Document No. ____________

WHITE HOUSE STAFFING MEMORANDUM

Date: 1·11·00 ACTION / CONCURRENCE / COMMENT DUE BY: 1·13·00 / NOON

Subject: FY2001 Budget chapters: Supporting Working Families + Educ

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	LOCKHART	☐	☐
PODESTA	✓	☐	MARSHALL	☐	☐
ECHAVESTE	✓	☐	MOORE	☐	☐
RICCHETTI	✓	☐	NASH	☐	☐
LEW	☐	☐	NOLAN	☐	☐
BAILY	☐	☐	REED	✓	☐
BERGER	☐	☐	SOSNIK	✓	☐
BLUMENTHAL	☐	☐	SPERLING	✓	☐
BURSON	☐	☐	STEIN	✓	☐
CAHILL	☐	☐	STREETT	☐	☐
EDMONDS	☐	☐	TRAMONTANO	✓	☐
FRAMPTON	☐	☐	UCELLI	☐	☐
IBARRA	☐	☐	VERVEER	☐	☐
JOHNSON, B.	☐	☐	____________	☐	☐
JOHNSON, J.	✓	☐	____________	☐	☐
LANE	☐	☐	____________	☐	☐
LEWIS	☐	☐	____________	☐	☐

REMARKS:

COMMENTS TO LINDA RICCI

RESPONSE:

Office of the Staff Secretary
Ext. 62702

C:\work\wp\linda\2001 budget writing\Sec. 4 Initiatives\Ch. 2 Wk Famlies\LRBud Chapter Working Families-David.wpd
January 11, 2000 (3:13PM)

4. SUPPORTING WORKING FAMILIES

"In this era of unprecedented prosperity, we still have some work ... to do to make sure that we embrace all Americans in this prosperity and to give every American the chance to succeed at work and at home. . . . America is a better place because our families are stronger, our children are growing up in more stable homes, and every adult American who is willing to work has a chance to do so."

President Clinton
August 3, 1999

While the surge of economic growth in the past seven years has presented a wealth of opportunities, this new economy also means that parents work harder than ever. Many face a constant struggle to fulfill their obligations as workers and the even greater responsibility of doing a good job in raising their children.

From the start, President Clinton has advanced policies to strengthen the family, in large part by helping Americans balance the twin demands of work and parenthood. The first bill he signed into law, two weeks after taking office was the Family and Medical Leave Act granting workers the right to12 weeks unpaid leave to care for a newborn child or a sick child or parent. The President has expanded after-school programs and funding for child centers, and early childhood learning, including in the past seven years increasing funding for Head Start by 90 per cent, to reach the goal of serving one million children by 2002.

In the course of this Administration, the President has sought to encourage and support work and responsibility, pillars of the family structure. A central goal of his 1993 economic package was to make work pay. The President's economic plan expanded the Earned Income Tax Credit, helping 15 million low-income working families. By 1997, the Earned Income Tax Credit lifted 4.3 million people out of poverty, more than twice as many as in 1993. In 1996, he proposed and signed into law an increase in the minimum wage, followed by, in 1997, the child tax credit of $500 per child and the State Children's Health Insurance Program (SCHIP), which provides health insurance to the children of low-income working parents who otherwise would not be able to afford it.

[This language below should be reviewed by Joe Minarik]

The President believes that parents who are able to work to support their children should do so rather than relying on welfare. In 1996, he signed legislation to reform the nation's welfare system into one that requires and rewards work and responsibility. There is now increased flexibility for States to administer work-focused welfare programs. In order to provide support for those entering the workforce, this legislation has expanded funds for child care. It has ensured that eligible working families retain access to Food Stamps and Medicaid, and significantly increased participation in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Welfare reform has also placed additional responsibility on non-custodial parents for financial responsibility in child rearing, by strengthening child support provisions. In order to support at-risk families and individuals, this Administration has advanced policies to provide support for those at-risk, which can prevent a slide into dependency.

In his 2001 Budget, the President builds upon these policies that are central to his agenda of work, responsibility and family. This budget promotes early learning and improves child care quality, while making child care more affordable by expanding subsidies and the child care tax credit for low- and middle-income families. **[Note: LR to check]** The budget also expands 21st Century Learning Centers, strengthens early intervention by the educational system for disabled children, and expands Head Start. It continues efforts to move people from welfare to work.* It includes a major initiative to help low-income families succeed on the job and move up the career ladder. **[Refer to how]** It also expands resources for WIC and proposes to restore food stamps for certain legal immigrants. And it promotes responsible fatherhood, by making sure that unemployed fathers who owe child support go to work and provide that support. By proposing a new initiative to increase the employment, earnings, child support payments of low-income fathers, this initiative furthers the Administration's goal of responsible fatherhood.

Expanding Child Care

The President's 2001 proposal builds on the successes of last year's budget in which the Administration obtained $173 million to help States improve the quality of child care, $10 million for child care research, and an increase of $254 million for the Education Department's after-school/summer school program.

The 2001 budget proposes a range of further increases and new policies to expand the accessibility, affordability, and quality of federally funded child care. The President's FY 2001 child care initiative would increase spending and tax incentives by ____ over 2000.

[Table - Resources for Child Care. Please submit table directly to Nancy Ridenour -- per past practice. Contact Nancy, if questions.]

C:\work\wp\linda\2001 budget writing\Sec. 4 Initiatives\Ch. 2 Wk Famlies\LRBud Chapter Working Families-David.wpd
January 11, 2000 (3:13PM)

The Child Care Initiative

More Affordable Child Care: The 2001 Budget proposes an expansion of resources for the Child and Dependent Care Tax Credit, tax credits for private employers, the Child Care and Development Fund, and College Campus Based Child Care. In addition, it continues the existing child tax credit and exclusion of employer contributions for child care expenses.

Child and Dependent Care Tax Credit (DCTC): The DCTC helps around 5.5 million families cover their child care costs each year. This proposed expansion [PLS VET] will provide greater tax relief to ? million low- and middle-income families who are struggling to afford child care. The budget also proposes further expansion of this tax credit to help parents who choose to stay home to raise a young child. These two proposals would provide tax credits worth $____ billion over five years.

Tax credits for private employers: To encourage businesses to make child care services more widely available, the budget proposes $500 million in tax credits over five years for private employers that expand or operate child care facilities, train child care workers, contract with a child care facility to provide child care services to employees, or provide child care resource and referral services to employees.

Child Care and Development Fund: Federal funding for child care has more than doubled under this Administration, providing child care services for 1.53 million children from low-income working families or families moving from welfare to work. The budget would further increase funds for the Child Care and Development Fund by $ 817 million, to a total of $ 4.6 billion in 2001, enabling the program to provide child care subsidies for 148,000 more poor and near-poor children in 2001. These new funds, combined with the child care funds provided in welfare reform beginning in 1997, will enable the program to serve 2.3 million children by 2005, an increase of over 1 million since 1997.

College campus-based child care: To encourage low-income parents' to pursue higher education, the budget includes $15 million for the Child Care Access Means Parents in School program to establish and support child care services on college campuses. States may also use a share of the Child Care and Development Fund for this purpose.

Exclusion of employer contributions for child care expenses: The 2001 budget continues this measure, consistent with current law, permitting parents to exclude up to $5,000 of employer-provided child care expenses from their taxable income and Social Security earnings. The exclusion will provide nearly $____ billion in benefits over five years.

Helping meet the cost of raising a child: The Child Credit, which the President proposed and Congress enacted as part of the 1997 Taxpayer Relief Act, helps working parents raise their children by providing $500 per child for all children under age 17. The credit, which will provide nearly $____ billion in tax benefits over the next five years, will help ____ million families with over ____ million children.

Strengthening Early Childhood Learning

The budget provides new funds to improve the safety and well-being of young children, including the new Early Learning Fund, developed after the White House Conference on Early Childhood Development and Learning, and continued expansion of the highly successful Head Start program.

***Early Learning Fund*: Scientific research shows that experiences in early childhood profoundly affect brain development. High quality early childhood programs can significantly improve educational achievement and behavior in early grades as well as grade retention and likelihood of high school graduation in later years, particularly for low-income children. The White House Conference on Early Child Development and Learning in 1997 highlighted some of this evidence. In response, the Administration proposed the Early Learning Fund to help improve early childhood education for children under five years old. The 2001 budget proposes to establish the Early Learning Fund at a level of $3 billion over five years to provide community grants for activities that foster cognitive development, with a focus on language acquisition, emergent literacy, reading development, and other early childhood education activities aimed at improving readiness for school. Resources could be used to help providers obtain certification, facilitate licensing or accreditation of child care centers, enhance provider training and retention, and reduce child-to-staff ratios--factors associated with positive developmental outcomes for young children. Grants to states would be contingent on reporting children's progress toward educational goals, such as vocabulary building and language use, and a federal evaluation would assess improvements in educational outcomes that result from the Fund. [not yet edited]**

Head Start: Head Start, one of the President's highest priorities, is America's premier early childhood development program. It supports working families by helping parents get involved in their children's educational lives and providing services to the entire family. Since 1993, the President has worked with Congress to increase annual Head Start funding by 90 percent. In 2000, Head Start will serve 880,000 low-income children, including up to 44,000 children under age three in the Early Head Start component that the President launched in 1995.

The budget proposes to expand Head Start funding by $1 billion in 2001 and add 61,000

Head Start pre-school slots and 9,000 Early Head Start slots. The Administration intends to increase participation by underrepresented groups in specifically targeted areas with recent influxes of immigrants and limited English proficient children, including seasonal farmworkers. The proposed increase invests in program quality improvement measures and makes further progress toward the President's goal of enrolling a million children in Head Start by 2002, including doubling the number of infants and toddlers in Early Head Start.

