of budget authority.

Chart 8-2. 46 THOUSAND NEW HEAD START OPPORTUNITIES FOR CHILDREN IN 1997 OVER 1995; ONE MILLION BY 2002



This Administration has energized State and local efforts to raise the educational achievement of every child and to create safe learning environments. It also has worked with Congress to improve the largest Federal education programs for disadvantaged children, focusing them more on results and less on process.

Goals 2000: This Administration initiative, enacted in 1994, supports State efforts to raise academic achievement for all students. Goals 2000 helps States and communities focus on results. It builds on the National Education Goals, first articulated by the Nation's governors (led by then-Governor Bill Clinton) and President Bush in 1989, which provide clear targets but encourage States to develop their own means to achieve them.

States and localities receive funds to set their own challenging academic standards for all children, then design their curriculum, teacher training, educational technology, instruction methods, and assessment tools around them. Goals 2000 also helps States and schools involve parents in the education of their children. Currently, nearly all States participate in the program.

The budget proposes $491 million for the program, 32 percent more than in 1995. Under it, every State and over 12,000 schools could receive grants.

Charter Schools: Charter schools are public schools that parents, teachers, and communities create, and that States free from most rules and regulations and hold accountable for raising student achievement. Begun as a grassroots movement in 1991, and supported by Federal start-up funds since 1995, public charter schools now number 250 nationwide, some of them already showing results in higher student test scores and lower drop-out rates. The budget proposes $40 million for public charter schools in 1997, and increases over the next five years to fund start-up costs for up to 3,000 such new schools.

Title I—Education for the Disadvantaged: Title I provides funds to raise the educational achievement of disadvantaged children. In 1994, the President proposed and Congress adopted changes to: focus Title I resources better on areas with the largest concentrations of low-income children; set the same high standards for those children as for all others; and hold schools accountable for progress toward achieving those standards. Schools now have much more flexibility in using these funds. The budget includes $7.7 billion, six percent more than in 1995.

Education Technology: Technology can expand learning opportunities for all students and help raise student achievement. Yet many school districts lack the necessary resources to integrate technology fully into their school curricula.

The President has launched a national mission to ensure that all children are technologically literate by the dawn of the 21st Century, with communication, math, science, and critical thinking skills essential to succeed in the Information Age. Specifically, the President proposes a Technology Literacy Challenge Fund, with four goals: (1) helping States put enough computers in every classroom; (2) connecting these computers to the Information Superhighway; (3) giving teachers the training they need to integrate technology into teaching; and (4) fostering the development of high quality, widely available edu-

HOW STATES USE GOALS 2000 TO ADVANCE THEIR REFORMS

In Maryland, scores on tests designed to measure progress toward the State's standards are increasing year after year.

In Michigan, 13 Upper Peninsula school districts are working with Bay Mills Community College and Lake Superior University to train teachers to use technology to improve math and science teaching and learning.

In Harrison County, Kentucky, Goals 2000 is helping train parents as volunteer instructional aides and reaching out to parents through cable television programs and homework hotlines.

cational software. To be eligible for Federal funds, a State must meet three challenges:

- develop a strategy that enables every school in the State to meet the four goals by the dawn of the 21st Century, complete with benchmarks and timetables;
- demonstrate significant private sector participation and commitments that should at least match the amount of Federal support; and
- publicly report at the end of every school year on progress in achieving its benchmarks.

The budget requests $250 million for the Challenge Fund in 1997, and $2 billion over five years.

The budget also expands the successful Technology Learning Challenge program, which in 1995 began providing school-centered, public-private partnerships with matching Federal funds to support projects that integrate technology into the curriculum. In 1995, $10 million funded 19 partnerships and leveraged over $70 million in other public- and private-sector resources. The budget provides $75 million for the program.

Teacher Training: The Eisenhower Professional Development program helps States invest in training teachers and other educators so that they, in turn, can help all children reach the State's challenging academic standards. The President proposed, and Congress enacted, major improvements in 1994 to ensure that the training is of high enough quality and sufficient duration to pay off in the classroom. For this purpose, the budget combines funding for the Eisenhower program with general funds now in Title VI of the Elementary and Secondary Education Act; all told, it provides $610 million for these activities.

Safe and Drug-Free Schools and Communities: Students can reach their full potential only if they can learn in safe and disciplined environments. This program helps 97 percent of the Nation's school districts implement anti-drug and anti-violence programs in our schools. It helps students resolve conflicts before they escalate into tragedy, teaches them the dangers of drug use, and helps schools increase security measures. The budget includes $540 million for this program, a $74 million increase over the 1995 level.

Special Education: States have made considerable progress in providing children with disabilities "free appropriate public education," as the Individuals with Disabilities Education Act (IDEA) calls for. The primary challenge now is to improve the quality of that education so that children with disabilities can, as much as possible, meet challenging standards that have been established for all children, and be prepared to lead productive, independent adult lives.

To that end, the Administration proposed amendments to IDEA in 1995 to link individualized education programs to participation in the general curriculum; require that children with disabilities be included in State- and district-wide assessment programs; and give States and schools greater flexibility to use IDEA funds to meet children's needs in the regular classroom.

The budget provides $3.6 billion for special education, nine percent more than in 1995.

Postsecondary Education

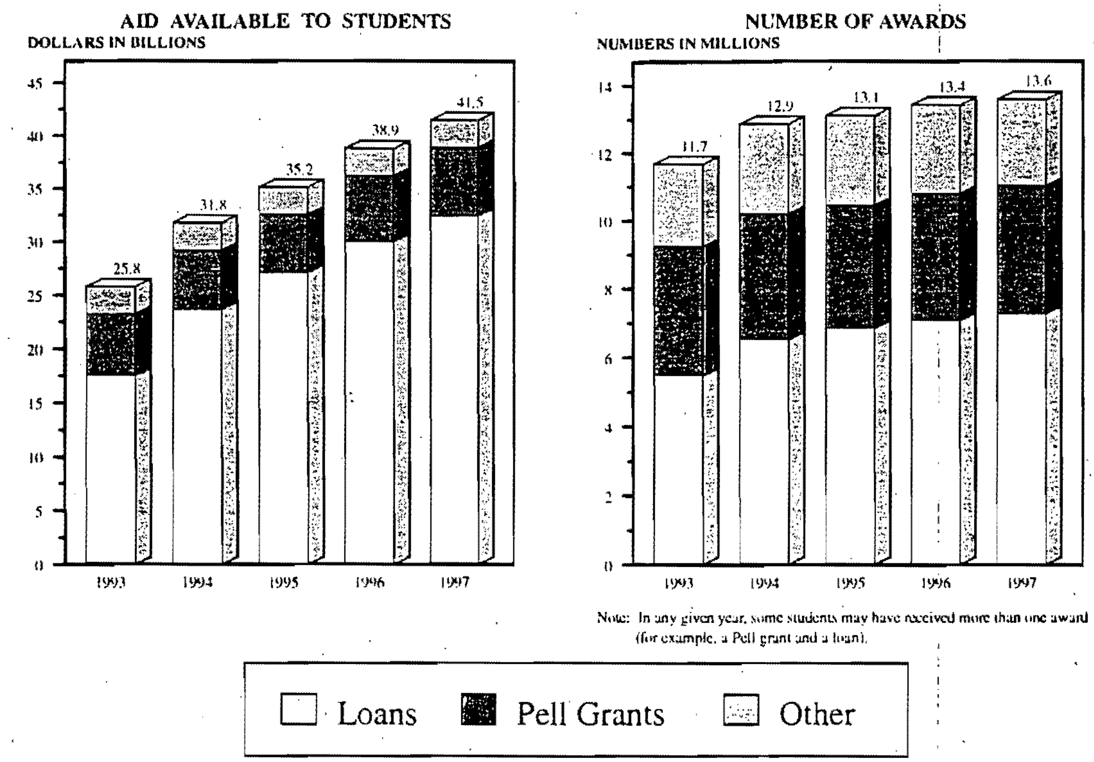
The Federal Government's primary roles in postsecondary education and skill training are to (1) help students finance their education; and (2) help ensure the availability of skill training and access to good jobs for youth and adults, including dislocated workers. (For information on skill training, see the section on the G.I. Bill for America's Workers.)

Postsecondary costs continue to climb rapidly, outpacing the ability of many working families to meet them without sizable assistance. To that end, the budget proposes more aid to more individuals than ever before (see Chart 8–3). It also proposes a phased-in, $10,000 tax deduction to help families pay for education and career training beyond high school. (For more details on the tax deduction, see Chapter 12.)

Student Loans: An estimated 5.7 million individuals will borrow over $32 billion through the Federal student loan programs in 1997. Families at any income level can receive loans, but needy students can get interest sub-

annual #. Also pertains to both direct loans and FFEL

CHART 8-3. THE BUDGET PROVIDES UNPRECEDENTED AMOUNTS OF STUDENT FINANCIAL AID TO HELP MORE STUDENTS PAY FOR POSTSECONDARY EDUCATION AND TRAINING



sidies. The loans finance study toward undergraduate or graduate degrees, or short-term vocational training programs. The annual maximum loan amount varies from $2,625 for a first-year student financially dependent on his or her parents, to $18,500 for a graduate or professional program student.

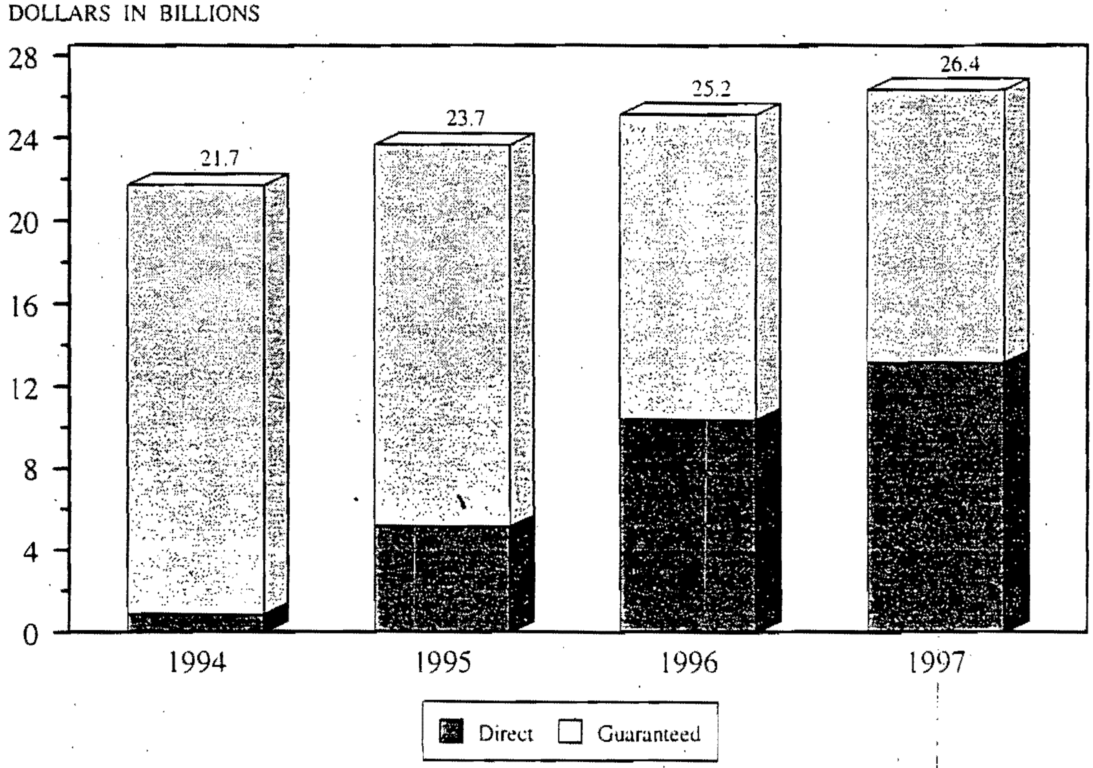
Eligible institutions of higher education may participate in either the Federal Direct Loan Program (FDLP) or the Federal Family Education Loan Program (FFELP). FDLP, enacted at the President's request in 1993, offers an efficient, streamlined, low-cost system for students, parents, and schools. It also offers flexible repayment options for students, including repayment based on income. The Education Department estimates that direct loans will make up half of total loan volume in academic year 1996–97 (see Chart 8–4).

The FFELP, created in 1965, is a bank-based program, with over 7,000 commercial and other lenders receiving Federal guarantees through 36 non-profit and State intermediaries, 90 secondary markets eventually holding most loans, and dozens of servicing companies. Federal and school administrative burdens and complexities are much greater and costlier under FFELP.

The budget proposes legislative changes to both programs to save money without increasing costs or curtailing benefits to borrowers.

Pell Grants: Pell grants provide need-based grants to low- and middle-income undergraduates for associate and bachelors degree programs and vocational training. In the 1995–96 academic year, about 3.6 million students, a fifth of all college students, are receiving grants. Over 61 percent of the recipients come from families with incomes under $15,000, and over 90 percent from families with incomes under $30,000.

Chart 8-4. NEW STUDENT LOAN BORROWING SHIFTS TOWARD DIRECT LENDING



Note: Chart excludes consolidation loans in all years.

Pell grants help raise the participation and graduation rates of low-income students in postsecondary programs. Recipients from the poorest families are twice as likely to earn a bachelor's degree as are college students from similar families without grants.

For 1997, the budget would raise the maximum Pell grant to $2,700, a $360 increase over 1995. It also would continue to raise the maximum award by three percent a year, providing a maximum award of $3,128 in 2002.

Presidential Honors Scholarships: The President proposes to create an achievement-based scholarship program, rewarding the best and the brightest of high school students. This program would grant $1,000 honors awards to the top five percent of graduating students in every secondary school in the Nation, making clear the Government's commitment to excellence for all children. The budget requests $130 million for this program.

College Work-Study: Work-study helps needy undergraduate and graduate students through part-time employment, rewarding their hard work and commitment to education. The President proposes a significant expansion over the next four years, enabling the program to serve a million students a year by 2000. The budget proposes $679 million, 10 percent more than in 1995.

G.I. Bill for America's Workers

Most people change jobs and get new skills by themselves or through employers. For others who need help, the Federal Government has supported State and private efforts over the last 30 years to provide it, but with mixed results.

Last year, the President proposed to dramatically overhaul the complex, inefficient structure of Federal job training programs through the G.I. Bill for America's Workers. It would consolidate some 70 programs into a single, integrated workforce development system. It would make the programs more effective by cutting bureaucracy, streamlining administration, and improving accountability by freeing States and localities to focus on results, not process.

As of this writing, Congress was considering legislation based on the principles of the G.I. Bill. House- and Senate-passed bills differ, but final legislation should embody the President's vision of fostering individual opportunity by: giving workers the resources—i.e., Skill Grants—and information they need to make good training choices; providing access to employment services through customer-friendly, "One-stop" career centers; and designing youth programs based on the School-to-Work Opportunities Act. But, because the new law may not take full effect until 1998, the budget proposes funding for the separate programs that would remain in place until then.