After-School Programs and Improved Educational Achievement: **The President proposed, and Congress passed in 1999, additional resources for the expansion of 21st Century Community Learning Centers so that 1,700 schools can open their doors before and after the traditional school day and in the summer. Instead of returning to empty houses, or playing on unsafe streets, a half of a million children will participate in safe, drug-free programs that combine learning, enrichment, and recreational activities.**

This year the budget proposes to double funding for this program to $900 million, in order to reach over 10,000 schools, as part of a comprehensive approach to help fix failing schools and help end social promotion the way successful schools do it--without harming the children. Under the President's proposal, school districts with comprehensive policies in place to end social promotion and turn around failing schools will receive priority in the grant-making process. After-school and summer school programs are a critical tool in ending social promotion because they give students who are not on track an opportunity to get extra help so they can meet promotion standards. [proposed edits, need review]

Continuing Support for other Key Programs

Increasing investments in child care quality: In response to the President's request, in FY 2000 Congress appropriated an additional $173 million for child care quality activities, which supplements the nearly $135 million that would already have been available for these activities in 2000. **Congress has already advance appropriated another $173 million for quality activities for FY 2001.** States invest these dollars in improving child care quality through activities such as resource and referral for parents, scholarships and training for child care providers, monitoring and inspection of providers, networks for family day care providers, and linkages with Head Start, to name a few.

Research on Childhood Development and Child Care: Research on child care, and dissemination of its findings, is critical to support State and local policy makers in their decision-making about child care and to help parents learn how to evaluate and where to find quality child care. At the President's request Congress provided $10 million for new research activities in FY 2000 to expand our knowledge of good policies and practices, including the types of child care settings, parent activities, and provider training that most benefit the early development of children, and to demonstrate effective consumer education programs and hotlines. This budget requests $10 million in continued research funding for FY 2001.

National crime prevention and privacy compact: Last year, the President and Congress worked together to pass legislation, based on a proposal from the White House Conference on Child Care, to help build a new electronic information sharing partnership among Federal and State law enforcement. This legislation makes background checks on child care providers (and other non-criminal justice checks) more efficient and accurate by eliminating some of the barriers that have made it difficult for States to share information about the criminal backgrounds of job seekers.

Services for Families of Children with Disabilities: Children with disabilities and their families face a broad range of obstacles to achieving educational success. Ensuring that the educational needs of the youngest children with disabilities are fully met is critical to the Administration. (For a discussion of the Administration's work incentives initiative for disabled individuals, see Chapter 1, ``Investing in Education and Training."

Special Education: The budget proposes $6.4 billion for special education programs, a $333 million increase over last year's budget, including a $10 million increase for the Infants and Families program, to provide early intervention services to children aged birth through two, and $15 million to help schools implement research-based practices to serve children with disabilities in the early grades.

Families of Children with Disabilities: The budget continues a $4 million program proposed last year by the President and funded by Congress to help the families of children with disabilities. This program provides grants to States to expand and modify their State-wide support systems to help these families address such problems as inadequate child care options, missed job training and job opportunities, the loss of medical assistance, and teen pregnancy.

Promoting Self-Sufficiency

Food Stamps. For certain families, those who work full time and fall just below the poverty level, access to food stamps can make the difference between their being poor or not. For these families, where an adult works full-time at the minimum wage and receives the Earned Income Tax Credit, access to food stamps is critical.

However, between 1995 and 1997, food stamp participation fell five times faster than the poverty rate, suggesting that some working families have left the program though they remain poor. Last year, the President took a series of actions to ensure working families who need food stamps know how to get access to them. These steps included launching a nationwide public education campaign and toll-free hotline to help working families know they are eligible for food stamps, allowing states to make it easier for working families to own a car and still be eligible for food stamps, and simplifying food stamp reporting rules to reduce bureaucracy and encourage work.

This year's budget will build upon such efforts by providing funds to improve outreach and nutrition education to individuals who are eligible for food stamps. The budget also proposes to help the many working poor families for whom owning a vehicle is the one item that makes them ineligible for food stamps. For many of these families, a car is necessary in order to get to jobs as well as to access essential services, such as child care, that allow them to work. The budget proposes to make it easier for 280,000 individuals in working families to own vehicles (**non-luxury only**) and receive food stamps by allowing states to conform their food stamps vehicle policy with a more generous TANF or Medicaid vehicle policy. **[open issue]**

In addition, the budget provides $560 million in Food Stamp benefits for legal immigrants. (See below).

Increasing Parental Responsibility Through Child Support Enforcement: **The President's campaign to ensure that parents support their children is working. In 1998, the number of paternities established rose to nearly 1.5 million, and child support collections have gone up 74 percent since the President took office, to an estimated $15.5 billion in 1999. In 1999, net Federal costs for child support enforcement were $1.7 billion.**

The budget builds on this success by taking important, additional steps to increase child support collections and to direct more of these payments to low-income families. The budget expands the Clinton Administration's Family First policy enacted under welfare reform by providing States the option to adopt simplified child support rules under which all collections made on behalf of former welfare families would be paid to the family. This proposal provides direct financial benefit to these predominately low-income families and improves their chances of staying off the welfare rolls.

The budget also proposes to provide Federal matching funds for child support that States pass-through (and disregard in the calculation of the welfare benefit) to families on welfare, above States' current policy, up to $100 per month. This proposal increases the amount of child support paid directly to families on welfare, and encourages non-custodial parents to support their children. These proposals would result in an additional $XX million in child support paid to families over five years.

The budget proposes to intercept gambling winnings of parents who owe past-due child support as a new enforcement tool to collect past-due support. This proposal provides for maximum privacy and security safeguards. In addition, the budget proposes to increase child support collections by requiring States to review child support orders for families on welfare, at least every three years. These two proposals would result in $XX million more child support paid to families, save the Federal government $XX million, and save States $XX million.

The budget also includes two measures that stabilize State and Federal funding of the child support program, and provide incentives to States to improve program performance and cost effectiveness. The budget proposes several changes to child support incentive payments that would make these payments a more reliable funding stream for States and would raise the performance standard for the award of these payments. The budget also conforms the match rate for paternity testing with the lower administrative match rate. Net Federal savings of these two proposals total $XXX million over five years.

Supporting Children Leaving Foster Care: An estimated 20,000 children leave foster care each year having reached the age of 18 without being adopted or finding another permanent relationship. These youth are troubled. Studies that examined former foster youth two to four years after leaving care found that only half had completed high school, less than half were employed and only about 40 percent had held a job for one year or more. One-fourth had been homeless at least one night, 60 percent of the females had given birth, and fewer than one-in-five were completely self-supporting. In November 1999, working together with Congress, the President secured a 50 percent increase in funds to help former foster youth transition to adulthood, and new authority giving states the option of providing Medicaid coverage to these youth up to age 21. The budget proposes to increase FY 2000 funding for this program to $140 million, the full amount authorized and double the amount provided in FY 1999, and to maintain this higher level in FY 2001.

Curtailing Violence Against Women: Since 1993, funding for services to victims of domestic and sexual violence has grown by over $400 million and the passage of the Violence Against Women Act of 1995 expanded the Government's role in supporting services and providing scientific knowledge to prevent and treat violence against women. The budget proposes an increase of $20 million to further strengthen and increase the availability of battered women's shelters and counseling services, increase culturally appropriate services in under-served populations, and expand resources for research and prevention activities aimed at changing the social norms that allow this violence to occur. These new funds will allow programs addressing violence against women to serve an additional 30,000 women, children, and perpetrators.

***Assisting Impoverished Border Communities*: The budget provides $5 million in assistance**

for rural, impoverished communities along the United States/Mexico border. Almost all of the residents in these communities are poor, and one-third of them, who are eligible for food assistance, do not receive it. These funds will help to build partnerships that will improve the delivery of nutrition assistance programs to these impoverished areas.

Restoring Equity in Benefits for Legal Immigrants

The President believes that legal immigrants should have the same economic opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the harsh, unnecessary cuts in benefits to legal immigrants that were unrelated to the goal of moving people from welfare to work. As part of the 1997 Balanced Budget Act (BBA), the President worked with Congress to restore Medicaid and Supplemental Security Income (SSI) to hundreds of thousands of disabled and elderly legal immigrants. The next year, the Noncitizens' Benefit Clarification and Other Technical Amendments Act restored eligibility to additional legal immigrants. In response to the Administration's request, the 1998 Agricultural Research Act restored food stamp benefits to 225,000 elderly, disabled, and other needy immigrants, including 70,000 children who lawfully resided in the United States as of August 22, 1996.

Despite these gains, many legal immigrants, including disabled individuals and families with children, remain ineligible for health and disability benefits. The budget provides $2.3 billion over five years to let States provide health care to legal immigrant children, to restore SSI eligibility to legal immigrants with disabilities, and to restore Food Stamp eligibility to certain aged immigrants and to legal immigrants in families with eligible children. The SSI and related Medicaid benefits in the budget that apply to immigrants who entered the country after August 1996, and became disabled thereafter, would only start after five years of residence.

Health Care: As described in Chapter 3, the budget would let States provide health coverage to legal immigrant children and pregnant women under Medicaid and, in the case of children, SCHIP. Currently, States can provide health coverage to legal immigrants who entered the country before the welfare law was enacted. But, immigrants who entered after the law was enacted cannot get benefits for five years. Under these proposals, States could provide health coverage to those children and pregnant women through Medicaid or through SCHIP.

Supplemental Security Income (SSI): The budget would provide approximately $1.4 billion over five years to restore SSI and related Medicaid to qualified legal immigrants who entered the country after August 22, 1996, lived in the United States for more than five years and became disabled after entry. Currently, only legal immigrants who entered the country before August 22, 1996 can be found eligible for SSI disability benefits.

Food Stamps: As mentioned above, the budget provides $130 million over five years to ensure that legal immigrants in the United States as of August 22, 1996, are eligible for food stamp benefits once they reach age 65. In addition, the budget builds on the progress made in the Agricultural Research Bill by providing $429 million over five years to restore benefits to adult immigrants who were residing in the United States before August 22, 1996 and are currently living with eligible children.

Continuing Support for Working Families

In the course of this Administration, numerous policies in the President's program have built on a strong base of support for at-risk and working families, including many already cited. These include the Child Care Initiative, the restoration of benefits to legal immigrants, expanded activities so that working families who need food stamps can get them, and expanded efforts to assist low-income families, at-risk youth and victims of domestic or sexual violence in attaining self-sufficiency. This support also includes a broad array of tax incentives to encourage and support work as well as legislation to enable workers to care for a newborn and fulfill other family responsibilities; raise the minimum wage; reduce welfare caseloads by nearly four million, enable workers to retain their health insurance; and provide health insurance to up to five million uninsured children. (For the broader discussion of the health care expansions, see Chapter 3, ``Strengthening Health Care.")

Support Through the Tax System: Over the last six years, the Administration has worked with Congress to expand the number and size of tax incentives to encourage work and support working families (see Table 4092).

Earned Income Tax Credit (EITC): The Federal Government is committed to helping those who work to meet the cost of raising their children. The EITC helps to meet this goal by supplementing the earnings of working families. In his 1993 economic program, the President proposed and Congress enacted legislation to substantially expand the credit, helping 15 million low-income working families that year and lifting X million of them from poverty. The Administration remains committed to ensuring that this program is managed fairly and accurately. The Administration is currently implementing a series of EITC error-reduction initiatives, including the provisions enacted in the Taxpayer Relief Act of 1997. The EITC will provide $165 billion of tax benefits over the next five years to low-income working families.

[Tax Table -?/Division to fill in one line description/Provide any table submissions to Nancy Ridenour directly, per past practice.]

Helping Families Move from Welfare to Work: The President has led successful efforts to remove obstacles that have hindered families trying to make a successful transition from welfare to self-sufficiency.

Temporary Assistance for Needy Families (TANF): The President signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, and States have refocused their welfare systems to support work. Welfare caseloads have fallen by over five million since President Clinton signed the welfare reform law, and by over 50 percent since he took office. Recent data from the Census Bureau's Current Population Survey show large increases in the rate of employment both for individuals on welfare and those leaving welfare.

[Barbara – Possible mention Admin efforts toward helping people who are currently at work keep their jobs and stay at work?? Per SMAT.]

Working Families Initiative: The Budget also proposes new funding to improve access to Food Stamps, Medicaid, Child Care and other critical supports for eligible working families. These benefits will help low-income parents, including non-custodial parents, stay in their jobs and off cash assistance.

Welfare-to-Work (WtW) Grants: Because of the President's leadership, the 1997 Balanced Budget Act included $1.5 billion in each of Fiscal Years 1998 and 1999 for a new Welfare-to-Work grants program. WtW provides grants to States and local communities to help long-term, hard-to-employ welfare recipients, and certain non-custodial parents, secure lasting, unsubsidized employment. Grantees may spend their funds for up to three years after receipt.

Funds are used for job creation, job placement, job retention, vocational training, and other post-employment support services. Working closely with Congress, the Administration secured critically needed changes to WtW's eligibility requirements. Included in the FY 2000 Consolidated Appropriations Act, the streamlined eligibility criteria will allow WtW, within existing resources, to serve more effectively long-term welfare recipients and non-custodial parents of low-income children. **To allow grantees to take advantage of these program improvements, the budget proposes a 2 year extension of the period of time in which existing funds can be spent. [open issue]**

Welfare-to-Work Transportation: One of the biggest barriers facing people who move from welfare to work--in cities and in rural areas--is finding transportation to get to jobs, training programs and child care centers. The President's leadership on this issue helped secure funding through 2003 to assist States and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers. The budget proposes to double funding to $150 million for this program in 2001. **[LR- additional venue for total '01 housing vouchers?]**

Welfare-to-Work Housing Vouchers: In his 1999 budget, the President proposed $283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job, and Congress approved full funding for this new initiative. Families will use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. The budget proposes $183 million for an additional 32,000 vouchers, bringing the total number of welfare-to-work vouchers to 82,000 in 2001.

Individual Development Accounts: Since 1992, President Clinton has supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. The President signed into law in 1998 legislation providing $10 million to get the program off the ground. The budget provides $25 million for IDAs.

Social Services Block Grant (SSBG): SSBG supports an array of critical services to thousands of low-income families. The President's Budget proposes to fund the Social Services Block Grant (SSBG) at $1,775 million, an increase of $75 million over the authorized level to maintain funding at the FY 2000 level. SSBG provides funding to States to support a wide range of programs including child protection and child welfare, child care, and services focused on the needs of the elderly and the disabled. The inherent flexibility of this grant permits States to target funds to meet the specific needs in their communities. The Administration will continue to work with the States to improve reporting and accountability for services provided with these funds.

Continued Nutrition Assistance for Infants and Children: The Administration has continued to target resources to low-income infants and children. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC), for example, reached over 7.3 million persons each month in 1999 and the budget proposes $4.1 billion to serve 7.5 million people in 2001, fulfilling the President's goal of full participation in WIC. (See Chapter 3, Strengthening Health Care, for more information on WIC.)

Better Benefits in the Workplace: The President has led successful efforts to ensure a living wage for all American workers while expanding their ability to care for their families and protect their health care benefits. In addition, the President has proposed an innovative way to provide partial wage replacement for parents who need to take leave to care for a newborn or recently adopted child.

Family and Medical Leave (FMLA): In early 1993, the President proposed, and Congress enacted, the Family and Medical Leave Act, which allows workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse--making it less likely that employees will have to choose between work and family. In his 2000 budget, the President proposed expanding FMLA to reach workers in firms with over 25 employees, expanding coverage to 10 million more workers. In addition, in 2000 the President secured resources for the Department of Labor to research: (1) the impact this law has had on the American family; and (2) how to make leave accessible and affordable for more of America's working families.

Ensuring equal pay: The budget continues $4 million for the President's Equal Pay Initiative, which will help employers assess and improve their pay policies and support public education efforts. In addition, the budget proposes a $12 million enhancement for launching a public information campaign on wage issues, supporting research to identify and analyze workplace wage discrimination, implementing industry partnership efforts, and increasing outreach end education efforts. Outreach efforts will be designed to reach at least 20,000 individuals and groups representing the full range of workers. Lastly, the Administration will dedicate in each of fiscal years 2000 and 2001 $10 million of the current revenue from H-1B nonimmigrant visa fees to train women for high-tech jobs and other skill shortage occupations.

Minimum wage: In 1996, the President successfully sought a minimum wage increase that gave a big financial boost to full-time, full-year minimum wage workers, raising the pay of each by approximately $1,800 a year. In November 1999, the President reiterated his support to further raise the minimum wage to $6.15 an hour by the year 2000. Increasing the minimum wage by one dollar in two equal steps simply restores the real value of the minimum wage to what it was in 1981. This increase will help ensure that as costs continue to increase parents who work hard and play by the rules can bring up their children out of poverty. The President remains strongly committed to increasing the minimum wage and will work with Congress to ensure the enactment of this vital increase.

POTENTIAL ADDITION
The budget proposes to expand the EITC so that families with three or more children will receive a higher credit and all families will benefit from a more gradual phased reduction of EITC until their income reaches at least the poverty level. **[More text needed]**

C:\work\wp\linda\2001 budget writing\Sec. 4 Initiatives\1 - Education\ed&training initiatives-Mary.wpd
January 11, 2000 (4:29PM)

CLOSING THE OPPORTUNITY GAP
INVESTING IN EDUCATION AND TRAINING

"At the edge of a new century and an increasingly competitive global economy, we know that our children's futures will be determined in large part by the quality of the education they receive.... Our Administration has made education a high priority, focusing on standards, accountability and choice in public schools, and on making a college education available to every American.... Because of these efforts, more young people have the chance to make the most of their God-given abilities, and take their place in the high-tech world of the 21st century."

....President Clinton
....August 1999

President Clinton took office committed to providing the education and job training that Americans need to succeed in the new global economy. Investing in people and improving our Nation's educational system was a central element of his 1993 economic program. In the past seven years, the President has consistently worked to further the goal of a first-rate education from the child's early years through college and beyond, starting with programs to expand learning opportunities for pre-schoolers to those that encourage students to attend and complete college.

To strengthen elementary and secondary education, the Clinton Administration proposed and worked with Congress to enact new laws in 1994 and succeeding years which help schools, especially in high-poverty areas, meet challenging educational standards put in place by States and school districts. Accountability -- holding schools, teachers, and students alike to these high standards --- is essential to turning low-performing schools into institutions of quality. To help these underperforming schools rise to higher standards, the Administration is committed to providing needed support, through programs such as:

- 21st Century Community Learning Centers, first funded in 1997 and expanded dramatically in 1998, the "after-school" program of grants to public schools and community-based organizations to establish and expand extended learning time opportunities;

- the Reading Excellence Act, enacted in 1998, to provide resources to high poverty schools to help ensure that all children can read well and independently by the end of third grade;

- and Class Size Reduction, enacted in 1998, to reduce the number of students in the early grades, which, studies show, leads to improved student achievement..

- the Technology Literacy Challenge Fund, first funded in 1997, offering grants to provide computers, software and Internet access to school and technology-related professional development;

The Administration is committed to making a post secondary education both attainable and affordable for every American, from recent high school graduates and dropouts to adult learners and displaced workers. To help ensure access to college, the President has proposed and supported programs that prepare students for post secondary education and that help make college affordable. For example, the President's High Hopes for College proposal was enacted and funded in 1999 as GEAR-UP, which helps low-income students in middle and high school prepare for college. The Administration has also worked to increase the Pell Grant maximum award by 43 percent from 1993 to 2000, and proposes a $200 increase in 2001; established new tax credits for college costs; created the Direct student loan program to increase benefits to borrowers; and proposed and saw enacted significantly lower interest rates for borrowers on student loans.

In the past seven years, the Clinton Administration has significantly strengthened the Federal government's commitment to education by adding more than $12 billion, an increase of 52 percent, in Federal discretionary funding for the Department of Education. The 2001 budget builds upon these increases, continuing President Clinton's education agenda with new and sustained efforts to close the gap in educational opportunity and offer the tools to help all Americans take part in the Nation's prosperity.

In elementary and secondary education, the President's initiatives include increasing accountability and fixing failing schools, improving teacher quality, helping schools build new classrooms and acquire better technology, stimulating innovation and excellence, **and targeting selected efforts toward those from disadvantaged areas and Hispanic students who comprise a growing portion of school population as part of the Administration's commitment to all students acquire the education and skills critical to their success in the future.** These initiatives are coupled with a significant expansion of Head Start and the creation of an Early Learning Fund (see Chapter 4, Working Families) to ensure pre-school aged children from low-income families have quality early learning experiences to prepare them effectively for school.