The budget provides sizeable new support for those with the biggest job problems—out-of-school youth in low-income areas—building on lessons of the past and relying on locally-tailored designs. It proposes to maintain support for programs that come under the G.I. Bill. To ensure that employers comply with Federal workplace laws, it maintains, and often substantially reforms, enforcement programs.

Out-of-School Youth Opportunities Program: Recognizing the special problems of out-of-school youth, the budget proposes $250 million for new competitive grants to the lowest-income urban and rural areas with major youth unemployment problems. These communities would have to provide matching funds from State, local, or private sources. The Labor Department would award funds based on the quality of applications—that is, to those with the best chance of substantially increasing employment among youth in the area.

In a related proposal, the Administration's plan to fund a second round of Empowerment Zones and Enterprise Communities for distressed communities includes $50 million for the Labor Department to support a "Jobs for Residents" component. (For more information on the Empowerment Zones and Enterprise Communities program, see Chapter 5.)

School-to-Work: School-to-Work, which the Education and Labor Departments administer jointly, gives States and communities competitive grants to build comprehensive systems to help young people move from high school to careers or postsecondary training and education. Young people can prepare for high-skill, high-wage careers; receive top-quality academic and occupational training; and pursue more education or training. And businesses get the trained workers they need to stay globally competitive.

By mid-1996, 27 States and 91 local partnerships will have received grants to implement their school-to-work systems. The budget proposes $400 million for the program, a 63 percent increase over 1995. With it, the Government could allocate implementation grants to nearly every State.

Summer Youth: The Summer Youth Employment and Training Program (SYETP) gives many urban and rural disadvantaged students their first work experiences, and localities may include an academic component that reenforces the skills they have learned during the school year. Under the G.I. Bill, SYETP would continue to provide these services, but would be fully integrated into each local school-to-work system.

For 1996, Congress sought to eliminate SYETP, but the President is committed to ensuring that it continues. The budget expands the program to provide 574,000 opportunities for the summer of 1997.

Job Corps: The Job Corps provides intensive skill training, academic and social education, and support services to severely disadvantaged young people in a controlled residential setting. The budget provides $1.2 billion to fund opportunities for 68,000 young people.

Dislocated Workers and Low-Income Adult Training: The budget proposes $2.2 billion for Job Training Partnership Act programs that provide training, job search assistance, and related services to laid-off workers and economically disadvantaged adults. When the new workforce development system begins operating in 1998, these funds would finance, among other things, Skill Grants with which adults pay for the training of their choice.

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APPENDIX

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 1997

New budget authority (gross)	7,586	7,586	7,359
Resources available from recoveries of prior year obligations	196		
Unobligated balance expiring	–4		
Total budgetary resources available for obligation	10,852	11,147	9,528
New obligations	–7,291	–8,979	–7,279
Unobligated balance available, end of year: Uninvested balance	3,561	2,169	2,249
New budget authority (gross), detail:			
Current:			
Appropriation	7,583	7,586	7,359
Permanent:			
Transferred from other accounts	3		
Total new budget authority (gross)	7,586	7,586	7,359
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance: Appropriation	3,334	3,363	4,902
New obligations	7,291	8,979	7,279
Total outlays (gross)	–7,047	–7,440	–8,083
Adjustments in expired accounts	–19		
Adjustments in unexpired accounts	–196		
Unpaid obligations, end of year: Obligated balance: Appropriation	3,363	4,902	4,098
Outlays (gross), detail:			
Outlays from new current authority	1,334	741	1,226
Outlays from current balances	5,709	6,696	6,857
Outlays from new permanent authority	1		
Outlays from permanent balances	3	3	
Total outlays (gross)	7,047	7,440	8,083
Net budget authority and outlays:			
Budget authority	7,586	7,586	7,359
Outlays	7,047	7,440	8,083

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	7,586	7,586	7,359
Outlays	7,047	7,440	8,083
Adjustment to 1996 continuing resolution levels:			
Budget Authority		–453	
Outlays		–45	–394
Total:			
Budget Authority	7,586	7,133	7,359
Outlays	7,047	7,395	7,689

[1] The Ninth Continuing Resolution, P.L. 104–99, provides for a maximum Pell grant of "at least $2,440." The preliminary Federal Pell Grant Program payment and disbursement schedules for 1996–97 are therefore calculated using a $2,400 maximum award. However, the President's 1996 policy for the Federal Pell Grant Program calls for a maximum award level of $2,620. The Pell grant estimates for 1996 are based on an assumed maximum award level of $2,620. Establishing this maximum award level would require the joint agreement of the Administration and the Congress.

[3] Includes obligations from budget authority in the amount of $3,165 thousand in 1994 and 1995 for benefits for participants in Operation Desert Shield/Desert Storm appropriated by transfer from the Department of Defense pursuant to P.L. 102–27, the Dire Emergency Supplemental Appropriations Act of 1991.

[4] Represents budget authority for benefits for participants in Operation Desert Shield/Desert Storm appropriated by transfer from the Department of Defense pursuant to P.L. 102–27, the Dire Emergency Supplemental Appropriations Act of 1991.

Status of Direct Loans (in millions of dollars)

Identification code 91–0200–0–1–502	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	323	187	189
1251 Repayments: Repayments and prepayments	–66	–51	–50
1262 Adjustments: Discount on loan asset sales to the public or discounted	–7	–8	–8
1264 Write-offs for default: Other adjustments, net	–63	61	61
1290 Outstanding, end of year	187	189	192

Object Classification (in millions of dollars)

Identification code 91–0200–0–1–502	1995 actual	1996 est.	1997 est.
41.0 Grants, subsidies, and contributions	7,291	7,736	7,279
92.0 Undistributed		1,243	

99.9 Total obligations	7,291	8,979	7,279

[1] Includes in all years institutional matching share of defaulted notes assigned from institutions to the Education Department.

Federal Pell Grants.—Undergraduate students establish eligibility for these grants under award and need determination rules set out in the authorizing statute and the annual appropriation act. The maximum award for FY 1997 would be $2,700.

Federal Work-Study.—Federal grants are awarded by formula to qualifying institutions, which develop and provide part-time jobs for eligible undergraduate and graduate students with demonstrated need. Federal grants in most cases pay 75 percent of a student's hourly earnings, with the remainder paid by the employer. Hourly earnings must not be less than the Federal minimum wage. Institutions are required to spend at least 5 percent of their Work-Study allocation to pay students working in community service jobs. The President is proposing to increase funding for Work-Study over the next four years to help one million students per year work their way through college by the year 2000.

Federal Supplemental Educational Opportunity Grants.—Federal funds are awarded by formula to qualifying institutions, which use these funds at their discretion to award grants to undergraduate students, with priority for Pell Grant recipients and others with exceptional need. The Federal share of such grants may not exceed 75 percent of the total grant.

Perkins Loan Program.—Schools award loans from revolving funds, composed of Federal Capital Contributions, collections on prior year loans, and Federal payments for loan cancellations granted in exchange for specified types of teaching, military or public service.

Perkins Loans—Cancellations.—Under the Perkins Loan (formerly national direct student loan (NDSL)) cancellation program, institutional revolving funds are reimbursed for indebtedness cancelled as a result of a borrower engaging in certain public service occupations.

The Higher Education Amendments of 1992 broadened statutory cancellations in the Perkins Loan program. This has resulted in a progressive increase in the usage of cancellations provisions by Perkins Loan borrowers in recent years.

Gatekeeping in Student Financial Assistance Programs.—The Federal student aid programs will make available more than $41 billion in grant, loan, and work-study assistance to about 7.3 million students in the academic year 1997–98. The Department of Education, together with States and accrediting agencies, works to ensure that institutions of higher education participating in the Federal student aid programs meet a basic standard of quality in the education and training of their students, and that these institutions are administratively capable and financially responsible.

Since 1993, the Department has terminated the participation of more than 300 institutions that have violated the Federal regulations. In 1997, the Department plans to complete its recertification of all institutions currently eligible to participate. It also plans to develop a system of risk analysis that will better enable the Department to identify institutions with potentially serious problems, and to improve major elements of its information management system, including the National Student Loan Data System and the Postsecondary Education Participants System.

The Department also plans to provide regulatory relief—such as less frequent recertification, less frequent submission of compliance audits, and exemption from certain regulatory requirements—to institutions that have demonstrated outstanding administration of federal programs and strong financial responsibility.

In addition, the Department helps students make better decisions by requiring schools to provide important informa-

General and special funds—Continued

HIGHER EDUCATION

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 91–0201–2–1–502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Presidential honors scholarships			130
10.00 Total obligations (object class 41.0)			130
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			130
23.95 New obligations			–130
New budget authority (gross), detail:			
40.00 Appropriation			130
Change in unpaid obligations:			
73.10 New obligations			130
73.20 Total outlays (gross)			–16
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation			114
Outlays (gross), detail:			
86.90 Outlays from new current authority			16
87.00 Total outlays (gross)			16
Net budget authority and outlays:			
89.00 Budget authority			130
90.00 Outlays			16

Presidential Honors Scholarships.—In his State of the Union address, the President called for this new legislative initiative to reward the best and the brightest of graduating high school students. Under this program, $1,000 merit-based scholarships will be extended to the top five percent of graduating students in every secondary school in the Nation for their use at the postsecondary institution of their choice. It is the aim of this program to encourage and reward students for their academic excellence and achievement. Individual high schools would have sole responsibility in the selection of recipients.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), $195,965,000, including at least $3,530,000 for the endowment program: Provided, That, of the amounts available for the endowment program, $3,530,000 shall remain available until expended, for a matching endowment grant to be administered in accordance with the Howard University Endowment Act (Public Law 95–480).

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104–91, P.L. 104–92, and P.L. 104–99.

Program and Financing (in millions of dollars)

Identification code 91–0603–0–1–502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Academic program	157		
00.02 Endowment program	2	4	
00.03 Research	5		
00.04 Howard University Hospital	29		29
00.05 Construction	11		
00.06 Law School Clinical Center	6		
00.07 Unallocated amount under P.L. 104–99		170	
00.08 Undistributed			167
10.00 Total obligations (object class 41.0)	210	174	196
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	9	4	
22.00 New budget authority (gross)	205	170	[illegible]
23.90 Total budgetary resources available for obligation	214	174	[illegible]
23.95 New obligations	–210	–174	[illegible]
24.40 Unobligated balance available, end of year: Uninvested balance	4		[illegible]
New budget authority (gross), detail:			
40.00 Appropriation	205	170	[illegible]
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	15	14	[illegible]
73.10 New obligations	210	174	[illegible]
73.20 Total outlays (gross)	–210	–175	[illegible]
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	14	15	[illegible]
Outlays (gross), detail:			
86.90 Outlays from new current authority	184	157	[illegible]
86.93 Outlays from current balances	24	18	[illegible]
87.00 Total outlays (gross)	210	175	[illegible]
Net budget authority and outlays:			
89.00 Budget authority	205	170	[illegible]
90.00 Outlays	210	175	[illegible]

Summary of Budget Authority and Outlays

(in millions of dollars)

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	205	170	[illegible]
Outlays	208	175	[illegible]
Adjustment to 1996 continuing resolution levels:			
Budget Authority		17	
Outlays		16	[illegible]
Total:			
Budget Authority	205	187	[illegible]
Outlays	208	191	[illegible]

Howard University is a private, nonprofit educational institution consisting of 17 schools and colleges. Federal funds are used to provide partial support for university programs as well as for the teaching hospital facilities. In 1995, direct Federal appropriations for the academic and research programs represented 53 percent of the university's educational and general expenditures.

Credit accounts:

FEDERAL DIRECT STUDENT LOAN PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 91–0243–0–1–502	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
02.01 Direct loan subsidy	810	427	88
02.02 Reestimates of subsidy	11	–271	
02.91 Subtotal, subsidy cost	821	156	88
07.09 Student loan administrative expenses	383	550	595
10.00 Total obligations	1,204	706	683
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	95		
22.00 New budget authority (gross)	1,105	706	683
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation	1,204	706	683
23.95 New obligations	–1,204	–706	–683
24.40 Unobligated balance available, end of year: Uninvested balance			
New budget authority (gross), detail:			
60.00 Appropriation	284	550	595
60.05 Appropriation (indefinite)	821	156	88

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APPENDIX

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 1997

EMPLOYMENT AND TRAINING ADMINISTRATION

Federal Funds

General and special funds:

TRAINING AND EMPLOYMENT SERVICES

For necessary expenses of the Job Training Partnership Act, as amended, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act; the Women in Apprenticeship and Nontraditional Occupations Act; National Skill Standards Act of 1994; and the School-to-Work Opportunities Act; $5,080,060,000 plus reimbursements, of which $4,790,728,000 is available for obligation for the period July 1, 1997 through June 30, 1998; of which $[illegible]685,000 is available for the period July 1, 1997 through June [illegible], 2000 for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers; and of which $200,000,000 shall be available from July 1, 1997 through September 30, 1998, for carrying out activities of the School-to-Work Opportunities Act: Provided, That $50,000,000 shall be for carrying out section 401 of the Job Training Partnership Act, $65,000,000 shall be for carrying out section 402 of such Act, $7,300,000 shall be for carrying out section 441 of such Act, $2,530,000 shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under such Act, $947,000,000 shall be for carrying out title II, part A of such Act, and $126,672,000 shall be for carrying out title II, part C of such Act: Provided further, That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: Provided further, That funds provided for title III of the Job Training Partnership Act shall not be subject to the limitation contained in subsection (b) of section 315 of such Act; that the waiver described in section 315(a)(2) may be granted if a substate grantee demonstrates to the Governor that such waiver is appropriate due to the availability of low-cost retraining services, is necessary to facilitate the provision of needs-related payments to accompany long-term training, or is necessary to facilitate the provision of appropriate basic readjustment services; and that funds provided for discretionary grants under part B of such title III may be used to provide needs-related payments to participants who, in lieu of meeting the enrollment requirements under section 314(e) of such Act, are enrolled in training by the end of the sixth week after grant funds have been awarded: Provided further, That service delivery areas may transfer funding provided herein under authority of title II, parts B and C of the Job Training Partnership Act between the programs authorized by those titles of the Act, if the transfer is approved by the Governor: Provided further, That service delivery areas and substate areas may transfer up to 20 percent of the funding provided herein under authority of title II, part A and title III of the Job Training Partnership Act, if such transfer is approved by the Governor.

Note.—A regular 1996 appropriation for this account had not been enacted at the time the budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104–91, P.L. 104–92, and P.L. 104–[illegible]. Of this amount, ten percent is not available for obligation pending resolution of a full-year appropriation.