In post secondary education, the President's proposals maintain their focus on helping low-income students prepare for and pay for college. And in workforce development, the

C:\work\wp\linda\2001 budget writing\Sec. 4 Initiatives\1 - Education\ed&training initiatives-Mary.wpd
January 11, 2000 (4:29PM)

President proposes initiatives to close the opportunity gap by ensuring that all workers can find and hold good jobs with good wages, improve their skills, and work in safe and healthy environments.

(INSERT TABLE 3-1 - BUDGET INCREASES)

Elementary and Secondary Education

Ensuring Accountability and Fixing Failing Schools

The cornerstone principle of the Administration's education initiatives since 1993 has been to give States and districts increased flexibility to coordinate and combine program activities in exchange for greater accountability for school and student performance. Today, all 50 States and many school districts have begun to put in place accountability systems that identify schools in which students are not meeting challenging State academic standards and establish consequences, holding them accountable for improving their performance.

These reforms - integrating established academic standards, tests to reflect these standards, teacher training, and consequences for failing to meet standards - are beginning to show results, as measured by improved student test scores and other factors. But while the achievement of even the most disadvantaged students is improving, the learning gap between the less and the more fortunate is closing at too slow a pace. We cannot afford to leave any child behind. Nation-wide, there are currently about 7,000 schools in dire need of improvement; the majority of their students are not in learning environments that help them achieve to high academic standards. In the FY 2001 Budget, the Administration proposes a package of programs that will help turn around failing schools and ensure that all students succeed academically: **(NOTE TO LR: Possibly work in something about the opportunity gap...)**

Title I Accountability Fund: When schools fail to help children reach rigorous academic standards, they must be held accountable for their performance. The Budget provides $250 million in the Title I account to help States hold districts and schools accountable for raising student achievement. States will use funds to fix their lowest-performing schools through a variety of approaches including bringing in new management or new teachers. Funds will also be used to provide public school choice options to students while the failing schools are being reformed.

Reward and Recognition: $50 million is provided for this initiative to establish a Rewards Fund that would grant funding to States meeting Federal performance criteria. From FY 2001-

2003, States would receive awards for adopting strong Statewide accountability systems, including high school exit exams, and developing and disseminating report cards ahead of the time line called for in the Elementary and Secondary Education Act reauthorization proposal. After FY 2003, the Reward Fund would incorporate student performance measures as well.

High School Reform: High schools have lagged behind elementary and middle schools in implementing high academic standards; almost half of all students who graduate do not have the knowledge or skills to complete college or climb a career ladder from an entry-level job. The Administration requests $120 million for a new high school reform program within the Elementary and Secondary Education Act to support comprehensive, research-based reform in high schools, in particular those serving high-poverty urban and rural areas. The new program will incorporate the Small Schools initiative, for which $45 million was provided in 2000. **(NOTE: Small schools policy in play)**

Class Size Reduction: The budget provides $1.75 billion, $450 million over 2000, for the third installment of the President's initiative that began in 1999 to reduce class size in the primary grades. Research suggests that children, particularly those from disadvantaged backgrounds, benefit from the additional attention they receive in small classes. The program's goal is to hire 100,000 qualified teachers by 2005, and reduce class size in grades 1 to 3 to an average of 18 students. The budget increase will support as many as 49,000 teachers, almost half the number required to meet the 100,000 goal. Every State and nearly all school districts participate in the program. In schools that received funds under this program, primary grades have been reduced by an average office students per classroom. **(Is there an average number to which it has been reduced ? We've often talked publicly about need to bring it down to 18; how far have we come?)**

21st Century Community Learning Centers: The budget includes $1 billion, more than double the 2000 level, for the "after-school" program of grants to public schools and community-based organizations to establish or expand after-school and other extended learning time opportunities. These centers are part of a comprehensive approach to fix failing schools by providing low-achieving students the extra help they need to meet challenging academic standards. From a $1 million demonstration program in 1997, this program grew to $453 million in 2000, serving over 850,000 students. The Budget provides sufficient funds for this program to make after- or summer school programs universally available to help turn around all Title I schools identified as low performing.

Special Education: The budget includes $6.4 billion for Special Education, an increase of $333 million, to maintain the President's commitment to improving educational outcomes of disabled children. Included in this total is an additional $290 million for grants to States to help ensure that all students with disabilities receive a free appropriate public education, and a $10 million increase for grants to infants and families to identify disabilities early in life and provide essential early intervention services to these children. The budget also includes $15 million to help schools implement research-based practices to serve children with disabilities in the early grades.

Enhancing Teacher Quality

Because trained and skilled classroom teachers can make all the difference to a child's success in school, high-quality professional development is an essential tool to improve education. In the next decade, 2.2 million new teachers will be needed to fill the shortage created by teacher retirement and population growth, with high poverty schools facing the greatest shortages. In the FY 2001 Budget, the President strengthens his commitment to teacher recruitment and training programs to ensure schools have the highly qualified teachers needed to improve student performance.

Title II: Teacher Quality and Recruitment: The budget requests $1 billion for the new Title II program, a component of the Administration's Elementary and Secondary Education Act reauthorization proposal, that consolidates the Goals 2000, and Eisenhower Professional Development programs. This program will assist States and districts in coordinating/developing sustained, content rich teacher professional development with challenging standards. Within this broad program authority, the budget proposes several new initiatives to address the most pressing teacher quality needs:

- ***Teacher Recruitment and Retention:*** In order to increase the number of skilled teachers serving high-poverty school district, the budget proposes $175 million in competitive grants. These funds would encourage the development and recruitment of teachers for disadvantaged areas by cultivating and recruiting students as early as middle school and provide training experiences throughout high school and college. Upon college graduation, participants would return to guaranteed teaching positions in high-poverty districts. Participants would receive salaries for work during high school and college, scholarships for tuition, recruitment signing bonuses, and high quality professional development.

- ***Early Childhood Education Professional Development:*** Research has demonstrated that effective early childhood education programs can help eliminate reading problems, as well as improving cognitive and social competence. The budget provides $30 million to offer competitive grants to partnerships including school districts, institutions of higher education, Head Start programs and child care programs. Approximately 15,000 early childhood educators would receive training in literacy development, limited English proficiency instruction, and instructional methods for disabled students.

- ***Principal Leadership:*** The budget includes $40 million for competitive grants to non-profit, public- private partnerships to develop Principal Leadership Centers. These training centers will help principals develop critical skills to improve school performance.

- ***Transition to Teaching:Troops to Teachers: (Duplicate title??)*** The budget proposes $25 million to recruit and train retiring military personnel and other mid-career professionals to serve as new teachers in public schools.

- **Teacher Quality Incentive Award - This $50 million initiative would reward states for making exceptional progress toward teacher quality improvement goals set forth in the Administration's Elementary and Secondary Education Act reauthorization bill, such as increasing certification rates and the percentage of teachers working in-field.**

Preparing Tomorrow's Teachers to Use Technology: While many schools have access to technology, some teachers are not prepared to use this technology effectively. The budget includes $150 million, double the 2000 level, to provide pre-service teacher training in technology so that students will be able to make the most of tools that are critical to their education and their future.

Teacher Quality Enhancement: The budget provides $98 million for the Teacher Quality Enhancement Grants program. Created in FY 1999, this program supports: state grants to improve teacher licensing and certification; partnerships of exemplary teaching colleges and universities, urban and rural schools, and subsidiary colleges and universities; and recruitment grants, including scholarships, to help attract teachers to high priority areas.

Teachers Serving Special Populations: To meet professional development needs of teachers serving populations with special needs, the budget proposes $100 million for Bilingual Education Professional Development, $116 million specifically for Special Education professional development, $10 million for the American Indian Teacher Corps, and $5 million to create a new American Indian Administrator Corps.

Acquiring Better Technology and Repairing Schools

C:\work\wp\linda\2001 budget writing\Sec. 4 Initiatives\1 - Education\ed&training initiatives-Mary.wpd
January 11, 2000 (4:29PM)

Many of the Nation's schools need to be brought into the 21st Century, both by equipping them with new and modern technology, and by making essential repairs to fix the inevitable problems in aging and neglected buildings.

The Administration's commitment to educational technology has greatly increased the percentage of schools connected to the Internet: since 1993, the number has almost tripled so that nearly 90 percent of the Nation's schools are connected but some high poverty schools still need to be connected to the Internet.

At the same time, about one-third of our nation's schools have critical renovation needs. Approximately $60 billion is required to repair roofs, climate control systems, and plumbing. School districts also face the cost of upgrading schools to accommodate computers and modern technology, and of constructing new classrooms and schools to meet expected record enrollments over the next decade.

The budget proposes a set of new initiatives and program increases to help States and school districts meet the need for better technology and adequate learning facilities. These will complement existing activities put in place under this Administration, including the E-rate established by the Telecommunications Act of 1996 to provide discounts to schools and libraries for high-speed Internet access, internal wiring, and telecommunications services, and Qualified Zone Academy Bonds, which encourage investors to make school modernization capital available to certain communities in need.

School construction and modernization bonds: The President's budget reaffirms his support for a new tax incentive that would support 24.8 billion in new bonds for school modernization. *(Need confirmation from Treasury)*

Urgent School Renovation: To ensure the neediest school districts have access to low-cost financing for essential repairs, the budget requests $1.3 billion for a new urgent school renovation program that would provide loans and grants to school districts with high levels of poverty. Within this total, $50 million in grants will be directed to schools with high concentrations of Native American students.

Community Technology Centers: As part of a broad initiative (see Chapter 7, Strengthening the American Community) to address the "digital divide" between wealthy communities where access to technology is common and poorer communities that lack such access, the budget requests $100 million for Community Technology Centers, an increase of $68 million over 2000. Grants will help low-income communities establish computer centers available to those who cannot afford home computers. Begun in FY 1999, this program supports activities including adult education, after-school activities, literacy training, and ESL instruction in community centers. The budget level would provide support to approximately 400 centers in low-income communities.

Technology Literacy Challenge Fund: Enacted in FY 1997, this program offers grants to States to fund technology-related professional development, provide multimedia computers to schools, and provide software and Internet access to students. The budget requests $450 million, an increase of $25 million over 2000.

Next Generation Technology Innovation: The budget requests $170 million for Next Generation Technology Innovation, which consolidates the Technology Innovation Challenge Grants and Star Schools programs, to support technological innovation for education. Included in this program is $10 million for a new initiative to support development of challenging courses such as AP courses and ESL courses for use on-line.

Other Programs Supporting Innovation and Excellence

Throughout his Administration, President Clinton has aimed to ensure that every child is provided with the highest quality education and challenged to achieve to his or her full potential. The President continues that commitment with these important proposals for 2001:

Public School Choice: The Administration supports expanding public school choice through charter schools and other public school options. These efforts strengthen the public education system by giving it the support it needs to fulfill its mission of providing equal educational opportunities for all while still providing children their choice of schools that best meet their needs.

When the President first took office, there was but one charter school in the Nation, and citizens that wanted to create new charter schools faced considerable financial barriers. First funded in 1995, the Public Charter Schools program addresses this problem by providing startup funding. The budget includes $175 million for Charter Schools, an increase of $30 million, to support the creation of 2,400 charter schools in 2001 and to advance the President's goal of creating 3,000 Charter Schools by 2002. The Budget also includes $20 million for Opportunities to Improve Our Nation's Schools (OPTIONS), a new ESEA initiative that will spur further innovation by supporting new approaches, such as locating public schools at work sites and college campuses and interdistrict choice programs.

Safe and Drug-Free Schools and Communities: In 1999, as part of the government-wide Safe Schools/Healthy Students initiative, 54 communities received over $100 million in competitive grants from the Departments of Education, Health and Human Services, and Justice to implement comprehensive, research-based, drug and violence prevention programs. In FY 2001, these agencies will combine resources with the Department of Labor and expand Safe Schools/Healthy Students to nearly $250 million, vastly increasing funding for community-wide interventions that address education, mental health, juvenile justice, and public safety and expanding services to include out-of-school youth. The Budget also includes $10 million for a new activity, Project SERV (School Emergency Response to Violence), to help schools and communities address violent deaths or other crises.

America Reads/Reading Excellence Act: In response to the President's America Reads Challenge, the Reading Excellence Act was enacted in 1998 to provide resources to high poverty schools to help ensure that all children can read well and independently by the end of third grade. The budget requests $286 million for this program, an increase of $26 million, to support literacy services to an estimated 1.1 million students.

Arts in Education: The budget doubles funding for this program to $23 million, including $11.5 million in new funds to supplement teaching resources, integrate arts into the regular curriculum, and provide intensive professional development to teachers. The Department of Education and the National Endowment for the Arts will continue and expand upon the collaboration formed in 2000 to make competitive grants to local arts education programs and undertake additional activities to address issues of youth at risk.

Advanced Placement Courses On-Line: The budget requests $10 million for this new program to direct funds to schools to improve access to challenging courses such as Advanced Placement courses and ESL instruction online. **(Division notes say to kill this. Has this policy been dropped? If not, we need to incorporate it somewhere in this chapter.)**

Indian Education: The budget includes $115.5 million for Indian Education, an increase of $38.5 million over FY 2000. This total includes $62 million to the Grants to Local Educational Agencies, an increase of $31.8 million, to address significant growth in the Indian student population and ensure that Indian students have the resources to succeed academically. Also included is an increase of $6.7 million, for a total of $20 million, for special programs to fully fund both the American Indian Teacher and Administrator Corps Initiatives. These programs will recruit heavily among Indian professionals who are already working in Indian communities to serve schools typically plagued with high teacher and school administrator turnover. **[Do these numbers reflect Indian School Construction? If not, incorporate pls.]**

Improving Educational Outcomes for Hispanic-Americans (Don't we need consistency in

use of Latino or Hispanic? Or should we use both interchangeably?)

Raising the educational achievement of Hispanic students continues as a high priority. The high school drop out rate for Latinos is very high: in 1996, 29 percent of Latinos aged 16 to 24 were high school dropouts, compared to seven percent of non-Hispanic whites and 13 percent of non-Hispanic blacks. About 32 percent, or 3.6 million, of the students served by Title I are Latino. Latinos are the fastest growing segment of our nation's population.

For the third year in a row, the budget targets new funding to programs that are part of the Administration's Hispanic Education Action Plan. The budget proposes $858 million in funding increases including: $416 million for Title I Grants to Local Educational Agencies; $90.5 million for Adult education, of which $75 million is for the President's ESL/Civics initiative to help recent immigrants learn English, participate in public life, and be involved in their communities, $125 million for GEAR-UP; $80 million for TRIO; $25 million for Title I Migrant Education; $48 million for Bilingual education; $20 million for Hispanic Serving Institutions; $5 million for the Labor Department's Migrant and Seasonal Farm worker Youth Program; $10 million for research on the education of limited English proficient children; and $8 million for the High School Equivalency Program and College Assistance Migrant Program. The budget also continues to provide $5 million for the Labor Department's Migrant Youth Job Training Program. **(To convert to table? To discuss...)**

Post secondary Education

Preparing for College

As our economy depends increasingly on workers with analytical and reasoning skills, access to a quality education beyond high school becomes even more important to maintaining and increasing income, productivity, and the nation's competitiveness. The opportunity to attend college is also crucial in encouraging hardworking families and low-income children to aspire to improve their lives through education. This budget provides significant increases to student financial assistance programs to help low- and middle-income students pay for college; however, not all of the barriers to college are financial. Too many young people reach college age without the skills, knowledge, and preparation they need to apply for, enroll in, and succeed in college. The Administration is committed to making a post secondary education both attainable and affordable for every American, from recent high school graduates and dropouts to adult learners and displaced workers.

GEAR-UP: The Budget provides $325 million, an increase of $125 million, for the early intervention program first funded in 1999 that is based on the High Hopes initiative proposed by the President. This program provides funds for States and local partnerships to help low-income students prepare for college, starting in the 7th grade. In 2001, 1.4 million students would receive services, 644,000 more than in 2000.

TRIO: The budget includes $725 million, an increase of $80 million, for TRIO programs that fund post secondary education outreach and support services to encourage and prepare disadvantaged students to enter and complete college and doctoral study. Much of the increase would be dedicated to strengthening the Student Support Services (SSS) program, including a new College Completion Challenge Grant (CCCG) component. Under CCCG, competitive grants to institutions of higher education would support grant aid and summer orientation programs for low-income students in their first years of college, with the goal of increasing college completion rates.

SAT/ACT Preparation: The budget provides $10 million to offer free commercial test preparation services to low-income students preparing for the SAT and ACT college admissions tests.

(Is there a better term for these institutions?) ***Minority-Serving Institutions' Dual-Degree Program:*** The budget provides $40 million for a new program to promote dual-degree programs between minority-serving institutions that offer four-year degrees, including Historically Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and Universities, and partner institutions such as major research universities. The program would allow students at minority-serving institutions to earn two degrees in five years: one from their home institution and the other from a partner institution, in a subject area that is not offered by the home institution and in which minorities are traditionally under represented. The program will increase academic opportunities for students at minority-serving institutions, improve their postgraduate access and promote their workforce participation in fields in which minorities are under represented.

Paying for College

The economic returns to a college education have never been higher. But at a time when the dividends of a college education make college essential, the cost of education has been rising dramatically. In addition to helping every child prepare for college, this budget maintains the Administration's commitment to ensuring financial access to higher education by requesting significant increases for core student aid programs.

These programs augment the financial help already available through Hope Scholarships and Lifetime Learning Tax Credits proposed by the President and enacted in 1997. Hope

Scholarships provide tax credits of up to $1,500 for tuition and fees during the first two years of post secondary training. Under the Lifetime Learning Tax Credits, students beyond the first two years of college, or those taking classes part-time to improve or upgrade their job skills, receive a 20 percent tax credit for the first $5,000 of tuition and fees each year through 2002, and for the first $10,000 thereafter.

Pell Grants: The President proposes to increase the maximum Pell Grant by $200 to $3,500. Nearly four million needy undergraduates will receive Pell Grants in FY 2001. When President Clinton took office in 1993, the Pell Grant maximum award was $2,300 – the same as it was when President Bush took office in 1989. Under President Clinton's leadership, the maximum award increased $1,000, or 43 percent, by FY 2000. With the FY 2001 request, the Pell maximum award will have increased by 52 percent during this Administration.

Work-Study: The budget provides $1.011 billion for Work-Study, an increase of $77 million over FY 2000, to maintain the President's promise to give one million students the opportunity to work their way through college. Funding for Work-Study increased 51% from 1993 to 2000; this request would bring the increase since 1993 to 64%.

Supplemental Educational Opportunity Grants: The budget requests a total of $691 million, $60 million over 2000, for Supplemental Educational Opportunity Grants to provide more low-income undergraduate students with need-based grant aid.

Federal Student Loan Program: An estimated 6.2 million people will borrow approximately $42 billion through the Federal student loan programs in FY 2001. In the Higher Education Amendments of 1998, the President's proposal to significantly lower interest rates for borrowers on student loans was adopted, easing the burden of repayment for borrowers. The budget also proposes net savings of $3.8 billion over five years from reforms to the guaranteed loan system.

D.C. College Access: In response to the President's 2000 proposal, Congress approved a $17 million initiative to equalize post secondary education opportunities for D.C. residents by providing tuition benefits to District residents attending public colleges in Maryland, Virginia, and other States under certain circumstances, and private colleges in the D.C. area. The Budget requests $17 million for D.C. College Access in 2001.

Workforce Development

Building on accomplishments made since 1993, the Administration seeks to close the opportunity gap by ensuring that all workers have the opportunity to find and hold secure jobs with good wages, improve their skills, and work in safe and healthful places.