Program and Financing (in millions of dollars)

Identification code 16–0174–0–1–504	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Direct program:			
Adult training grants	997	830	947
Dislocated worker assistance	1,204	939	1,232
Youth training grants	77	127	127
Summer youth employment and training program	867	635	871
School-to-work opportunities	19	135	188
Job Corps	1,029	1,096	1,142
Native Americans	60	50	50
Migrants and seasonal farmworkers	80	65	65
Veterans employment	8	9	7
National activities	93	57	95
00.91 Total direct program	4,434	3,943	4,724
01.01 Reimbursable program	26	4	4
10.00 Total obligations	4,460	3,947	4,728
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	1,615	1,070	1,084
22.00 New budget authority (gross)	3,911	3,961	5,084
22.10 Resources available from recoveries of prior year obligations	14		
22.20 Unobligated balance transferred	–8		
22.30 Unobligated balance expiring	–2		
23.90 Total budgetary resources available for obligation	5,530	5,031	6,168
23.95 New obligations	–4,460	–3,947	–4,728
24.40 Unobligated balance available, end of year: Uninvested balance	1,070	1,084	1,440
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	3,907	3,957	5,080
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	4	4	4
70.00 Total new budget authority (gross)	3,911	3,961	5,084
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	4,250	3,989	3,107
73.10 New obligations	4,460	3,947	4,728
73.20 Total outlays (gross)	–4,694	–4,829	–4,382
73.40 Adjustments in expired accounts	–13		
73.45 Adjustments in unexpired accounts	–14		
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	3,989	3,107	3,453
Outlays (gross), detail:			
86.90 Outlays from new current authority	334	652	855
86.93 Outlays from current balances	4,356	4,173	3,523
86.97 Outlays from new permanent authority	4	4	4
87.00 Total outlays (gross)	4,694	4,829	4,382
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–2	–2	–2
88.40 Non-Federal sources	–2	–2	–2
88.90 Total, offsetting collections (cash)	–4	–4	–4
Net budget authority and outlays:			
89.00 Budget authority	3,907	3,957	5,080
90.00 Outlays	4,690	4,825	4,378

Summary of Budget Authority and Outlays

(in millions of dollars)

	1995 actual	*1996 est.*	*1997 est.*
Enacted/requested:			
Budget Authority	3,907	3,957	5,080
Outlays	4,690	4,825	4,378
Adjustment to 1996 continuing resolution levels:			
Budget Authority		457	
Outlays		21	319
Total:			
Budget Authority	3,907	4,414	5,080
Outlays	4,690	4,846	4,697

Adult training grants.—Grants to provide financial assistance to States and territories to design and operate training programs for economically disadvantaged adults.

DEPARTMENT OF EDUCATION

The Fiscal Year 1997 Budget

POSTSECONDARY EDUCATION

For postsecondary education, the President's 1997 budget supports a comprehensive and complementary package of grant, loan, and work-study opportunities aimed at ensuring that all deserving students can afford a college education. The request would raise the total aid available for postsecondary education and training from $35.2 billion in 1995 to $41.5 billion in 1997, an increase of $6.3 billion or 18 percent. The number of students receiving assistance would rise to 7.3 million, an increase of almost 300,000 students. The Administration's proposals also promote hard work in high school and college by rewarding excellence in achievement.

The request includes the following:

- <u>A $2,700 Pell Grant maximum award, up $360 or 15 percent over 1995</u>. The request would provide grants to an estimated 3.8 million low- and middle-income students during the 1997-98 school year, an increase of 155,000 students over the 1995 level. The President also is proposing annual increases in the maximum Pell Grant award, to $3,130 by the year 2002, to keep pace with anticipated inflation.

- <u>A $62 million increase for Work-Study as the first step in a five-year expansion of the program to serve 1 million students by the year 2000</u>. Together with employer matching funds, the program would provide $837 million in 1997 to support work opportunities that would help 786,000 students earn a portion of their college costs.

- <u>A new merit-based Presidential Honors Scholarships program to reward the excellence and achievement of the top 5 percent of graduating high school students</u>. The one-year, $1,000 scholarships would encourage academic excellence, in every high school in the Nation, among students from a wide range of backgrounds. Some 128,000 hard-working, high-achieving students would receive the award annually.

- <u>$500 million for the TRIO programs, an increase of $37 million</u>, to provide expanded early intervention, outreach, and in-college support services for nearly 682,000 disadvantaged students, an increase of 10,000 students over 1995. These programs improve high school completion, college entrance, and college graduation rates, thereby helping to increase the proportion of students, especially minorities, who enter and complete postsecondary degree programs.

Attachment 1

EDUCATION FUNDING

- Could a chart be developed outlining all the major Administration initiatives on Education by year and what specifically has been accomplished/granted/funding approved/funding proposed?

- Additionally, for those programs funded through Congress can the funding be charted by year in the following way:

  President's Request
  House Passed Appropriations
  Senate Passed Appropriations
  Enacted

  This chart would need budget pages as documentation.

  A

- How has the Administration used Title 1 funding to reduce class size? (Is Title 1 even the program that affects class size -- if not which one does and what have we done?) What statistics would support our efforts to reduce class size through this program? Is any of this information on class size available by state? If our Title 1 efforts were legislative, what action did the Administration take to ensure Congress fulfilled our request?

  B

- How can the Administration demonstrate that it has effectively used Title 1 money to improve poorer school districts?

HIGHER EDUCATION

- Cite and Documentation Needed:

  "President Clinton reformed the student loan program, making college more affordable for more than 5 million students and saving taxpayers billions of dollars. And he greatly increases access to higher education through his new Direct Lending program that makes it easier for millions of students tomorrow for college and offers better repayment terms, allowing students to repay their loans as a percentage of their income."

Leslie - unless Mike S. thinks we can make a case here, I'm inclined to write a note that ~~says~~ explain that Title 1 isn't used to reduce class size.

- Cite and Documentation Needed for each of the following points:

I **_President's Plan for Guaranteed Access to College_**
The above initiatives build on the President's plan to guarantee that college is accessible and affordable for everyone:
The new America's HOPE Scholarship Tax Cut: $1,500 refundable tax credit for the first two years at any college. To receive $1,500 the second year, students must earn at least a B average the first year and remain drug-free. ~~Works with~~ the President's $10,000 Education Tax Deduction -- this combined with the $1,500 tax credit will ~~benefit 18 million stu~~dents. [illegible]

[illegible]

Check

* *With the increased Pell Grant program support, students have access to up to $5,100 in Pell Grants and student loans for their first year in college, and much more in future years.*
* *The new Direct Student Loan program enacted as part of the President's 1993 Economic Plan is allowing millions of students to borrow in a simpler, less bureaucratic way, and to pay back their loans as a share of their income.*
* *New Direct Loans With Pay-As-You-Can Option: Will account for 50% of loans*
* *National Service -- AmeriCorps: 30,000 students earning up to $ 4,725 for service*
* *Work Study Expansion: Proposes expansion to 1 million participants by FY2002*
* *Honors Scholarships: Proposes $1,000 scholarship for top 5% of every high school class*
* *IRAs for Education: Proposal allows penalty-free withdrawals for education*
* *Skill Grants: Proposed $2,600 Skill Grants to enable dislocated workers to get needed skills.*

AMERICORPS

- How many times has the Republican Congress tried to eliminate or cut AmeriCorp funding?

- How does the Administration respond to attacks on AmeriCorp? Specifically, when the program is deemed ineffective, too expensive -- eg. "According to GAO each AmeriCorp participant cost is $26,654.

- Statistically, how can we argue that the program is a success? How many students have participated to date and how many serve each year?

SAFE AND DRUG FREE SCHOOLS

- A funding chart, similar to the one described above is needed for this program.

- The following funding information was pulled down from the Department of Education's web page? Is the information correct? If it is, it appears as though funding was reduced? If it was then why?

Funding History of the
Safe and Drug Free Schools Program

Since FY 1987, more than three billion dollars has been appropriated for drug prevention activities. Specific information on funding by year follows:

Fiscal Year	Total Appropriation
FY 1987	$200,000,000
FY 1988	$229,776,000
FY 1989	$354,500,000
FY 1990	$538,250,000
FY 1991	$606,341,000
FY 1992	$623,963,000
FY 1993	$598,227,000
FY 1994	$487,162,000
FY 1995	$465,981,000
FY 1996	$349,486,000*

* Based upon current Continuing Resolution. The President requested $500 million; the House-passed and Senate Appropriations Committee-passed appropriation bills would provide $200 million for this program.

- State by state information and a description of what type of programs this money helps put in place is needed. Specifically, Ohio received $10 million in Safe and Drug Free School grants and used that money to install metal detectors, hire security guards, start drug education program, etc.

HEAD START

- A funding chart, similar to the one described above is needed for this program.

- How many children have benefitted from Administration efforts to improve/expand Head Start? Is this information available by state? What other statistics could be used to demonstrate our effectiveness on this issue?

SCHOOL LUNCHES

- A funding chart, similar to the one described above is needed for this program.

- The following funding information was pulled down from the Department of Education's web page? Is the information correct? If it is, it appears as though funding was reduced? If it was then why?

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SCHOOL LUNCHES

- How does the Administration respond to charges that our FY97 school lunch budget was equal to the FY96 Republican Congressional budget? Is the best distinction between the two budgets the block grant argument or are there other distinction that can be drawn?

ECONOMIC BRIEFING MATERIALS

July 26, 1996

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July 26, 1996

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ECONOMIC SPEECH LANGUAGE

FOUR YEARS AGO. Four years ago, our economy was no longer providing the opportunity that is the key to the American dream. Unemployment was nearly 8%; the deficit was at an all time high, and growing; job-growth was anemic. Great American industries were flat on their back. Our country was drifting toward the 21st Century.

PRESIDENT CLINTON CHANGED THE COUNTRY'S COURSE. Bill Clinton ran for President determined to prepare our people for the 21st century -- to restore opportunity to all, to demand responsibility from all, and to bring our people together in community. He put in place a tough economic plan: cutting the deficit, shrinking the government, expanding exports through over 200 trade agreements, and investing in our people and their skills.

THE ECONOMY IS NOW GROWING. Four years later, let's look at the record. The U.S. auto industry is now number one again. Basic industries are back; there have been 900,000 new construction jobs. High-tech industries like semiconductors and biotech lead the world. 4.4 million people became homeowners. Hundreds of thousands of women-owned businesses have been started -- and now one in three businesses are owned by women. Exports have surged to record levels. The federal government has been cut by 230,000 people. The combined rate of unemployment, interest and mortgages is the lowest in 30 years. The deficit has been cut by over half -- so that it is now the smallest since 1981. The economy has created 10 million new jobs. And real wages, which had fallen for a decade, have begun to rise again. America's economy is the soundest it has been in a generation.

A RECORD TO BUILD ON, NOT TO REST ON. Our strategy is working. Now, we must press forward, to keep the economy growing and to make sure that all our people can reap the rewards of economic change.

So we must keep our economy growing, steady and strong. We should finish the job of balancing the budget. That would keep interest rates down, and spur even more business investment. We should do it in a way that protects Medicare, Medicaid, education and the environment. We should reward work by raising the minimum wage. And we should continue to invest in technology and other areas that will keep the economy growing.

As we expand opportunity, we must demand that all Americans take responsibility to make the most of a growing economy. And we must give them the capacity to do so -- and that means education, especially college. We have already expanded preschool, tightened school standards, and opened the doors of college wider than ever before. Now, we must make the 13th and 14th years of education as much a universal standard as a high school degree is today. That is why President Clinton wants to give every family a $10,000 deduction to pay for education after high school, and to give individuals a $1500 tuition tax credit for 2 years -- enough to pay for the cost of a typical community college. And we should make sure that every worker who needs education or training, gets it. That is the way to make opportunity real into the 21st Century.

Key Facts On The Economy Under President Clinton
July 22, 1996

A STRONG ECONOMIC RECORD TO BUILD ON

PROMISES KEPT: Cut the deficit in half, create 8 million new jobs, grow the economy.

- **Strong Job Growth.** 10 million new jobs -- a faster annual rate of job growth than any Republican Administration since the 1920s. *10 million jobs created in 41 months under Clinton vs. 10 million jobs in 74 months under Reagan.*
- **Deficit Cut In Half.** $290 billion in 1992 vs $117 billion this year [OMB]; $115-$130 billion [CBO.] First President to cut deficit 4 years in a row since 1840s.
- **Lowest Combined Rates of Unemployment, Inflation, and Mortgage Rates Since 1960s.** Inflation has averaged just 2.8% per year -- lower than any Administration since Kennedy.
- **Unemployment Rate is now 5.3 percent -- its lowest level in six years** and the 22nd consecutive month below 6 percent. In 1992, the unemployment rate averaged 7.5%.
- **Stronger Private Sector Growth.** The private sector of the economy has grown 3.1% annually -- stronger than either Reagan or Bush.
- **Average Hourly Earnings are up,** after dropping 79 cent in the previous 2 Administrations.
- **Highest Homeownership Rate in 15 Years.**
- **More Women-Owned Businesses Than Ever Before.** There are now nearly 8 million women-owned firms in the U.S. compared to 4.48 million in 1987.
- **#1 In The World Once Again.** After trailing Japan, Germany, Denmark and Switzerland in 1992, the U.S. has been named "most competitive economy in the world" for 3 straight years.
  - **Jobs.** After the 6 major economies created 2.5 times more jobs than the U.S. under Bush, the economy under Clinton has now created more new jobs than these 6 countries combined.
  - **Auto Production.** After trailing Japan for 13 years, U.S. out-produced Japan in 1994 and 1995.
  - **Semiconductors.** After trailing Japan since 1985, U.S. now leads the world once again.

THE ECONOMY UNDER PRESIDENT CLINTON: THE BEST SINCE...

- **Highest Share Of Jobs In Private Sector Since Harding.** 93% of all new jobs created by the private sector -- highest average of any Administration since the 1920s.
- **Strongest Business Investment Growth For An Administration Since Kennedy.** Business investment has grown 11.0% annually -- faster rate than any Administration since Kennedy.
- **Lowest Mortgage Rates In 30 Years.** Mortgage rates have averaged just 7.8 percent -- that's lower than any other Administration since Lyndon Johnson was President in the 1960s.
- **Strongest Stock Market Growth Since World War II.** Stock market has increased 14.2% per year, in real terms -- faster rate than during any other Administration since World War II.
- **Strongest Construction Job Growth Since Truman.** In 3 1/2 years, the economy has added 890,000 new construction jobs -- faster rate than any Administration since Truman.
- **Smallest Deficit As A Share Of The Economy In Over 20 years.** OMB projects the deficit to be 1.6 percent of the economy this year -- smaller than any year since 1974.

WHAT A DIFFERENCE 4 YEARS MAKES

	BEFORE CLINTON	CLINTON
UNEMPLOYMENT	• **In 1992.** Unemployment rate was above 7% during every month -- over 7.5% during 5 months.	• **Today.** In June 1996, the unemployment rate was 5.3 percent -- and has been below 6 percent for 22 consecutive months.
JOB GROWTH	• **In 1992.** Worst job growth record of any Administration since the Great Depression.	• **Today.** 10 million new jobs under Clinton -- faster rate than any Republican Administration since 1920s.
HIGH-WAGE JOBS	• **In 1992.** 6% of the new jobs were in high-wage industries. Economy *lost* 200,000 jobs in high-wage industries during the Bush Administration.	• **Today.** This year, more than 50% of all new jobs have been in high-wage industries. Nearly 4 million jobs in high-wage industries since Clinton took office.
AUTOMOBILE PRODUCTION	• **1992: Trailed Japan for 13th Year In A Row.** In 1992 Japan produced 28% more automobiles than America.	• **Today: #1 in Auto Production.** In 1994 the U.S. surpassed Japan as world auto production leader -- the last time U.S. was #1 was in 1979. In 1995, U.S. retained its status as the world's #1 car producer.
DEFICIT	• **In 1992.** The deficit was $290 billion -- the highest dollar level in history.	• **Today.** Cut more than half: $117 billion this year according to OMB, $115-$130 billion according to CBO.
SIZE OF GOVERNMENT	• **In 1992.** Under Bush, spending increased from 22.1% of GDP to 23.3%. The size of the federal bureaucracy also increased from when Reagan took office to when Bush left office.	• **Today.** Under Clinton, spending has declined from 23.3% of GDP to 21.7% -- lower than at any time during Reagan or Bush. Clinton also cut the federal workforce by 230,000 workers to the smallest level in 3 decades.