C:\work\wp\linda\2001 budget writing\Sec. 4 Initiatives\1 - Education\ed&training initiatives-Mary.wpd
January 11, 2000 (4:29PM)

Closing the Workforce Opportunity Gap

Committed to ensuring that America's workforce has the education and training necessary to compete in the 21st Century, the Administration has been working to reform the Nation's workforce development system and increase education, training and job. Specifically, this Administration has accomplished the following:

- In 1998, the President signed the bipartisan Workforce Investment Act -- reforming America's job training system to empower individuals, streamline services through One Stop Career Centers, enhance accountability and increase flexibility.
- Tripled funding for dislocated workers -- more than tripling program enrollment.
- Established a 5-year funding path for a universal program that will help every displaced worker that wants and needs training or reemployment services.
- Increased the number of Job Corps centers from 109 to 122, increasing year-round training opportunities by over 10 percent.
- Developed and authorized the Youth Opportunity Grants program.

Increasing Opportunities for Youth

The budget provides enhanced support to help low-income, at-risk youth prepare for college and careers.

Youth Opportunity Grants: Youth Opportunity Grants address the special problems of out-of-school youth, especially in inner-cities and other areas with high jobless rates. This program is consistent with the Administration's "New Market" initiative to provide resources to communities with potential. The budget includes $250 million for the third year of competitive grants to 25-30 high-poverty areas and the first year of competitive grants to 12-15 additional communities. Included in this funding is $20 million for Rewarding Achievement in Youth, a program that provides comprehensive employment training, counseling and education services to over 9,000 academically high-achieving, low-income youth. The program encourages school completion by providing students who excel academically extended summer employment opportunities.

Job Corps: The Job Corps provides intensive vocational skills training, integrated with academic and social education, and support services to severely disadvantaged young people in a structured residential setting. The budget proposes $1.4 billion, a $35 million increase over the 2000 level.

Youth Activity Formula Grants: The WIA consolidated the funding streams of DOL's year-round and summer jobs programs – providing increased flexibility to local Youth Councils and enabling them to develop pathways for career opportunities. Funded at $1 billion, $22 million above the 200 level, this program will continue to provide essential job and learning opportunities to roughly 612,000 disadvantaged youth.

Youthful Offenders. The budget includes $75 million for a new DOL initiative to link youthful offenders under age 35 with essential services that can help make the difference to their choices in the future, such as education, training, job placement, drug counseling and mentoring. Through federal to local competitive grants, this program would establish partnerships between the criminal justice system and local workforce investment systems created under the WIA to reintegrate youthful offenders into the mainstream economy, complementing a similar program in the Department of Justice. To maximize the impact of these initiatives, the DOL funds will be targeted to the same communities and populations served by the DOJ initiative, while improving public safety. At the same time, DOJ also will earmark $5 million of its funds to focus on aftercare programs for juvenile offenders to build on existing collaborations between the two departments. **(QUESTION about policy: Do we really want to call a program that serves 34 and 35 year olds as "Youthful Offenders?" Reminds me of Henry Hyde's "Youthful Indiscretion") *[Pls consider: Can and should title be changed at this point?]* [Maybe "Youthful and First-Time Offenders"?]**

Preparing Workers for the 21st Century

The budget provides resources to help workers succeed in a changing economy.

Reemployment Services for All Who Need Them: In 2000, the President proposed a major initiative to help working and laid-off Americans get the information and training they need to succeed in a rapidly changing labor market. The 2001 budget continues progress toward the goals of: providing all dislocated workers the resources to train for or find new jobs; expanding and improving the employment services available to all job seekers and enhancing them for individuals receiving Unemployment Insurance; and ensuring that One-Stop services are universally available. The budget includes increases totaling $xxx million to build on last year's achievements toward the goal of a "universal system."

Dislocated Worker Training: The budget proposes $1.8 billion--an increase of $190 million and over three times the amount available when the President took office--to provide readjustment services, job search assistance, training, and related services to help dislocated workers find new jobs quickly. Among the workers assisted by the program, and the proposed increase, are those displaced by trade, technology, defense downsizing, and other causes.

Reemployment Services: The budget proposes $53 million to expand services to ensure that

Unemployment Insurance beneficiaries receive help finding new jobs. Total funding for grants to the State Employment Service, operating within the One-Stop system recently expanded in the WIA, is $854 million.

One-Stop Career Centers: The budget includes $173 million for new methods of providing employment and related information through America's Labor Market Information System and the One-Stop system. Efforts to improve access to One-Stop information and services include mobile service centers for sparsely populated areas, a toll-free number for easier access to information on services and locations, and enhanced technology for serving individuals with disabilities. Included in the proposal is $10 million for the new America's Agricultural Labor Network, an information system that connects growers seeking workers with workers seeking employment. Also included is $20 million to help individuals with disabilities return to work (discussed later in this chapter).

Incumbent Workers: To boost the skills and productivity of the U.S. workforce, the budget includes $30 million for competitive grants to States to train and upgrade the skills of incumbent workers. Applicants would be required to provide non-Federal matching resources, and employers that received grant assistance would be expected to demonstrate that training increased participants' earnings.

Trade Adjustment Assistance (TAA): The budget proposes to consolidate, reform, and extend the TAA and NAFTA-Transitional Adjustment Assistance (NAFTA-TAA) programs for workers who lose their jobs due to trade policies. The proposal would expand eligibility for TAA benefits to cover workers who lose jobs when plants or production shifts abroad; raise the statutory cap on training expenses; and add a contingency provision to ensure that the Federal Government has sufficient funds to finance any unexpected increase in benefit costs for eligible workers. The budget proposes to increase funding for the TAA programs by $31 million in 2001, for a total of $459 million over five years. **(This policy in play...)**

Unemployment Insurance (UI): These programs are the major source of temporary income support for laid-off workers. An estimated 7.8 million people will draw benefits in 2001. A recent dialogue involving the States, employers, workers, and the Federal Government identified a number of possible system improvements. The Administration is committed to working with stakeholders and the Congress to develop a broader legislative proposal of system reforms, developed with the overarching goal of budget neutrality and based on the following principles: expanding coverage and eligibility for benefits, streamlining filing and reducing tax burden where possible, emphasizing reemployment, combating fraud and abuse, and improving administration.

Removing Barriers to Employment

To advance the ability of all people to reap the benefits of a growing economy, this budget builds on recent successes in providing enhanced work incentives, while proposing innovative ways to tap our Nation's human resources.

Helping Individuals Move from Welfare to Work

Welfare-To-Work: To help reach the Temporary Assistance for Needy Families program's employment goal for severely disadvantaged welfare recipients, the Administration sought, and Congress provided to DOL, a total of $3 billion in 1998 and 1999. The budget provides for a two-year extension of the time period grantees have to spend their funds to continue their efforts and provide long-term recipients and non-custodial parents of children on welfare the work and employment services they need to help support their children.

Promoting the Employment of Individuals with Disabilities

Although unemployment is at a 29-year low, the unemployment rate among working-age adults with disabilities remains unacceptably high. The budget builds on the Administration's commitment to ensuring that individuals with disabilities have full opportunity to participate in, contribute to, and reap the benefits of a growing economy. The budget builds on recent achievements, establishing a new office for disability policy within the Department of Labor; improving individuals with disabilities' access to employment training programs; and building upon current programs for individuals with disabilities.

Ticket to Work and Work Incentives Improvement Act: In 1999, the President signed the Ticket to Work and Work Incentives Improvement Act, landmark legislation that eliminates the institutional barriers that have limited the employment opportunities of individuals with disabilities. The Act provides:

- Health Insurance Protections for Working Disabled. Disabled individuals who want to return to work may face the loss of Medicaid or Medicare coverage or incur prohibitive work-related costs, such as personal assistance and assistive technology. The Act seeks to remove these barriers by creating new options and incentives for States to offer a Medicaid buy-in for disabled workers and extending Medicare coverage for Disability Insurance beneficiaries who return to work.

- Ticket-to-Work: The Act establishes a new program to enhance employment-related services to help DI and Supplemental Security Income (SSI) disabled beneficiaries re-enter the workforce, giving individuals more choice in their selection of vocational rehabilitation service providers.

Bureau of Disability Employment Policy: The Budget would reconstitute the President's Committee on Employment of People with Disabilities as the Bureau of Disability Employment Policy and elevate the head of that office to a Presidentially appointed, Senate-confirmed position. This new Bureau will bring a permanent focus to the significant employment obstacles faced by individuals with disabilities and provide a forum for addressing those obstacles. The Presidential Task Force on Employment of Adults with Disabilities will work with the Bureau to ensure interagency policy coordination.

Work Incentive Grants: The budget continues competitive grants enacted in fiscal year 2000 (totaling $20 million a year) to be awarded to partnerships of organizations in every State, including organizations of people with disabilities, to help One-Stop Career Centers and Workforce Investment Boards provide a range of high-quality services to people with disabilities working or returning to work.

Tax Credit for Workers with Disabilities: The budget proposes a $1,000 tax credit for workers with disabilities or their spouses to defray additional work-related costs such as personal assistance services.

In addition, the Budget continues to invest in other programs which help disabled individuals prepare for the workforce, including $6.4 billion for special education programs, described earlier in this chapter, which serve individuals with disabilities up to age 21; and $2.8 billion for Vocational Rehabilitation. The Budget also supports other important disability programs, including the Committee for Purchase From People Who are Blind or Severely Disabled, the National Technical Institute for the Deaf, and Gallaudet University.

Improving Labor Standards for All Workers

In addition to expanding employment opportunities, the budget affirms the Administration's commitment to improving labor standards for all workers. The Administration's commitment has helped to produce the lowest occupational fatality and injury and illness levels on record. This budget builds on these accomplishments by increasing funding for programs to eliminate abusive child labor, raise international labor standards, promote equal pay, and ensure safe workplace conditions.

Eliminating Exploitative and Abusive Child Labor: The budget continues the Administration's five-year initiative to provide a $150 million investment to help reduce the incidence of exploitative and abusive child labor. The budget provides an additional $15 million over 2000 for the Bureau of International Labor Affairs (ILAB) to enable the International Labor Organization's International Programme to Eliminate Child Labor (IPEC) to expand its work into more countries and industries. This level will expand IPEC's ability to respond to increasing requests for technical assistance and increase the number of child labor elimination projects. In addition, the budget includes a $45 million increase for the School Works Program, for a total of $55 million, to help developing countries with high levels of abusive child labor to enroll and retain these children in basic education, as part of a comprehensive strategy to eliminate child labor.

Domestic Child Labor Activities: The budget includes $13 million for DOL, including $8 million to help eliminate domestic violations of child labor laws, particularly in the agriculture sector, and $5 million for demonstration programs to provide alternatives to field work for migrant youth. In addition, the budget proposes $2 million for DOL to implement targeted enforcement tools, including "strike teams," in the agriculture and garment industries to increase compliance with labor standards, including child labor.

International Labor Standards: The budget sustains $20 million to help the International Labor Organization (ILO) create a multilateral technical assistance program to help developing countries implement core labor standards and build their own social safety nets, and $10 million for DOL to provide technical assistance on these issues in support of important U.S. bilateral relationships. The budget includes $10 million for a new Global HIV/AIDS Workplace Initiative targeted at providing multilateral assistance to the ILO to support health education and HIV prevention in the workplace. The budget provides $4.25 million for a joint DOL, EPA, and State monitoring initialize to address labor- and environment-related concerns about global economic integration through the development of better public information and technical assistance with respect to enforcement of domestic labor laws in developing countries. In addition, the budget provides $1 million for an independent evaluation unit to assure that the array of DOL programs targeted at promoting core labor standards, increasing global AIDS awareness and eliminating the worst forms of child labor achieve their intended results.

Ensuring equal pay: The budget continues $4 million for the President's Equal Pay Initiative, which will help employers assess and improve their pay policies and support public education efforts. In addition, the budget proposes a $12 million enhancement to launch a public information campaign on wage issues, support research to identify and analyze workplace dissemination, implement industry partnerships, and increase outreach and education efforts. Outreach efforts will be designed to reach at least 20,000 individuals and groups representing the full range of workers. Lastly, the Administration will dedicate in each of fiscal years 2000 and 2001 $10 million of the current revenue from H-1B nonimmigrant visa fees to train women for high-tech jobs and other skill shortage occupations.

C:\work\wp\linda\2001 budget writing\Sec. 4 Initiatives\1 - Education\ed&training initiatives-Mary.wpd
January 11, 2000 (4:29PM)

Workplace Safety and Health: The budget includes approximately $660 million to promote safe and healthful conditions for over 100 million workers through DOL's Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration (MSHA). Through a combination of enforcement, compliance assistance, and regulatory approaches, these agencies protect workers from illness, injury, and death caused by occupational exposure to hazardous substances and conditions.

Submitted 1/12/00

DRAFT SOTU BOOK

EDUCATION: THE KEY TO OPPORTUNITY

PRIMARY AND SECONDARY EDUCATION

School Construction and Modernization: Communities across the country are struggling to address critical needs to build new schools and renovate existing ones. School construction and modernization are necessary to address urgent safety and facility needs, to accommodate rising student enrollments, to help reduce class sizes, and to make sure schools are accessible to all students and well-equipped for the 21st century.

- In January of 1999, the National Center for Education Statistics (NCES) released an issue brief entitled *How Old Are America's Schools?* NCES reported that: The average public school in America is 42 years old, and school buildings begin rapid deterioration after 40 years. The oldest schools are also lagging behind other schools in the push to connect to the Internet. While almost 60 percent of schools built since 1985 were connected to the Internet by 1995, only 42 percent of schools in the oldest condition were connected to the Internet by the same year. In 1995 and 1996, the General Accounting Office (GAO) released a series of reports on the condition of American schools. [GAO Report Number HEHS-95-61 *School Facilities: The Condition of America's Schools*] The GAO reports revealed: it would cost $112 billion to bring the nation's schools into good overall condition; the average cost of construction for new schools is $8 million for elementary schools, and $16 million for high schools. [Council for Educational Facility Planners International, 1997] One-third of all public schools – about 25,000 schools – need extensive repair or replacement. In addition, school enrollments are rising. On August 19, 1999, the President released the Department of Education's report entitled *The Baby Boom Echo: No End in Sight*. The report, which was based on NCES data, found that total public and private school enrollment will reach a record 53.2 million students this year. Unlike the end of the "baby boom" of the 1950s and 1960s, we will have no respite from the current enrollment boom, as births will begin edging up from 4.1 million in 2008 to 4.5 million in 2018. The long-term implications of this immense wave of young people going to school require educators and community leaders to recognize that short-term solutions—symbolized by the ever-present portable classrooms in countless school yards—will not be sufficient for the task at hand. At least 2,400 new public schools will be needed by 2003 to accommodate rising enrollments and to relieve overcrowding, and thousands more will be needed in following years. [NCES, 1999] A growing body of research has linked student achievement and behavior to the physical building conditions and overcrowding. [*Impact of Inadequate School Facilities on Student Learning*]

- To address this critical need, President Clinton is renewing his commitment to his school modernization tax credit bond proposal. The President's School Modernization Bond proposal provides $24.8 billion in tax credit bonds over two years to modernize up to 6,000 schools. This proposal has an estimated cost of $3.7 billion over five years, and is fully paid for in his budget. Within this program, $2.4 billion is reserved for Qualified Zone Academy Bonds. In addition, the 2001 budget includes a new $1.3 billion school urgent/emergency renovation loan and grant proposal. This $1.3 billion program could support nearly $7 billion of renovation projects in high-poverty, high-need school districts with little or no capacity to fund urgent repairs. Both loans and grants would be made available, with the smaller grant program directed toward the neediest districts.

DRAFT Small Schools
The President's budget will include $120 million for a new program to help school districts create smaller high schools. Research shows that smaller schools can boost academic achievement and extracurricular involvement and lead to fewer discipline problems. School districts could use this money to create small schools or break-up existing large schools into smaller learning communities.

DRAFT Class Size Reduction
The class size reduction initiative is part of the President's comprehensive approach to improving student achievement by investing in what works, raising standards, and increasing accountability. Smaller classes allow teachers to spend more time on instruction and less time on discipline. Teachers can provide more individualized instruction to meet their learning needs. Research shows that students attending small classes in the early grades make more rapid educational progress than students in larger classes, and these achievement gains persist well after students move on to larger classes in later grades.

DRAFT Title II: Teaching to High Standards
The Teaching to High Standards Initiative is a $1 billion program to fund high quality, standards-based professional development for teachers and increase teacher quality. Grants are given to states and school districts by formula and on a competitive basis. In addition, the Teaching to High Standards Initiative includes several new initiatives:

- **School Leadership** - This program would provide funding to non-profit partnerships offering innovative efforts to recruit, prepare and/or provide professional development for school leaders, principally school superintendents and principals. The grant program will provide $40 million to fund competitive grants to non-profit partnerships that start or augment school leadership centers around the country.

- **Higher Standards-Higher Pay for Teachers** - This initiative would award competitive grants to high-poverty school districts to help them attract and retain high-quality teachers through better pay and higher standards. School districts would work with local business groups to design peer review systems to evaluate teachers on a regular basis. Participating teachers would receive immediate pay increases and additional pay raises based on their demonstration of high-quality teaching through a peer evaluation process.

- **Transition to Teaching** - This initiative would build on the successes of the Department of Defense's Troops to Teachers program by recruiting, preparing and supporting talented mid-career professionals from diverse fields as teachers of high-need subjects areas in high-need schools. The Administration has requested $25 million for this initiative.

- **Hometown Teacher Recruitment** - This program would provide competitive grants to high-poverty school districts to develop programs to "grow their own" teachers as a means of addressing their shortage of qualified teachers. Programs supported by this grant would make students aware, as early as middle school, of the opportunities in the teaching profession. As students progressed through school, mentoring and teaching experiences would be provided and financial assistance would be available for students who enter college and pursue academic degrees with the goal of teaching after graduation.

- **Teacher Quality Rewards –** This program will reward school districts that have made exceptional progress in reducing the number of out-of-field and uncertified teachers in their schools. As part of his Education Accountability Act, the President would require states to ensure that 95 percent of teachers are certified and 95% of secondary teachers are teaching within field by 2004. This program will reward school districts making exceptional progress toward reaching that goal.

DRAFT Fixing Failing Schools and Rewarding Success

- **Accountability Fund -** Last year, the Congress agreed to provide $134 million for the President's proposal to fix failing schools. This year, the President will increase funding for this initiative to $250 million. This funding is used by states and localities to turn around low-performing schools by overhauling curriculum, staffing, or even closing the school and reopening it as a charter school. The accountability initiative also includes provisions expanding public school choice for students in failing schools.

- **Universal After-School for Students in the Most Need:** The President's budget will invest $1 billion in the 21st Century Community Learning Centers to ensure that all children in low-performing schools have the opportunity to gain academic enrichment and be in a safe place during the after school and summertime hours. This investment more than doubles the FY 2000 budget and works to keep safe the millions of children who are unsupervised in the after-school hours, improve the academic achievement of children in low-performing schools who need extra learning time, and lower juvenile crime. The President's budget will maintain the commitment to serving all children, but will dedicate the increase to help those children most in need of academic assistance as part of a comprehensive approach to help low-achieving students meet high academic standards. The $1 billion will make after or summer school programs universally available to all students attending Title I school identified as low-performing.

Rewards – ***This initiative creates a $50 million fund to reward states that are closing the achievement gap between minority students and other students on the National Assessment of Education Progress. THIS POLICY IS NOT YET NAILED DOWN***

POST-SECONDARY EDUCATION

Education Opportunity Tax Cut
Dobson could write this from existing approved paper

Pell Grants
The Pell Grant program provides grants to economically disadvantaged young people to help pay the cost of a postsecondary education. The maximum Pell Grant in FY2000 is $3,300. The President's FY2001 budget increases the maximum to $3,500, making a college education more affordable for the nearly 4 million Pell Grant recipients. When President Clinton took office in 1993, the Pell Grant maximum award was $2,300, the same as it was when President Bush took office in 1989. The $3,500 maximum award proposed in the 2001 budget represents a 52% increase over the 1993 level. In 1995, the maximum Pell Grant paid for 86 percent of tuition and fees at a four-year public school; today, it pays for 92 percent.