A STRONGER ECONOMY: CLINTON BEATS REAGAN

[Comparison of all Reagan years vs. all Clinton years]

Clinton	*Reagan*	*Major Economic Indicator*
✓		**JOB GROWTH:** Since President Clinton took office, 10 million new jobs have been created -- that's a 2.6% annual rate of job growth vs. a 2.0% annual rate during the Reagan Administration. *It took 41 months for 10 million jobs to be created under Clinton vs. 74 months under Reagan.*
✓		**PRIVATE-SECTOR ECONOMIC GROWTH:** Under Clinton, the private sector of the economy has expanded 3.1% per year compared to 3.0% during the Reagan Administration.
✓		**BUDGET DEFICIT:** During the Reagan Administration, the deficit doubled, exploding from $74 billion to $155 billion. Today, CBO ($115-$130 billion) and OMB ($117 billion) agree that the deficit will be cut more than in half in 4 years.
✓		**MORTGAGE RATES:** Since President Clinton took office, fixed mortgage rates have averaged 7.8% -- compared to an average rate of 12.8% during the Reagan Administration.
✓		**HOMEOWNERSHIP:** Under Clinton, the homeownership rate has increased to a 15-year high. During the Reagan Administration, the homeownership rate *fell* from 65.6% to 63.9%.
✓		**WAGE GROWTH:** Since President Clinton took office, real average hourly wages have increased slightly. During the Reagan Administration, they *fell* 2% -- or 28 cents.

THE EXPERTS AGREE: THE ECONOMY UNDER CLINTON IS STRONG

THE MOST SOLID ECONOMY IN YEARS UNDER CLINTON

- ***Money*, August, 1996:** "The majority of Americans are better off on most pocketbook issues after 3 ½ years under Clinton, who's presided over the kind of economic progress any Republican President would be proud to post."

- ***Barron's*, 3/18/96:** "In short, Clinton's economic record is remarkable. ...Clinton also rightfully boasted that, 'our economy is the healthiest that it has been in thirty years.'"

- **Bob Dole, 2/12/96:** "It is also true, as some have said, that our economy is the strongest it's been in 30 years." [Remarks to the New Hampshire State Legislature, released by the Dole for President Campaign, 2/20/96]

- ***Business Week*, 6/10/96::** "[I]nflation is low, growth is good, and the dollar is strengthening. America is in its best economic shape in 20 years."

- ***Washington Post*, 5/4/96:** "Wages are rising at their fastest pace in five years, consumer confidence is soaring, and business and consumer spending has fueled an unexpectedly strong burst of economic growth."

- **David Wyss, *DRI/McGraw-Hill*, 6/10/96:** "If you look at the economy during the Clinton Administration, you have to say it's been a success. We have low inflation, full employment, and steady growth. This is really just about the best of all macroeconomic worlds."

- **Allen Sinai, *Lehman Brothers*, 7/5/96:** "The economy is in great shape. It's very prosperous. ...The labor market is much better. There are more jobs, more good jobs and more higher pay for people who are working and more choice." [*NPR's* All Things Considered, 7/5/96]

CLINTON CUT THE DEFICIT, LOWERING INTEREST RATES, & GROWING THE ECONOMY

- ***Fortune*, 10/3/94:** "[President Clinton's] economic plan helped bring interest rates down, spurring the recovery."

- **Alan Greenspan, 2/20/96:** "The deficit reduction in President Clinton's 1993 Economic Plan was "an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter."

- **Paul Volcker, Federal Reserve Board Chairman (1979-1987), Fall 1994:** "The deficit has come down, and I give the Clinton Administration and President Clinton himself a lot of credit for that....and I think we're seeing some benefits." [*Audacity*]

- ***Congressional Budget Office*, 1/94:** "The dramatic improvement [in the deficit] since last January is largely the result of the enactment in August of...the Omnibus Budget Reconciliation Act of 1993." [*Economic and Budget Outlook*, January 1994, p. xiii]

- ***Reuters*, 6/30/96:** "Clinton has run up an enviable record in the past four years, cutting the budget deficit each year and making good on a campaign promise to cut the deficit in half."

- ***U.S. News & World Report*, 6/17/96:** "[President Clinton's 1993 Economic Plan] did lead to lower interest rates, which begat greater investment growth (by double digits since 1993, the highest rate since the Kennedy administration), which begat three-plus years of solid economic growth averaging 2.6 percent annually, 50 percent higher than during the Bush presidency."

- ***Chicago Sun-Times*, 10/18/95:** "And Clinton does deserve credit. His 1993 federal budget plan started the process of reducing the deficit. ...That budget was well received by the bond markets and helped start the decline in interest rates that has held through most of Clinton's first term."

A PROVEN RECORD OF ACHIEVEMENT

PRESIDENT CLINTON FOUGHT FOR AND ENACTED AN ECONOMIC AGENDA THAT HAS HELPED ALL AMERICANS

DRIVING DOWN THE DEFICIT, CUTTING TAXES, STRENGTHENING THE ECONOMY

- **Won Enactment of One of the Largest Deficit-Reduction Plan in History,** saving over $1 trillion over 7 years -- with over half the savings coming from spending cuts.
- **Deficit Cut In Half.** As a result of President Clinton's policies, the deficit has been cut in half from a record $290 billion in 1992 to less than $130 billion, according to both OMB [$117 billion] & CBO [$115-$130 billion]. *The budget would be balanced today but for the interest on the debt accumulated during Reagan and Bush.*
- **Cut Taxes for 15 Million Working Families,** expanding the Working Families Tax Credit -- the EITC -- rewarding work over welfare.
- **Over 90% of Small Businesses Made Eligible for Tax Cuts.** The President's 1993 Plan increased the small business expensing limit 75% and provided a targeted small business capital gains tax cut.
- **Created 9 Economic Empowerment Zones and 95 Enterprise Communities**, helping spur economic growth and create jobs in distressed urban and rural communities.
- **Created the Community Development Financial Institutions Fund** to help provide financing in distressed communities, promoting entrepreneurship and revitalizing communities.
- **Signed NAFTA, GATT and Over 200 Other Trade Agreements,** opening foreign markets to American products and helping create hundreds of thousands of high-paying export-related jobs.
- **Cut the Government to Its Smallest Size in 30 Years,** reducing the federal workforce by 230,000. Abolishing 16,000 pages of obsolete regulations, and enacted historic federal procurement reforms.

EQUIPPING AMERICANS WITH THE TOOLS THEY NEED TO SUCCEED

- **Increased WIC Participation Nearly 25% in 3 years and Proposed Fully-Funding in 1997,** providing nutrition assistance, health education, and immunization referrals to over 7 million women, infants, and children a year.
- **Increased Head Start by 29%** -- comprehensive pre-school education to tens of thousands more children.
- **Created Goals 2000, now helping 48 states raise Educational Standards and Achievement.**
- **Enacted the Improve America's Schools Act,** strengthening Title 1 assistance in the basics for 7 million children in poor communities and improving the Safe and Drug-Free Schools program.
- **Created Charter Schools** program to expand public school choice with start-up funds for charter schools.
- **Created AmeriCorps National Service** already enabled 45,000 young people to serve their community while earning money towards college.
- **Created School-to-Work,** already helping 38 states better enable high schools students not immediately going to college make the transition from school to work.
- **Reformed College Loans & Created Direct Student Loans,** making college more affordable for 5.5. million students & making it easier for students to borrow & repay loans, including as a share of their income over time.
- **Doubled Assistance to Dislocated Workers** in 2 years, reaching twice as many workers last year.
- **Signed the Family and Medical Leave Act** allowing workers to take up to 12 weeks of unpaid leave for an infant, spouse, or ailing loved one without losing their jobs.
- **Created the Technology Learning Challenge,** leveraging federal funds to help form local partnerships between schools and private businesses to develop creative new ways to use technology for learning.
- **Signed the Telecommunications Act,** opening the information superhighway to new innovations and help provide affordable internet access to every school and library.

ECONOMIC GROWTH AGENDA FOR A SECOND TERM

1. BALANCE THE BUDGET WHILE PROTECTING AMERICA'S VALUES

- **Finish the Job and Balance the Budget.** During his first 4 years, President Clinton cut the deficit in half from a record high of $290 billion when Bush left office in 1992 to less than $130 billion in 1996, according to both OMB and CBO. In a 2nd term, the President will fight for immediate adoption of a balanced budget agreement.

- **Balance the Budget while strengthening Medicare, Medicaid, Education, and the Environment.**
  - **Protect Medicare.** President Clinton's balanced budget extends the life of the Medicare Trust Fund for a decade -- more than enough time to reach a bipartisan agreement on long-term Medicare solvency -- without extreme GOP cuts or damaging structural changes that are not necessary to balance the budget.
  - **Maintain Medicaid Guarantee.** President Clinton's balanced budget maintains the Medicaid guarantee for people with disabilities, pregnant women, nursing home residents, and children from low-income families.
  - **Major Investment in Education and Training.** President Clinton's balanced budget makes a major investment in education and training -- providing $55 billion more over 6 years than the Republican budget proposal.
  - **Protect the Environment.** Preserve and defend our commitment to environmental protections and safety. Eliminate needless regulations while strengthening key protections for clean air, clean water, & safe communities.

2. PREPARE EVERY CHILD TO LEARN AND EQUIP THEM WITH THE SKILLS NEEDED FOR THE 21ST CENTURY

- **Fully Fund the Women, Infants, and Children nutrition program [WIC]** to provide nutrition, health education, and immunization referrals to at least 7.5 million women, infants, and children each year.

- **Expand Head Start to 1 Million Preschool Opportunities by 2002**, providing comprehensive pre-school education to ensure that each child arrives at schools ready to learn.

- **School Construction Initiative.** $5 billion initiative to spur $20 billion in state, local, and federal funds for school construction & renovation to rebuild America's schools & make sure they are safe and technology-ready.

- **Higher Academic Standards For Students And Teachers.** Students should have to pass a test to graduate from school to school. Reward teachers that perform and make it easier to dismiss those who don't.

- **Expand School Choice.** Work with states to expand public school choice & pass Charter School laws.

- **Make Every Child Technologically Literate.** $2 billion Technology Literacy Challenge to leverage state, local, and private sector funds to connect every classroom to the internet, with modern computers, trained teachers, and exciting educational software.

- **Expand School-To-Work To 50 States.** Help states ensure that high school students not immediately going on to college can make the transition from school to work.

3. EXPAND COLLEGE ACCESS TO RECORD LEVELS

- **Tear Down Financial Barriers To Higher Education.**
  - **$1,500 HOPE Scholarship Tax Cut.** Make 14 years of education the new national norm with a $1,500 tax cut for the first 2 years of higher education [B average required for second year]. The HOPE tax cut will make the average community college free and help millions of families afford the cost of higher education.
  - **$10,000 Tuition Tax Deduction to Help Middle-Class Families Afford the Cost of Higher Education.**
  - **Major Pell Grant Expansion.** Increase maximum Pell Grant by 33% to help needy students afford college.

- **Expand College Work-Study to 1 Million Students** working their way through college.

- **Allow Penalty-free Withdrawals from IRAs for Education Expenses.**

- **$1,000 College Honors Scholarships** for the top 5% of graduating students from every high school.

- **Expand National Service** so more youth can serve their communities while earning money for college.

4. INCREASE ECONOMIC SECURITY FOR WORKING FAMILIES

- **Continue Creating Good American Jobs Through Free, Fair, and Open Trade.** President Clinton will continue to fight for free trade agreements such as NAFTA and GATT which have already created hundreds of thousands of high-paying export-related jobs over the last 4 years.

- **Major Reform and Expansion of Worker Training.** Consolidate overlapping, antiquated federal job-training programs and create a simple $2,600 job-training skill grant that allows dislocated workers the freedom to choose the training programs that are right for them.

- **Expand Family and Medical Leave.** Allow workers to take up to 24 hours a year of unpaid time-off for child education, elderly care, and routine family medical purposes.

- **New Employee-Choice Flex-Time.** Change the law so that workers can choose to use their earned overtime hours to spend extra time with their families.

- **Protect the Working Families Tax Cut -- the Earned Income Tax Credit.** The EITC encourages families to move from welfare to work by making work pay. In 1997, President Clinton's expansion of the EITC will mean a tax cut for more than 15 million working families.

- **Make Health Insurance More Affordable for the Unemployed.** Help millions of temporarily unemployed families make transitions between jobs by providing premium subsidies to pay for private health insurance for up to six months.

- **Retirement Security.** Help Americans save for their retirements by increasing pension portability, enhancing pension protection, and expanding coverage, making it easier for small businesses to offer pension plans to their workers.

- **Expand Medicare Benefits.** New preventive benefits such as annual mamograms, flu shots, and diabetes screenings, and provide a respite benefit for families of beneficiaries with Alzheimer's disease. Expand plan choices for beneficiaries to include HMOs with a point-of-service option, Preferred Provider Organizations (PPOs) and Provider Service Networks.

5. TARGETED TAX RELIEF FOR CHILDREN, SAVINGS, EDUCATION, AND JOBS

- **$1,500 HOPE Scholarship Tax Cut.** Make 14 years of education the new national norm with a $1,500 tax cut that will make the average community college free and help families afford the cost of college.

- **$10,000 Tuition Tax Deduction to Help Middle-Class Families Afford the Cost of Higher Education.** Allow middle-class families to deduct up to $10,000 a year for the cost of tuition and training.

- **$500 Per Child Tax Credit.** Provide targeted tax credits of up to $500 per child for middle-class families.

- **Expanded IRAs to Help Families Save for Education and Training, Purchase a First Home, and Cover Major Medical Expenses.** Expand IRA eligibility to 20 million more middle-class families and allow-penalty free IRA withdrawals for these major life expenses to encourage more families to save.

- **Empowerment Zones Round 2.** Build on the President's community empowerment efforts by creating greater opportunity and private-sector investment in additional distressed communities: 20 additional Empowerment Zones (15 urban, 5 rural or Indian nation) and 80 Enterprise Communities (50 urban, 30 rural or Indian nation).

- **Brownfields Empowerment Contracting.** Offer new purchasers and other businesses that redevelop brownfields a new targeted tax incentive to recover the cost of clean-up in distressed communities over a shorter period of time.

- **Small Business Training.** Provide small businesses with a 10 percent tax credit to help them cover the costs of education and training for their employees.

RESPONSES TO MOST COMMON FALSE CLAIMS ON THE CLINTON ECONOMY

FALSE CLAIM ON REAGAN ECONOMY WAS STRONGER THAN CLINTON

FALSE CLAIM: *The Economy Grew 3.9% Between 1983 And 1989 vs. 2.5% Under Clinton -- The Reagan Economy Was Far Superior To The Clinton Economy.*

THE FACTS: **WHEN ALL OF THE REAGAN ADMINISTRATION YEARS -- NOT JUST THE BEST YEARS -- ARE COMPARED HEAD-TO-HEAD WITH ALL OF THE CLINTON YEARS, CLINTONOMICS WINS HANDS DOWN.** In order to make this claim, the Republicans drop the worst two years of the Reagan Administration (1981 and 1982) and the worst three years of the Bush Administration (1990-1992). This is silly -- the proper way to make comparisons is by comparing the full economic records:

- **Stronger Private Sector Growth Under Clinton.** Since President Clinton took office, the private sector of the economy has expanded 3.1% annually, compared to 2.4% per year during the Reagan-Bush years and 3.0% per year during only the Reagan Administration.
- **Stronger Job Creation Under Clinton.** Under President Clinton's watch, the economy has added more than 10 million new jobs -- a 2.6% annual rate vs. an average rate of just 2.0% per year during the Reagan Administration. *It took 41 months for 10 million jobs to be created under Clinton vs. 74 months under Reagan.*
- **President Clinton Cut the Deficit More Than In Half** from $290 billion to a projected $117 billion this year, while President Reagan doubled it, letting the deficit explode from $74 billion in 1980 to $155 billion in 1988.
- **Clinton's Record Is Better On Nearly Every Other Major Economic Indicator:** President Clinton has higher homeownership; lower mortgage rates; higher exports; lower inflation; higher business investment; higher hourly wage growth; and higher manufacturing job growth.

FALSE CLAIM ON ECONOMY WAS STRONG IN 1992 - CLINTON DOESN'T DESERVE CREDIT

FALSE CLAIM: *The Economy Was Growing 3.7 Percent In 1992 -- Clinton Doesn't Deserve Credit for The Strength Of The Economy Today Because It Was Already Growing Strongly.*

THE FACTS: **UNDER GEORGE BUSH, THE ECONOMY GREW JUST 1.3% PER YEAR -- THE WORST RECORD OF ANY ADMINISTRATION ON RECORD.** The 1992 growth rate (2.7 percent, not 3.7 percent) was boosted significantly by a rise in consumer confidence on Clinton's election. The Republicans brag about the economy in 1992, but most peopie would not want to turn the clock back:

- **Deficit Cut More Than In Half.** In 1992, the deficit was $290 billion -- highest in history. Today, CBO and OMB projects the deficit will between $115-$130 billion this year.
- **Unemployment Rate Down From 7% to 5.3%.** In 1992, the unemployment rate averaged 7.5% and was above 7% during every month. Today, the unemployment rate is at 5.3 percent -- and has been below 6% for 22 consecutive months.
- **10 Million New Jobs.** In 1992, the economy was barely even creating jobs and the Bush Administration had the worst record of job growth of any Administration since the Great Depression. Today, the economy has created 10 million new jobs.

EXPERTS GIVE CLINTON CREDIT FOR A STRONGER ECONOMY:

- **Alan Greenspan:** The deficit reduction in President Clinton's 1993 Economic Plan was "an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter." [Source: Congressional Testimony 2/20/96]

FALSE CLAIM ON CLINTON IS CONTENT WITH MEDIOCRE GROWTH

FALSE CLAIM: *Clinton Says The Economy Is Only Going To Grow An Anemic 2.3 Percent A Year -- He Thinks That Is The Best We Can Do.*

THE FACTS: **PRESIDENT CLINTON BELIEVES THAT THE ECONOMY CAN GROW FASTER IF WE FOLLOW THE RIGHT PATH, BUT HE ALSO BELIEVES IT IS IMPORTANT TO USE CONSERVATIVE BUDGET FORECASTS.**

- **The 2.3 Percent Growth Rate Is Used For Budget Estimates Because It Is Important To Be Conservative.** Ironically, Congressional Republicans assume even slower rate of economic growth for budgetary purposes. Congressional Republicans insisted on the use of CBO's conservative economic forecasts last year; these forecasts are more pessimistic than the Administration's. In the May 1996 *Economic and Budget Outlook*, CBO assumes that the economy will grow just 2.1 percent per year over the long-term. [Source: CBO, 5/96]

- **Stronger Private Sector Growth Under Clinton.** Since President Clinton took office, the private sector of the economy has expanded 3.1% annually, compared to 2.4% per year during the Reagan-Bush years and 3.0% per year during only the Reagan Administration.

PRESIDENT CLINTON BELIEVES THAT THERE IS NO LIMITS ON HOW FAST THE ECONOMY CAN GROW. If we do the right things to make America more productive, the sky is the limit. The threshold question is: which vision of economic growth will deliver a more productive America?

- **Right Way:** The right way to increase growth is to lower interest rates through lower deficits; provide targeted tax cuts for education, families, and savings; create more good jobs through open trade; and more high-skilled, high-wage Americans through more and better education.

FALSE CLAIM ON THE LARGEST TAX INCREASE IN HISTORY

FALSE CLAIM: *Clinton Imposed on the American People the Largest Tax Increase In History*

THE FACTS: **THIS IS NOT TRUE -- BOB DOLE'S 1982 TAX INCREASE WAS THE LARGEST.** Congress' own Joint Tax Committee, the Congressional Research Service, and nearly every national paper -- for example, the *Wall Street Journal, the New York Times,* and *Los Angeles Times* -- have concluded that the 1982 tax increase was larger.

- A *Wall Street Journal* (2/16/96) chart identifies 4 tax changes *larger* as a share of the economy than the 1993 Plan -- and Sen. Dole supported 3 of these changes.

- ***Wall Street Journal,* 10/26/94:** "Contrary to Republican claims, the 1993 package ... is not 'the largest tax increase in history.' The 1982 deficit reduction package of President Reagan and Sen. Robert Dole in a GOP-controlled Senate was a bigger tax bill, both in 1993-adjusted dollars and as a percentage of the overall economy."

PRESIDENT CLINTON <u>CUT TAXES FOR 15 MILLION</u> WORKING FAMILIES BY EXPANDING THE WORKING FAMILIES TAX CREDIT (EITC) AND ONLY RAISED INCOME TAX RATES ON <u>THE TOP 1.2%</u> OF TAXPAYERS.

- **H&R Block** confirms that the 1993 Economic Plan only increased income tax rates for the top 1.2 percent, while cutting taxes for "16.6% of all taxpayers [who] benefit from the Earned Income Tax Credit Expansion." [Source: "H&R Block Analysis of the Income Tax Consequences of the Revenue Reconciliation Bill of 1993." August 1993.]

FALSE CLAIM ON QUALITY OF JOBS

FALSE CLAIM: *There Have Been 10 Million Jobs Under Clinton, But They Have Mostly Been Part-Time, Temporary, Service, or Other Types of Low-Paying, Non-Permanent Jobs.*

THE FACTS: **THIS IS FALSE. CONTRARY TO POPULAR OPINION, MOST OF THE NEW JOBS HAVE BEEN HIGH-PAYING, FULL-TIME JOBS.**

- **Over two-thirds of the new jobs are in high-wage job categories.** In the last two years, more than two-thirds (68 percent) of the new full-time jobs were in high-wage job categories. [Source: Council of Economic Advisers with Department of Labor's Office of the Chief Economist, *Job Creation and Employment Opportunities: The United States Labor Market, 1993-1996*, April 23, 1996.]

- **After losing 200,000 jobs in high-wage industries during the Bush Administration, the economy has added nearly 4 million since President Clinton took office.** [Source: Department of Treasury, based on Bureau of Labor Statistics data.]

- ***New York Times*, 7/21/96:** "Lately, the plot line has improved: In 1995, the percentage of new jobs that pay above-average salaries was double what it was in 1992, when the nation was just starting to recover from recession."

- **Nearly all of the new jobs have been full-time jobs.** Since January 1993, the economy has added over 9 million full-time equivalent jobs -- that's more than 90 percent of all the jobs added.

FALSE CLAIM ON TAXES ARE HIGHER UNDER PRESIDENT CLINTON

FALSE CLAIM: *The Typical Family Is Paying More In Taxes Than Anytime In History -- President Clinton Said He Would Cut Taxes, But He Raised Taxes On The Middle-Class.*

THE FACTS: **THIS IS FALSE.** Using the same Treasury numbers collected by both Democratic and Republican Administrations alike and the same numbers cited recently by Republican Senator Pete Domenici in his *Budget Bulletin* on May 20, 1996, the federal tax rate for the typical family is down under Clinton:

- **The average federal income tax rate for the typical four-person family is slightly <u>lower</u> today (16.81%) than when President Clinton took office (16.83%).** [Treasury Department, Office of Tax Policy, 4/18/95]

- **The average federal income tax rate for the typical four-person family is <u>lower</u> than in 7 of the 8 years when Ronald Reagan was President.** [Treasury Department, Office of Tax Policy, 4/18/95]

- **President Clinton's Economic Plan cut taxes benefitting 40 million Americans.** Because of the President's 1993 economic plan, 40 million Americans (15 million workers and their families) benefit from the expansion of the Working Families Tax Credit, the EITC. [Treasury Department, Office of Tax Policy, 4/1/96]

THE TAX FOUNDATION, THE SOURCE OF THE REPUBLICAN TAX AD CLAIMING THAT TAXES HAVE BEEN RAISED $1,500 FOR THE TYPICAL FAMILY, HAS *RENOUNCED* THE AD.

- **Typical Families Are Earning More Under Clinton.** According to the Tax Foundation, the RNC ad is "misleading." Income for the typical two-earner family is up $6,260 since 1992 (in nominal dollars) and people only paid more taxes because they earned more.

FALSE CLAIM ON WAGES ARE LOWER UNDER PRESIDENT CLINTON

FALSE CLAIM: *Under President Clinton, Wages For American Workers Have Stagnated Or Dropped.*

THE FACTS: **THIS IS FALSE.** Real wages are up slightly since President Clinton took office, after falling during both the Reagan and Bush Administrations. But, wage stagnation is a 20-year problem that will not be fixed overnight. Despite the recent progress, there is still more work to be done.

- **Under Presidents Reagan and Bush, real average hourly earnings fell 79 cents.** [Source: Bureau of Labor Statistics (adjusted to December 1995 dollars using the CPI-U).]

- **Since President Clinton took office, real average hourly earnings have increased slightly.** [Source: Bureau of Labor Statistics (adjusted to December 1995 dollars using the CPI-U).]

  ► ***Business Week*, 3/11/96:** "Real hourly wages are rising, for the first time in 10 years."

- **Real median family income has increased slightly under President Clinton, after falling 4 percent during the Bush Administration.** [Source: Bureau of the Census, *Income, Poverty, and Valuation of Noncash Benefits: 1994.*]

- **Under President Clinton, every family income group, from the most well-off to the poorest, has experienced an increase in income, adjusted for inflation.** While it is true that income inequality rose between 1992 and 1994, it was a result of the incomes of the wealthy growing faster than the incomes of everyone else. [Source: Bureau of the Census, *Income, Poverty, and Valuation of Noncash Benefits: 1994*, Series P-60-189, Table F-1a.]

- **Under President Bush, every group grew poorer.** Between 1988 and 1992, every family income group -- the well-off and the poor alike -- experienced a real ***decline*** in their income. [Source: Bureau of the Census, *Income, Poverty, and Valuation of Noncash Benefits: 1994*, Series P-60-189, Table F-1a.]

FALSE CLAIM ON CLINTON STANDS FOR MORE SPENDING & BIGGER GOVERNMENT

FALSE CLAIM: *Clinton is a big spending liberal.*

THE FACTS: **UNDER PRESIDENT CLINTON, THE ERA OF BIG GOVERNMENT IF OVER:**

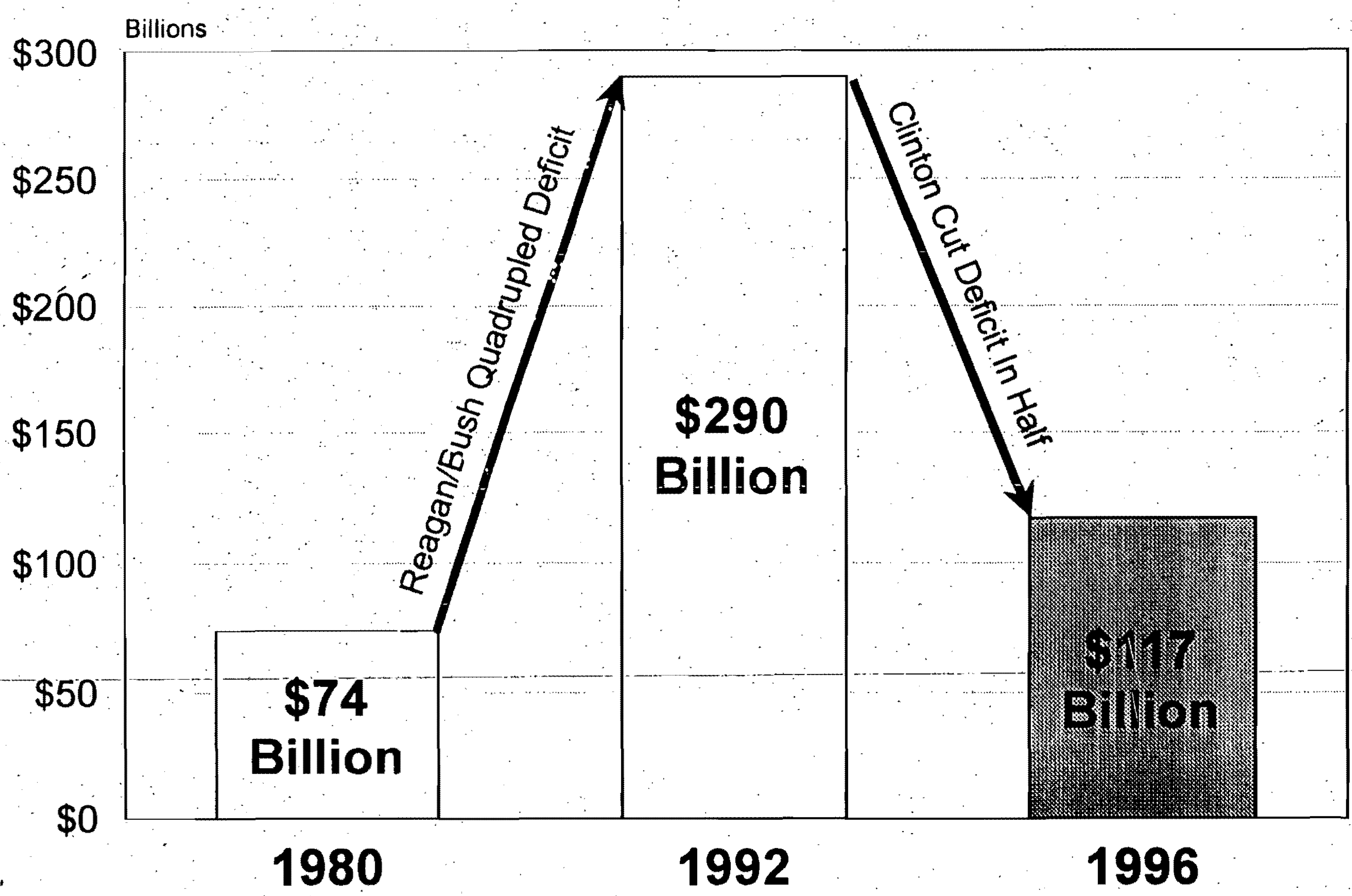
- **Cut the Deficit More Than In Half.** First President to cut the deficit 4 years in a row since before the Civil War. As a share of the economy, the deficit will be the smallest since 1974 and is now the smallest among the major economies of the world.

- **Balancing the Budget.** First President in 17 years to submit a balanced budget using CBO numbers. If it weren't for the interest on the debt accumulated during Reagan-Bush, the budget would be in balance.

- **Cutting Spending.** Passed one of the largest spending cut packages in history in 1993. Federal government spending -- as a share of the economy -- has fallen from 23.3% to 21.7% under Clinton and is now lower today than at any time under Reagan or Bush.

- **Smallest Government in 30 Years.** President Clinton has reduced the federal workforce by 230,000 to its smallest size in 30 years. Closing over 2,000 unnecessary field offices, eliminating 16,000 pages of unneeded regulations, and proposed terminating over 400 programs and projects.

President Clinton Cut the Deficit In Half -- Reagan/Bush Quadrupled It



Source: Office of Management and Budget

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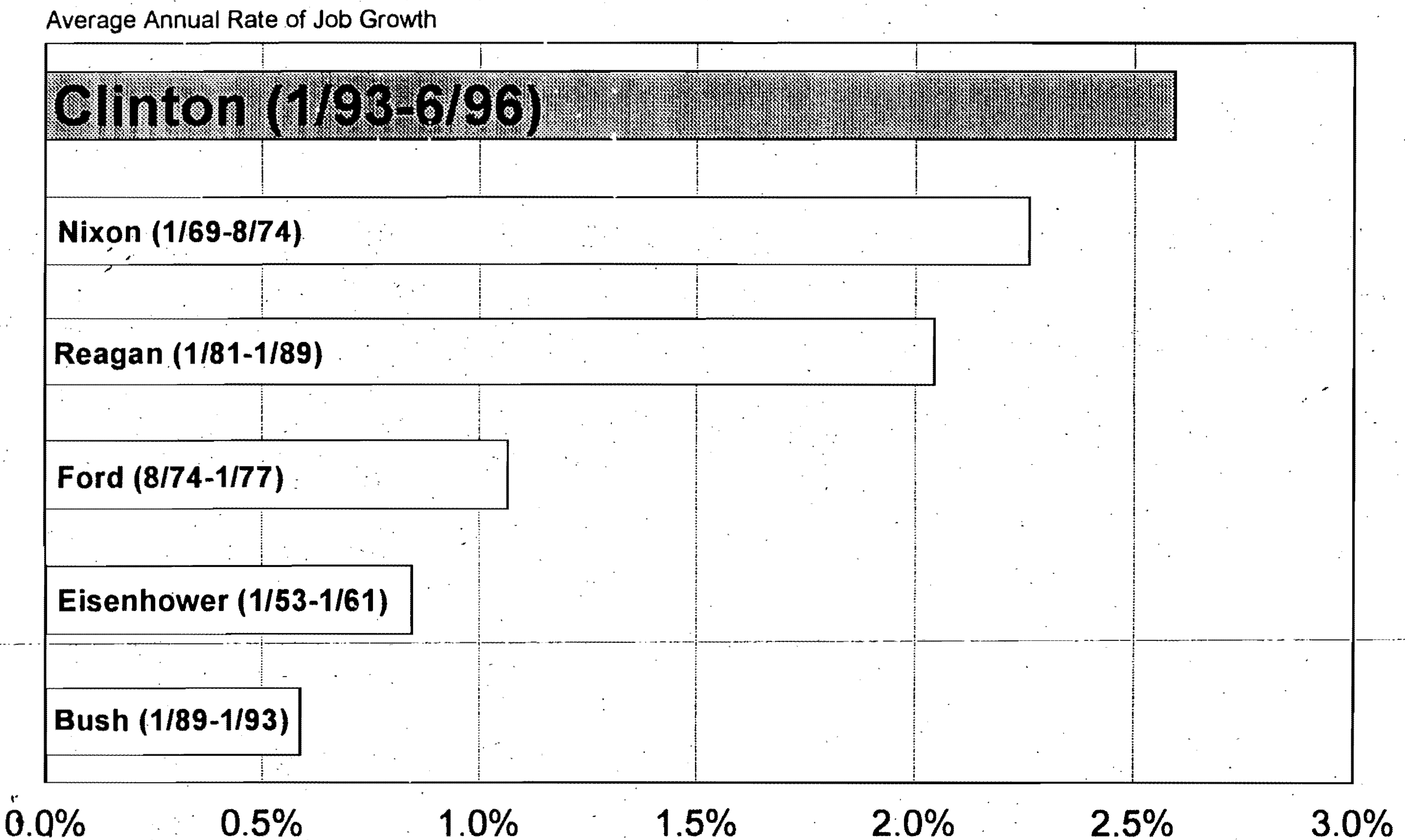
10 Million New Jobs Under President Clinton:

Stronger Job Growth Than Any Republican President Since The Roaring 1920s



Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.

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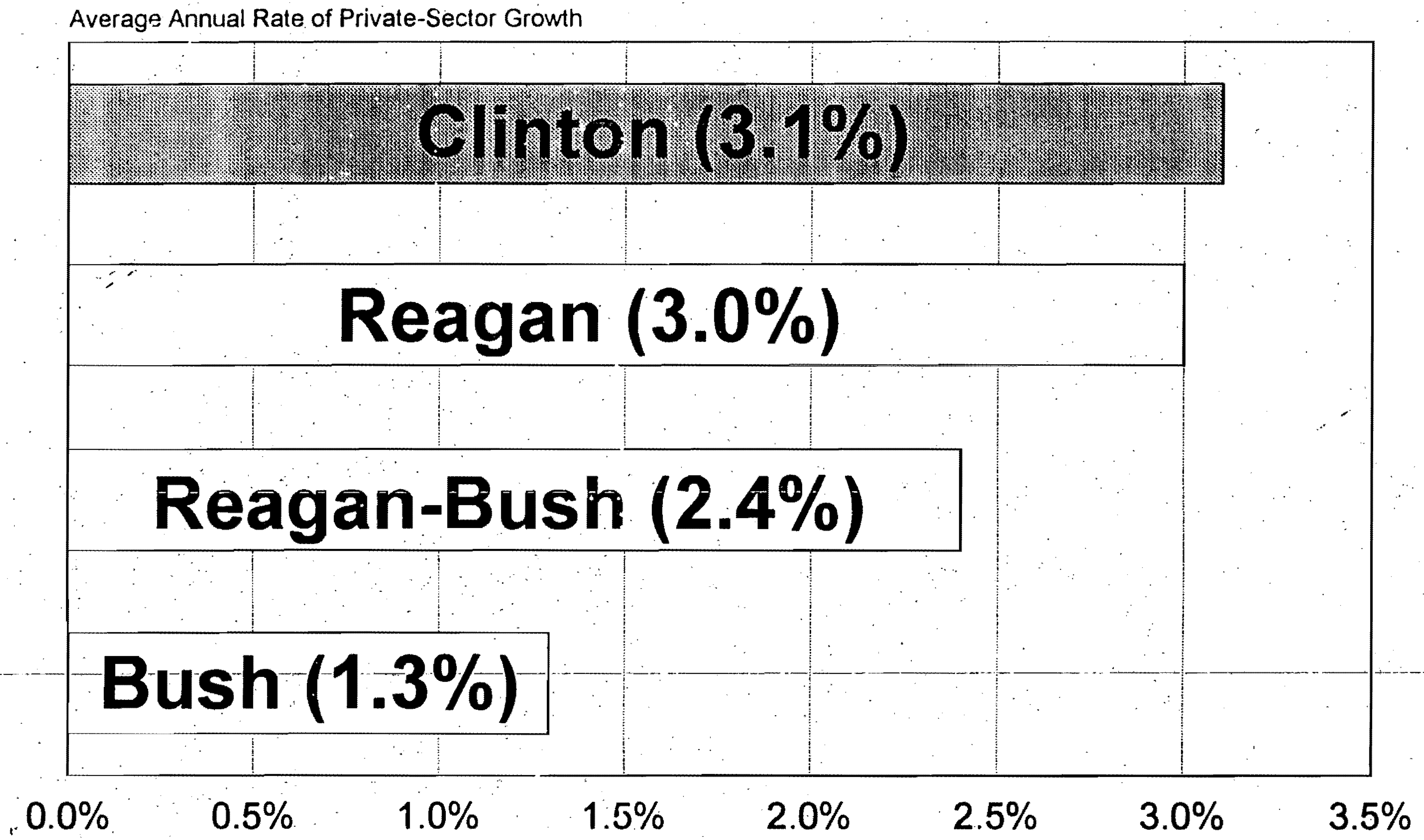
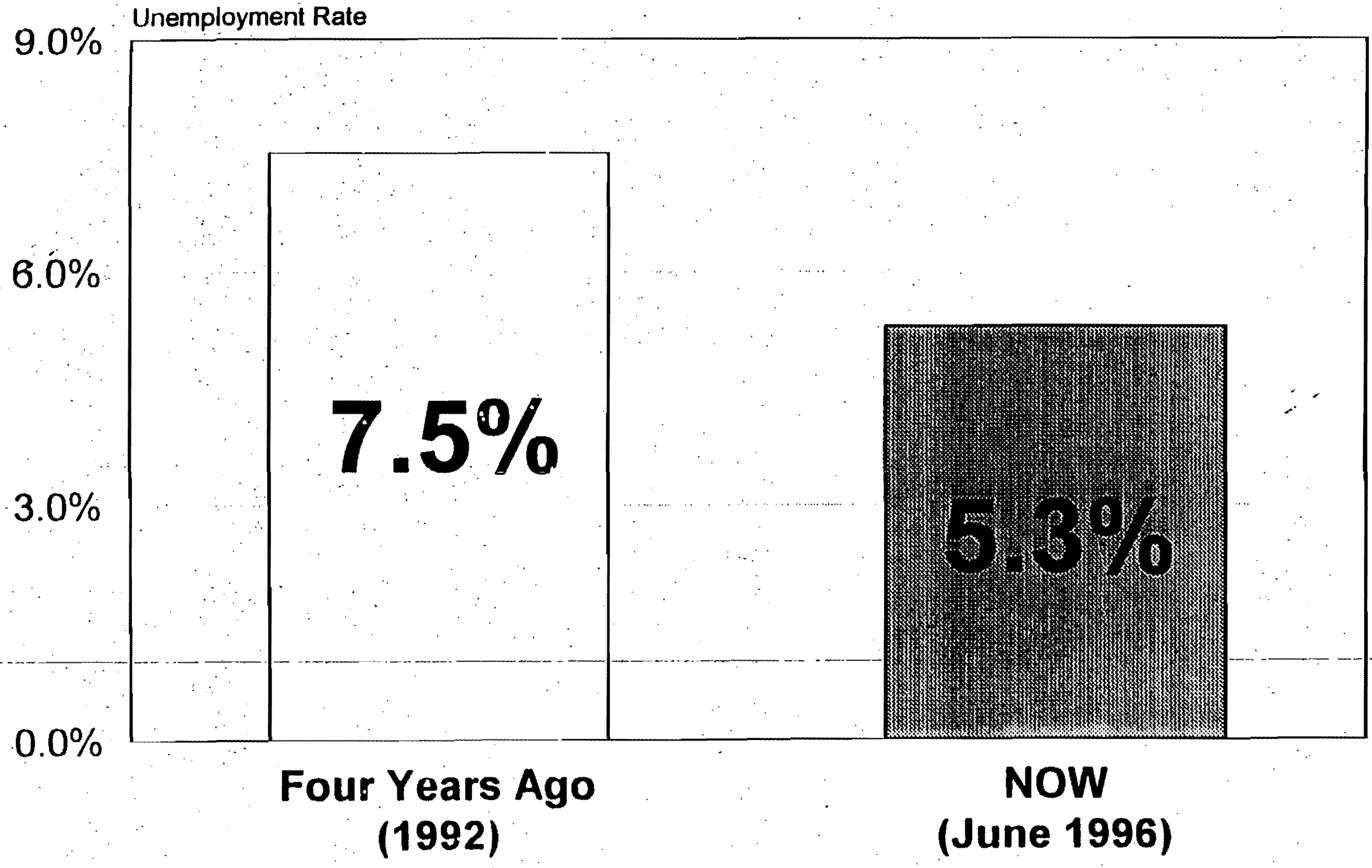
Private-Sector Growth Is Stronger Under President Clinton



Source: Based on data from the Department of Commerce, Bureau of Economic Analysis.

Unemployment Is Down Under President Clinton



PROVING THE REPUBLICAN DOOM-SAYERS WRONG

What Republicans Predicted In 1993:

Senator Bob Dole

- *"Does the president's plan reduce the deficit? Unfortunately, for America's future and the future of our children and grandchildren, the answer is no.."* [Congressional Record, 8/4/93]

Representative Newt Gingrich:

- *"The tax increase will kill jobs and lead to a recession, and the recession will force people off of work and onto unemployment and will actually increase the deficit."* [Atlanta Journal-Constitution, 8/6/93.]

Senator Pete Domenici:

- *"April Fool, America. This Clinton budget plan will not create jobs, will not grow the economy, and will not reduce the deficit."* [Dallas Morning News, 4/2/93.]

Representative John Kasich:

- *"...We're going to find out whether we have higher deficits, we're going to find out whether we have a slower economy, we're going to find out what's going to happen to interest rates, and it's our bet that this is a job killer..."* [Republican Press Conference, 8/3/93.]

- *"The Democrats have the job killer program."* [Congressional Record, 3/18/93.]

- *"It's like a snake bite. The venom is going to be injected into the body of this economy, in our judgement and it's going to spread throughout the body and it's going to begin to kill the jobs that Americans nc have."* [Congressional Record, 3/18/93.]

Representative Dick Armey:

- *"The impact on job creation is going to be devastating."* [CNN, 8/2/93.]

- *"...will grow the Government and shrink the economy. It will mean fewer jobs for ordinary Americans."* [Congressional Record, 8/5/93.]

- *"Clearly this is a job-killer in the short run."* [CNN, 8/2/93]

Senator Connie Mack:

- *"This bill will cost America jobs, no doubt about it."* [Congressional Record, 8/6/93.]

What Really Happened:

> ***New Yorker*, 6/10/96:** "With interest rates so low, the economy grew at a rate that made a mockery of the Republicans' dire predictions."

August 19, 1996

MEMORANDUM FOR DISTRIBUTION

FROM: ANN WALKER

RE: ACCOMPLISHMENT DOCUMENT

Please review the highlighted portion of the attached accomplishments document for content and message accuracy. As the document needs to be updated as soon as possible, I need edits returned to me by COB tomorrow (Tues.).

Please call if you have questions.

DRAFT DRAFT

PRESIDENT BILL CLINTON: MEETING AMERICA'S CHALLENGES IN AN AGE OF POSSIBILITY

"Now it is time for us to look also to the challenges of today and tomorrow, beyond the burdens of yesterday. The challenges are significant. But America was built on challenges, not promises....I am confident: When Americans work together in their homes, their schools, their churches, their synagogues, their civic groups, their workplace, they can meet any challenge."

-- President Clinton, State of the Union Address
January 23, 1996

August 1996

First Challenge: To Cherish Our Children and Strengthen America's Families.

Cherishing our Children

- Announced a breakthrough agreement with the media and entertainment industry to develop a **television ratings system** to enable parents to protect their children from violence and adult content.
- Gave parents greater control over what their children watch on television by requiring the installation of anti-violence screening chips (**"V-chips"**) in all new television sets.
- Joined together with the four major television networks to support a proposal to require broadcasters to air **three hours of quality educational programming** each week.
- Proposed targeted measures to cut off **children's access to tobacco products** and to reduce their **appeal to children**.
- Established a Childhood Immunization Initiative to ensure **vaccinations and healthy futures for all children**. In 1995, the immunization rate for two-year old children reached 75%, an historic high.

Strengthening our Families

- Enabled **workers to take up to 12 weeks of unpaid leave** to care for a family member without fear of losing their jobs by enacting the Family and Medical Leave Act -- more than 12 million people have taken leave since its enactment.
- Proposed expanding the Family and Medical Leave Act to better help workers care for their families without sacrificing their work obligations. The expansion will **allow workers to take up to 24 hours of unpaid leave** in support of their children's educational needs, older relatives' health care and other family medical and dental obligations.
- Proposed an employee choice **flex-time initiative** that will allow workers to agree with their employers to work overtime in exchange for up to 80 hours of paid time-off ("flex-time"). Under the President's proposal, workers could choose to receive time-and-a-half in flex-time or in cash pay for each hour of overtime and could use their accumulated flex-time for any purpose.
- Provided **tax relief for 15 million working families** by increasing the Earned Income Tax Credit to allow more families to qualify for tax rebates.

- Ended welfare as we know it by transforming a broken welfare system that trapped too many people in a cycle of dependence to one that emphasizes work, independence and responsibility. (Personal Responsibility and Work Opportunity Act)
- Helped move **1.3 million people** from welfare to work -- decreasing welfare rolls by 10% since taking office.
- Helped families move from **welfare to work** by authorizing **41 states** to bypass existing welfare rules and set time limits on benefits, require recipients to work or stay in school, provide child care and give employers incentives to hire welfare recipients. These waivers are making work and responsibility a way of life for **75% of all welfare recipients**.

Ensuring Responsibility

- Collected a **record $11 billion in child support** in 1995 through tougher enforcement, almost a 40% increase over 1992.
- Implemented a **new child support enforcement project** to help track down non-paying parents across state lines; challenged states to adopt new hire programs to catch delinquent parents who move from job to job; and issued new regulations to require women who apply for welfare to comply with paternity establishment requirements before receiving benefits, except in cases of rape or threat to the mother's safety.
- Issued an Executive Order to help track down **federal workers who fail to pay child support**.
- Worked with community, business and religious leaders to form a **national campaign to reduce teen pregnancy**.

Second Challenge: To Provide Educational Opportunities for the New Century.

Making the Necessary Investments in Education

- Increased **Head Start funding by almost $800 million** to provide early education to tens of thousands of additional children in need.
- Supported the development of **voluntary standards of excellence** for students while encouraging grassroots reforms to improve our schools. (Goals 2000: Educate America Act)
- Encouraged schools, colleges and employers to join in creating **school-to-work opportunities**, providing students with work-based learning and giving them new pathways from high school to good jobs and post-secondary education. (School-to-Work Opportunities Act)
- Gave schools **greater flexibility to use federal aid** and develop **effective teaching innovations** to help all students achieve their full potential. (Improving America's Schools Act)

Preparing Our Schools for the 21st Century

- Proposed a **$2 billion Technology Literacy Challenge Fund** to help communities and the private sector ensure that every student is equipped with the computer literacy skills needed for the 21st century.
- Launched an **Educational Technology Initiative** to connect every classroom to the Information Superhighway and provide all students with access to computers by the dawn of the next century.
- Challenged each state to give **parents the right to chose** the public school their children will attend and to allow parents, teachers and administrators to form new charter schools.

- Proposed spending $5 billion to help local communities and states rebuild the nation's schools. (School Construction Initiative)

Opening the Door to College

- Reformed the **student loan program**, making college more affordable this year for millions of students in the Direct Lending program and others who will have access to flexible repayment options, including pay-as-you-earn plans. (Student Loan Reform Act)
- Enabled **45,000 volunteers to earn money for college** by serving their communities and their country in the **AmeriCorps** program. (National Service Act)
- Proposed **America's Hope Scholarships** to make access to two-years of college universal by providing students with a $1,500 refundable tax credit for full-time tuition in their first year of college and another $1,500 credit in their second year if they work hard, stay off drugs and earn at least a B average in their first year.
- Increased the Pell Grant from $2,300 to $2,470 and proposed an increase to $2,700 in 1997 during which the program will provide grants to 3.8 million students.
- Challenged Congress to make **$10,000 of college tuition tax-deductible each year**; expand **work-study** to help 1 million young Americans work their way through college by the year 2000; provide **$1,000 merit scholarships** for the top 5% of graduates in every high school; and increase the number of **Pell Grants** for students who need help.

Third Challenge: To Help Every American Achieve Security in the New Economy.

Strengthening America's Economy

- Submitted to Congress the **first genuine balanced budget in 17 years** -- balancing the budget in seven years based on both Administration and Congressional Budget Office estimates while protecting our fundamental priorities of Medicare, Medicaid, education and the environment.
- Won enactment of the **largest deficit-cutting plan in history** -- cutting the deficit by **more than half** within four years, after it quadrupled during the previous two Administrations.
- First President to cut the deficit for four years in a row **since the 1840's**.
- Oversaw the creation of **10.2 million new jobs in three and-a-half years** -- a faster annual rate of job growth than any Republican Administration since the 1920's.
- **Unemployment rate has fallen to 5.4%** -- down from over 7% when President Clinton took office.
- **93% of all new jobs created are in the private sector** -- higher than the average percentage during any Administration since the Truman Administration.
- More than **3.5 million new jobs in high-wage industries** have been created since January 1993 -- by contrast, 200,000 high-wage industry jobs were lost in the previous four years.
- **Over One million new manufacturing, automotive and construction jobs** have been added since January 1993.
- Highest annual number of **new business incorporations** since World War II.
- Real median **family income has increased** during the Clinton Administration -- after falling 4% during the previous four years.
- **Real hourly wages** have risen for the first time in a decade.

- The combined unemployment, inflation and mortgage rate is at its **lowest level since 1968**.
- **Highest level of homeownership in 15 years.**
- Initiated a **National Homeownership Strategy** to help make 8 million Americans become new home owners by the year 2000.

Creating Economic Security

- Fought for and enacted meaningful **health insurance reform** to allow people to keep coverage when they change or lose their jobs and prevent denial of coverage due to pre-existing conditions. (Health Coverage Availability and Affordability Act).
- Raised the **minimum wage** to provide the opportunity for working Americans to lift themselves and their families out of poverty.
- Protected the pensions of 40 million workers and retirees by **reforming the federal pension insurance system** and requiring companies to keep their retirement plans sufficiently funded. (Retirement Protection Act)
- Made it easier for small companies to offer pensions to their workers by simplifying pension rules. (Small Business Job Protections Act)
- Proposed a **$2,600 job-training voucher** program to allow unemployed workers the freedom to choose the training programs that are right for them.
- Challenged Congress to enable Americans to **save for their retirements** by increasing pension portability, enhancing pension protection and expanding coverage.

Opening New Markets to Create Jobs for U.S. Workers

- President Clinton stood up for American workers and opened more markets to U.S. goods and services by negotiating **200 separate trade agreements**, including NAFTA and GATT -- exports have surged **31% over the last three years.**
- **More than 1 million new export-related jobs** have been created under the Clinton Administration -- jobs supported by exports pay on average 15% more than other jobs.
- America is once again the **world's number one manufacturer of automobiles** -- overtaking Japan for the first time since the 1970's.
- American goods exported in sectors covered by Clinton Administration trade agreements with Japan have grown over 85% -- **three times faster** than growth in other U.S. goods exported to Japan.
- The United States was named the **most competitive major economy in the world** for the third year in a row.

Fourth Challenge: To Take Back Our Streets from Crime, Gangs and Drugs.

Won Passage Of The Toughest and Smartest Crime Bill Ever

- Puts **100,000 more police officers** on the street -- more than 44,000 officers have already been funded.
- Imposed a targeted **"Three-Strikes-and-You're-Out"** provision to put career violent offenders behind bars for life.
- Expanded the **death penalty** to include drug kingpins, murderers of federal law enforcement officers and nearly 60 additional categories of violent felons.
- Provided funding for **100,000 more prison cells** to help states ensure that violent offenders serve their full sentences.
- The number of **murders fell 8%** in 1995 -- one of the largest decreases in more than 30 years. **Violent crime dropped 4%** and the nation's largest cities saw **overall crime fall 6%** during the same period.

Keeping Guns Out of the Hands of Criminals

- Stood up to the gun lobby and won passage of the **Brady Bill** -- as a result, more than **60,000 fugitives, felons and other criminals** have already been blocked from buying handguns.
- Banned the manufacture and importation of **19 of the deadliest assault weapons** while specifically protecting more than 650 legitimate sporting weapons. (Assault Weapons Ban)
- Initiated a partnership between local and federal law enforcement to **crack down on crime gun traffickers**, especially those who traffick with children, by tracing firearms found on youths back to the gun traffickers.

Combating Drug Use

- Developed a comprehensive **National Drug Control Strategy** that will reduce illegal drug use through law enforcement, prevention, treatment and interdiction.
- Breaking the cycle of drugs and crime through **universal drug testing** in the criminal justice system and by providing funding for **drug courts**.
- The number of Americans who use cocaine has **declined 30% since 1992**.
- Drug case prosecutions have **increased 13% since 1994** and federal prosecutors achieved an 85% conviction rate in all drug cases in 1994.

Fighting to End Domestic Violence

- Tripled funding for **battered women's shelters** and providing **$156 million in state grants** to bolster local law enforcement, prosecution and victims' services to better address violence against women. (Violence Against Women Act)
- Established nationwide 24-hour **domestic violence hotline** providing immediate crisis intervention, counseling and referrals for those in need.

Cracking Down on Youth Violence

- Initiated a **Gang Tracking Network** that will provide law enforcement officials with the ability to quickly and efficiently exchange information on gang activity.
- Proposed **trying juveniles who commit violent or drug-related crimes as adults**; reinstating the ban on guns in schools; a $75 million grant program for juvenile drug and gun courts; and **increasing the penalties** for drug dealers who sell drugs to children or use them to sell drugs. (Anti-Violence and Youth Crime Control Act)
- In 1995, the juvenile violent crime rate declined for the **first time in nearly a decade** and the juvenile murder rate **decreased more than 15%**.

Making Our Schools and Communities Safer

- Keeping dangerous weapons out of our children's classrooms by enforcing a **"Zero Tolerance" gun policy in schools**.
- Reducing **violence and drug abuse in our schools** by investing in school security, drug prevention programs and counseling. (Safe and Drug-Free Schools Act)
- Encouraged schools to consider adopting **school uniform policies** to reduce violence while promoting discipline and respect; communities to implement **curfews** to get children off the streets and out of harms way; and teachers and law enforcement to enforce **truancy** laws so that children are learning about life in school and not on the streets.
- Announced a **Citizen Patrol Phone Initiative** to help provide 50,000 cellular phones and free air time to citizen patrols and community blocks watches throughout the country.
- Focused the nation's attention and resources to help **stop the rash of church burnings** across the country, prosecute those responsible and speed the rebuilding process.

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Making Our Schools and Communities Safer

- Keeping dangerous weapons out of our children's classrooms by enforcing a **"Zero Tolerance" gun policy in schools.**
- Reducing **violence and drug abuse in our schools** by investing in school security, drug prevention programs and counseling. (Safe and Drug-Free Schools Act)
- Encouraged schools to consider adopting **school uniform policies** to reduce violence while promoting discipline and respect; communities to implement **curfews** to get children off the streets and out of harms way; and teachers and law enforcement to enforce **truancy** laws so that children are learning about life in school and not on the streets.
- Announced a **Citizen Patrol Phone Initiative** to help provide 50,000 cellular phones and free air time to citizen patrols and community blocks watches throughout the country.
- Focused the nation's attention and resources to help **stop the rash of church burnings** across the country, prosecute those responsible and speed the rebuilding process.

Securing America's Borders

- Stood firm against illegal immigration and deported a record **51,600 illegal and criminal aliens** in 1995 -- a 15% increase over 1994.
- Increased the number of Border Patrol agents at the southwest border by 40% and deployed underground sensors, infrared night scopes and encrypted radios, built miles of new fences and massive amounts of new lighting to stem the flow of illegal aliens into the United States.
- Moved forcefully to **protect American jobs** by calling upon Congress to enact increased civil and criminal sanctions against employers who hire illegal workers -- since 1993, more than 30,000 illegal workers have been removed from jobs across the country.

Fifth Challenge: To Leave Our Environment Safe and Clean for the Next Generation.

Ensuring Public Health

- Made the air we breathe cleaner by issuing **new standards to cut toxic pollution** from chemical plants by **90%** and dangerous incinerator emissions by **98%**.
- Fought **attempts in Congress to roll back** the progress made in ensuring safe food and water for our families.
- Proposed and signed legislation to ensure that our families have **healthy, clean drinking water**. (Safe Drinking Water Act)
- Required drinking water systems to **test for and eliminate dangerous contaminants**.
- Issued **new standards to prevent *E. coli* bacteria contamination** in meat.
- Enacted legislation to strengthen standards for pesticides in food -- including special safeguards for children. (Food Quality protection Act) Canceled 75 hazardous pesticides while moving safer substitutes into the market more quickly.
- Expanded the public's **right-to-know** about toxic releases and required polluters to disclose information to the public.
- Ensured compliance with environmental safeguards by **toughening EPA's enforcement programs**.
- Working with auto manufacturers to develop a "**clean car**" -- a partnership that could dramatically reduce toxic car emissions and triple gas mileage.
- Fought Republican Congressional attempts to gut the Superfund law that makes polluters -- rather than taxpayers -- pay to clean up toxic dumps. Vetoed Republican Congressional bill that cut Superfund clean ups by 25%.

Protecting our Natural Resources

- Fought attempts to close **national parks** and lift the ban on offshore oil drilling.
- Committed $1.5 billion over seven years to help restore the unique **Florida Everglades**.
- Broke through decades of conflict and negotiated a consensus plan to protect and allocate **California Bay-Delta water**.

Common Sense Reforms to Environmental Programs

- Changed EPA rules and procedures to **reduce paperwork requirements** for businesses by 15 million hours.
- Initiated **Project XL** to achieve better public health and environmental protection at reduced costs by providing businesses the flexibility to explore innovative solutions to their environmental problems.
- Reformed wetlands and endangered species programs to lessen any adverse impact on homeowners.
- Launched a **Brownfields Initiative** to return land to productive use by providing tax incentives to clean-up old industrial waste sites.

Sixth Challenge: To Maintain America's Leadership in the Fight for Freedom and Peace.

Leading the Fight for Peace

- After first brokering **Dayton Peace Accords** and ending four years of bloodshed in Bosnia, The United States is now helping to provide secure environment so that elections and economic reconstruction can proceed.
- Championed peace efforts in the **Middle East** by negotiating the Israel-Jordan peace treaty and helping Israelis and Palestinians fulfill their historic peace agreement.
- Authored and organized strong **counter-terrorism initiatives** at the Summit of the Peacemakers in Egypt in March 1996 and at the G-7 Economic Summit in France in June 1996.
- Negotiated written agreement **between Syria and Israel** to end Hezbollah attacks on Israel and provide restoration of calm and protection of civilians on both sides of the Lebanon-Israel border.
- Restored democracy to **Haiti**, stopping the flow of refugees to the U.S. and accomplishing the first transfer of power from one democratically-elected president to another in Haitian history.
- Became the first American President to visit **Northern Ireland** in the pursuit of a just and lasting peace.

Making a Difference in America and Around the World

- **Russian nuclear missiles** are no longer pointed at America's children.
- Poised to reduce **nuclear stockpiles** by another 25% by successfully securing bipartisan Senate ratification of the Start II Treaty with Russia.
- Imposed the **toughest sanctions ever** on Castro's Cuba following the brutal killing of U.S. nationals over international waters.
- Shaped new American military for post-Cold War challenges to peace, ensuring America remains the **best-equipped, best-trained and best-prepared fighting force in the world**.

- Intensified the **fight against terrorism** and organized crime at home and abroad by pressing for new anti-terrorism legislation providing law enforcement officials with tough, updated tools to stop terrorists before they strike and to insure strong penalties for the convicted.

Seventh Challenge: To Reform Our Political System and Make Government Work for the People.

Reforming Our Political System

- Made voting easier for more than 11 million Americans by creating more accessible **"motor-voter"** registration locations. (National Voter Registration Act)
- Enacted the **first major overhaul of lobbying rules in 50 years** -- now lobbyists must disclose the organizations for which they work. (Lobbying Disclosure Act)
- Fought for passage of **comprehensive campaign finance reform** to curb the influence of money in our political system.
- Imposed the strictest Administration **ethics guidelines** ever, including a five-year ban on top officials lobbying their former agencies and a lifetime ban against lobbying for foreign governments.
- Ensured that the **same laws apply to Congress** as to the rest of America. (Congressional Accountability Act)

Making Government Work Better and Cost Less

- Cut the federal civilian workforce by over **225,000 positions** -- the size of the federal government is now at its **lowest level** in **30 years**.
- Eliminating more than **16,000 pages of unnecessary regulations**.
- Saved taxpayers **$58 billion** by cutting wasteful government practices and spending through the Vice President's Reinventing Government efforts. Additional recommendations will save another **$116 billion**.
- Prohibited Congress from imposing new requirements on state and local governments without paying for them. (Unfunded Mandates Reform Act)
- Fought for and signed **line-item veto** legislation to change the way Washington works by cutting spending on wasteful special-interest projects.
- Gave **taxpayers new protections** when dealing with the IRS including longer grace periods within which to make tax payments without owing making it easier to recover legal fees if improper action has been taken against them and
- Transformed the Federal Emergency Management Agency **(FEMA)** from a disaster into a disaster relief agency.

(1) Info from DOE
(2) budgets
(3) G2, T1 files

EDUCATION

"People who work hard still need support to get ahead in the new economy. They need education and training for a lifetime. . . More and more Americans are finding that the education of their childhood simply doesn't last a lifetime."

President Bill Clinton
January 23, 1996

The Clinton Administration has made an unprecedented commitment to provide Americans with the educational opportunities they need to improve their skills and maximize their potential. President Clinton has fought hard to help equip students with the education, training and know-how necessary to keep America competitive.

The President has compiled an impressive record of achievement in improving the nation's education system with a series of new reform proposals. While bringing the deficit down by historic amounts and proposing a balanced budget within seven years, President Clinton has still made investing in education a top priority. Between 1992 and 1996, the dollar amount of aid to college and post-secondary students -- including loans, grants and work-study -- increased from $22.5 billion to $38.3 billion. In addition, the President's FY 1997 balanced budget included a 24% increase in major education and training programs over 1993 levels.

A RECORD OF ACCOMPLISHMENT:

over 50,000 since FY94

- **National Service**: President Clinton created the AmeriCorps program -- signed into law in September 1993 -- to enable young people to earn money for college by serving their communities and their country. In the past two years, 45,000 volunteers have worked in schools, hospitals, neighborhoods and parks. FY96 - 25,000 ~~FY97 - 30,000~~

- **Head Start**: President Clinton has made expanding and improving pre-schooling a priority for helping families give their children a good start on the right course. The President has increased Head Start funding to provide early education to tens of thousands of additional children in need and is committed to funding 1 million Head Start opportunities for preschool children by 2002. Based on recommendations by the Head Start Advisory Commission, Head Start was reauthorized in 1994 with major quality improvements. 802,000 by FY2002

- **Direct Lending for College**: President Clinton reformed the student loan program, making college more affordable this year for 2.8 million students in the Direct Lending program who will have access to flexible repayment options, including pay-as-you-earn plans. Over 1,750 schools, representing 50% of the total amount of loans, are expected to participate in the Direct Lending program this year. 1.4M

- **GOALS 2000: Raising Education Standards:** In 1994, President Clinton signed into law the Goals 2000 Act which supports the development of standards of excellence for students and encourages grassroots reforms to improve our schools. ~~More than~~ 48 states and thousands of schools participate in Goals 2000 and have developed their own strategic plans for educational improvement based on raising academic standards, improving teaching, increasing parental involvement and expanding the use of technology in the classroom.

- **Improving America's Schools Act:** By enacting the Improving America's Schools Act, President Clinton has given schools greater flexibility to use federal aid and develop effective teaching innovations to help students achieve their full potential. This law focuses on improvements in teaching the basics in more than 50,000 schools and has a direct impact on 7 million children.

- **School-to-Work Opportunities Act:** Signed by President Clinton in May 1994, this Act broadens educational, career and economic opportunities for students not immediately bound for four-year colleges through local partnerships among businesses, schools, community organizations and state and local governments. By equipping students with the knowledge and skills necessary to pursue work or post-secondary training, this law helps ensure that America will be capable of performing and prospering in a competitive global economy.

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- **Pell Grants:** President Clinton has consistently supported increases in the minimum Pell Grant, which provides aid to help low income families pay for college. Under President Clinton, the Pell Grant has grown from $2,300 to $2,470. The President has also proposed an increase to $2,700 in 1997, during which the program will provide grants to 3.8 million students.

- **Access to Advanced Telecommunications:** President Clinton enacted the Telecommunications Act of 1996 to help ensure that schools, libraries, hospitals and clinics will have affordable access to advanced telecommunications services. The Telecommunications Act can help connect each child in every classroom throughout America to the Information Superhighway -- opening up worlds of knowledge and opportunities to all students.

- **Technology Learning Challenge:** President Clinton proposed this program to challenge communities to form local partnerships between schools and private businesses to develop creative new ways to use technology for learning. Federal funds leverage local resources -- each federal dollar is matched by more than three dollars of local and private funds.

- **Religious Freedom:** President Clinton helped end 30 years of uncertainty over school prayer and the religious rights of students by directing Attorney General Reno and Secretary of Education Riley to prepare guidelines outlining the many religious rights of students in our nation's public schools. According to the National ~~Association of~~ Schools Boards, the result has been a marked decline in uncertainty over religious expression in our public schools.

Association

- **Character Education**: President Clinton has been and remains a vigorous proponent of teaching basic American values and citizenship in our nation's public schools. The President has hosted ~~two~~ three White House Conferences on Character Education and has encouraged the development of character education through the Improving America's Schools Act. → legislation

- **School Uniforms**: President Clinton has encouraged schools to consider school uniform policies to help reduce violence while promoting discipline and respect. press rel

- **Keeping Children Safe in School**: In response to the growing problem of violence in and around our nation's public schools, President Clinton enacted the Gun-Free Schools Act, which requires the immediate expulsion for one year of any student who brings a gun to school. The President also provided funding for enhanced school security, drug prevention programs and training teachers to deal with violence through the Safe and Drug-Free Schools Act.

THE CHALLENGES AHEAD:

President Clinton remains committed to improving education and has vowed to continue helping Americans invest in their children's future. The President has made the following proposals:

- **Technological Literacy for the 21st Century**: President Clinton proposed the creation of a $2 billion, five-year Technology Literacy Challenge to get connections to the Information Superhighway, computers, well-trained teachers and challenging educational software into every classroom. The Challenge will stimulate state, local and private sector efforts to provide all children with greater opportunity to learn the skills they need to thrive in the next century. The Technology Literacy Challenge will ensure that local innovation keeps U.S. schools on the leading edge of learning technologies.

3/29 Summit spec

- **Higher Education Standards for Students and Teachers**: In order to ensure America's competitive strength, President Clinton wants to see both public school students and teachers challenged by meaningful, rigorous standards and rewarded when they perform.

- **Public School Choice**: President Clinton believes that information, competition and choice among public schools should be the rule, not the exception. Any parent who is dissatisfied with either their child's performance or the school's performance should have the opportunity to choose a public school that will do better.

- **Charter Schools**: To ensure that parents have the opportunity to choose a school for their children, the President called on all 50 states to enact charter school laws. Twenty-one states currently have laws providing for the creation of charter schools -- public schools, created and managed by parents, teachers and administrators. Charter schools have greater flexibility, but are held accountable for their results through a performance-based contract with a local school board, state or other public institution.

- **Parental Involvement**: President Clinton believes strongly that parents are and should continue to be their children's first and most important teachers. Parents must take an active role in their children's education. The President has also challenged businesses and schools to be supportive and family-friendly.

- **National Service Scholarships**: President Clinton has challenged every high school student in the country to make a commitment to community service. To support this commitment, the President is asking all high schools to make service part of their basic ethic and to raise $500 to reward a high school student who has done significant work to help his or her community. The federal government will then match the $500 to help that student go on to college.

- **Merit Scholarships**: The President called for the creation of the largest-ever merit-based scholarship program, rewarding the top 5% of high school graduates in every school with $1,000 grants toward the cost of college. If this proposal is enacted this year, 128,500 graduating high school seniors will receive a scholarship to help finance their college education.

approx. $130M so OK

OK

- **Expand and Transform Work Study**: The President proposed a dramatic expansion of the College Work Study program. Increasing the number of students involved in work study from 700,000 to over 1 million students over the next five years will significantly expand a program that reaffirms the American ethic, rewards hard work and helps ensure that all who want a higher education are able to afford it. The President has challenged colleges to use additional work study funds to promote public service by putting students to work in the community.

done

- **Tuition Tax Deduction**: The President has called for a tax deduction of up to $10,000 per year for the cost of college tuition and training. Families could deduct up to $10,000 in tuition and fees for post-secondary education. Over 17 million students and over 14 million families stand to benefit from this proposal for tax relief to working families.

- **Employer-Paid Educational Assistance**: To increase educational opportunity and provide incentives for companies to invest in their employees, the President has proposed permanently extending the "Section 127" exclusion for employer-provided educational assistance. The section, which expired in 1994, allowed employees to exclude employer-provided educational assistance from their taxable income. In addition, the President has proposed allowing small businesses a 10% tax credit for amounts paid for employee education and training under a Section 127 program.

May 1996

AMERICORPS

- How many times has the Republican Congress tried to eliminate or cut AmeriCorp funding?

- How does the Administration respond to attacks on Americorp? Specifically, when the program is deemed ineffective, too expensive -- "According to GAO each Americorp participant cost is $26,654.

- Statistically, how can we argue that the program is a success? How many students have particiated to date and how many serve each year?

HEAD START

- We need a funding chart, starting with 1st Administration budget, showing:

  President's request
  House Passed Appropriations
  Senate Passed Appropriations
  Enacted

- How many children have beneffited from Administration efforts to improve/expand Head Start? Is this information available by state? What other statistics could be used to demonstrate effectiveness on this issue?

SCHOOL LUNCHES

- How does the Administration respond to charges that our FY 97 school lunch budget was equal tothe FY 96 Republican Congressional budget? Is the best distinction between the two budgets the block grant argument or are there other distinctions that can be drawn?

EDUCATION FUNDING

- Could a chart be developed outlining all the major Administration initiatives on Education by year and what specifically has been accomplished/granted/funding approved/funding proposed?

- Additionally, for those programs funded through Congress can the funding be charted by year in the following way:

  President's Request
  House Passed Appropriations
  Senate Passed Appropriations
  Enacted

  This chart would need budget pages as documentation.

- How has the Administration used Title 1 funding to reduce class size? (Is Title 1 even the program that affects class size -- if not which one does and what have we done?) What statistics would support our efforts to reduce class size through this program? Is any of this information on class size available by state? If our Title 1 efforts were legislative, what action did the Administration take to ensure Congress fulfilled our request?

- How can the Administration demonstrate that it has effectively used Title 1 money to improve poorer school districts?

HIGHER EDUCATION

- Cite and Documentation Needed:

  "President Clinton reformed the student loan program, making college more affordable for more than 5 million students and saving taxpayers billions of dollars. And he greatly increases access to higher education through his new Direct Lending program that makes it easier for millions of students tomorrow for college and offers better repayment terms, allowing students to repay their loans as a percentage of their income."

- Cite and Documentation Needed for each of the following points:

I ***President's Plan for Guaranteed Access to College***

The above initiatives build on the President's plan to guarantee that college is accessible and affordable for everyone:

The new America's HOPE Scholarship Tax Cut: $1,500 refundable tax credit for the first two years at any college. To receive $1,500 the second year, students must earn at least a B average the first year and remain drug-free. Works with the President's $10,000 Education Tax Deduction -- this combined with the $1,500 tax credit will benefit 18 million students.

* *With the increased Pell Grant program support, students have access to up to $5,100 in Pell Grants and student loans for their first year in college, and much more in future years.*

* *The new Direct Student Loan program enacted as part of the President's 1993 Economic Plan is allowing millions of students to borrow in a simpler, less bureaucratic way, and to pay back their loans as a share of their income.*

* *New Direct Loans With Pay-As-You-Can Option: Will account for 50% of loans*

* *National Service -- AmeriCorps: 30,000 students earning up to $ 4,725 for service*

* *Work Study Expansion: Proposes expansion to 1 million participants by FY2002*

* *Honors Scholarships: Proposes $1,000 scholarship for top 5% of every high school class*

* *IRAs for Education: Proposal allows penalty-free withdrawals for education*

* *Skill Grants: Proposed $2,600 Skill Grants to enable dislocated workers to get needed skills.*

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SAFE AND DRUG FREE SCHOOLS

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