Hope Scholarships
The Hope Scholarship is part of the President's goal to make the first two years of college as universal as high school. It provides a tax credit worth up to $1,500 *per student* against educational expenses for the first two years of college. The credit provides a tax break of 100 percent of the first $1,000 of tuition and 50 percent of the next $1,000. Both the Hope Scholarship (along with the Lifetime Learning tax credit) phase out for individuals with income between $40,000 and $50,000 and married filers with incomes between $80,000 and $100,000.

College Competition Challenge Grants
A Significant New Program With Proven Components of Successful Retention Efforts Research shows that three policies instituted by schools have a positive effect on the persistence of disadvantaged students An intensive summer program for incoming first-year students; 2. Larger grants for students in their first two years; and 3. A strong student support services program. College Completion Challenge Grants, a new competitive grant awarded through the TRIO Student Support Services program, will challenge schools to offer effective programs in all three components to provide maximum support for low-income students. This $35 million initiative will increase the chances of success for nearly 18,000 students.

Help for Americans with Educational Loans

- **$5 billion in interest savings for students.** Students who borrowed student loans since 1993 will save $100 annually for each $10,000 in outstanding loans — and a total of $5 billion — due to a lower interest rate formula. Today's formula is 1.55 percentage points lower than the 1993 formula during school and 0.95 percentage points lower during repayment. The Administration also championed the lower maximum rate paid by students, reduced from 10 percent to 8.25 percent, to protect them against interest rate hikes.

- **$3.7 billion in loan fee savings.** In 1993, the Administration reduced loan origination fees from a maximum of 7 percent of principal to a maximum of 4 percent, saving students nearly

$3.7 billion to date. In 1999, in recognition of widespread discounts available on guaranteed student loans, the Administration reduced direct loan fees to 3 percent.

- **More repayment options.** Since 1993, borrowers have more flexibility in managing their student loan debt. Repayment flexibility allows graduates to pursue jobs that pay lower salaries even though they may require an expensive education. The income-contingent repayment plan allows direct loan borrowers to repay their loans based upon their income; after 25 years, any remaining loan balance is discharged.

OPPORTUNITY AGENDA FOR AMERICA'S FAMILIES

CHILD CARE

Draft Child Care Initiative

- **Largest Head Start Expansion in History.** The President's budget boosts funding for Head Start by $1 billion – the largest funding increase the program has ever experienced -- to provide Head Start and Early Head Start slots to approximately 950,000 children, nearing the President's goal of serving one million children in 2002. Head Start is our nation's premier early childhood development program preparing low-income children for a lifetime of learning and development by providing early, continuous and comprehensive child development and family support services. Since the President took office, funding for Head Start has risen by nearly 90 percent, ~~enabling over 150,000 more low-income children to participate in the program~~s

- **Helping Low-Income Families Afford Child Care.** The President's budget expands the Child Care and Development Block Grant to help working families struggling to afford child care. The President's budget request would increase funding for child care subsidies by $817 million in FY 2001, enabling the program to serve nearly 150,000 more children next year. These new funds, combined with the child care funds provided in welfare reform, will enable the program to serve 2.3 million children by 2005, an increase of over one million since 1997. The block grant is the primary federal subsidy program to pay for child care, thereby enabling low-income parents to work. Today, however, millions of families who are eligible for assistance with their child care costs do not receive any help. In FY 1998, states provided child care assistance to only 10 percent -- 1.5 million -- of the roughly 15 million low-income children eligible for assistance under federal law.

- **NOTE: TK – DATA ON REFUNDABILITY OF THE TAX CREDIT; POLICY NOT YET COMPLETE**
- ***Greater Tax Relief for Child Care to Three Million Working Families.*** *The Child and Dependent Care Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President has proposed increasing the credit for families earning under $60,000, providing an additional average tax cut of $354 for these families and eliminating income tax liability for nearly all families with incomes below 200 percent of poverty ($35,000 for a family of four) that claim the maximum allowable child care expenses.* ***The President's budget includes $5 billion over five years to expand the Child and Dependent Care Tax Credit for nearly three million working families paying for child care.***

- ***Providing Tax Relief to Parents Who Stay at Home.*** *The President believes that we should support parents in whatever choice they make for the care of their children. Therefore, he proposed to enable parents who stay at home with children under one to take advantage of* *the Child and Dependent Care Tax Credit by claiming assumed child care expenses of $500. The President's budget will provide an average tax cut of $178, at a cost of $1.3 billion over five years, which will benefit 1.7 million parents.*

- ***Creating New Child Care Tax Incentives for Businesses.*** *The President proposed to create a new tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, or providing child care resource and referral services. The credit covers 25 percent of qualified costs, but may not exceed $150,000 per year.* ***The President's budget includes approximately $500 million over five years for these tax credits.*** Replace

- **Promoting Early Learning.** High quality early childhood programs can significantly improve educational achievement and behavior in early grades as well as grade retention and the likelihood of high school graduation in later years, particularly for low-income children. To meet those needs, the President's budget includes $3 billion over five years for the Early Learning Fund to help improve child care quality and early childhood education for children under five years old. The Early Learning Fund will provide community grants for activities that foster cognitive development, improve child care quality and readiness for school. Resources could also be used to help providers obtain certification, facilitate licensing or accreditation of child care centers, enhance provider training and retention, and reduce child-to-staff ratios--factors associated with positive developmental outcomes for young children. ELF

- **Supporting High-Quality Early Childhood Educators.** The President's budget includes $30 million to ensure that well-trained professionals are teaching our young children. We know that the training and education of early childhood educators and caregivers are directly related to the quality of the early education they provide, and the quality of their service, in turn, is directly related to children's readiness for school. As a result, early childhood educators with more education and training provide the higher-quality language stimulation and literacy experiences that are critical for children's success in schools. The Early Childhood Professional Development initiative will provide competitive grants to local partnerships that provide professional development for teachers such as universities, local school districts that provide pre-school, and child care providers such as Head Start. The initiative would focus on equipping early childhood educators with the tools they need to help children develop the language and literacy skills that are the foundations for academic success.

- **Encouraging the Pursuit of Higher Education by Offering College Campus Based Child Care.** To encourage low-income parents to pursue higher education, the budget includes $15 million to establish and support child care services on college campuses. States may also use a share of the Child Care and Development Block Grant for this purpose.

<u>**Other Initiatives to Help Kids**</u>

DRAFT New Initiatives to Collect More Child Support Since the President took office, child support collections have nearly doubled from $8 billion in 1992 to an estimated $15.5 billion in

1999. Today, parents who refuse to pay child support have their wages garnished, their bank accounts seized, and their tax refunds withheld. To build on this success, the budget contains several new initiatives to further crackdown on parents who owe child support. Parents who owe past-due child support will have their gambling winnings intercepted and their vehicles booted, they will have a harder time obtaining or renewing a passport, and they will be prohibited from enrolling or participating as a Medicare provider. Finally, the budget will require child support orders to be updated more frequently and will increase the amount of child support paid directly to families by simplifying child support pass-through and distribution rules.

DRAFT New Fathers Work/Families Win Grants The President's budget will contain $255 million in new competitive grants in FY 2001 to promote responsible fatherhood and support working families, critical next steps in reforming welfare and reducing child poverty. As the President proposes even tougher child support collection rules for parents who can afford to support their children (see below), his budget will also encourage responsible fatherhood through $125 million in Fathers Work grants to put non-custodial parents (mainly fathers) who owe child support to work and help them connect with their children. As part of this effort, states will need to put in place new procedures to require parents who owe child support – whether their child is on welfare or not – pay child support or go to work. The President's budget will also contain $130 million in Families Win grants to help low-income parents stay in their jobs, move up the career ladder, and remain off cash assistance. An important part of these grants will be to improve families' access to food stamps, health care, child care, and other critical support for working families. $10 million will be set aside for Indian and Native American grantees. Fathers Work/Families Win competitive grants will be run by one-stop career centers, community groups, and faith-based organizations under contract to local and state workforce investment boards.

DRAFT Second Chance Homes

The budget includes $25 million in new funds to support adult-supervised and supportive living arrangements, often called second chance homes, for unmarried teen parents and their children who cannot live at home or with other relatives. States will be able to use these funds, as they can other Social Services Block Grant (SSBG) funds, to support services provided by faith-based and community-based organizations. Overall, the budget increases SSBG funds by $75 million. This new initiative will be latest of the Administration's efforts to reduce teen pregnancy, which have resulted in the lowest teen pregnancy rates on record and an 18 percent decline in teen births from 1991 to 1998.

DRAFT Protecting Our Children From Tobacco

Every day, 3000 children become regular smokers and 1000 have their lives shortened because of it. Almost 90 percent of all adult smokers began smoking by age 18 and today 4 million children -- 37 percent of all high school students -- smoke cigarettes. To end this public health crisis, the President believes that there must be a focused effort to reduce youth smoking, including 1) cutting youth smoking in half by holding the tobacco industry accountable through a combination of excise tax increases and a youth smoking assessment if youth smoking reduction targets are not met; 2) reaffirming the Food and Drug Administration (FDA)'s full authority to keep cigarettes out of the hands of children; and 3) funding critical public health efforts at the Centers for Disease Control and the FDA to prevent youth smoking and requiring states to help low income smokers quit by covering smoking cessation drugs under Medicaid. The President believes we can cut youth smoking while protecting farmers – he fully supports the 1998 settlement which will compensate tobacco farmers $5 billion over the next 12 years and is committed, as any federal litigation proceeds to judgement or settlement, to ensuring funds are set aside for tobacco farmers and their communities. In addition, the President firmly supports the Department of Justice's litigation to recover federal tobacco-related health costs, and his budget contains ample resources to pay the necessary legal costs.

[DPC: I'm not sure which of these Paid Leave parargraphs is more recent]]

Take out
many w/
out

Paid Leave Initiative. The President's budget includes $20 million to fund roughly 15 competitive planning grants for states and other interested entities to explore ways to make parental leave and other forms of family leave more affordable and accessible for American workers. Today, the Family and Medical Leave Act (FMLA) allows covered workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse – making it less likely that employees will have to choose between work and family. However, many workers face barriers, such as financial barriers, to taking advantage of this leave. A 1996 Study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. The President's budget request will enable states and others to identify in more detail the workers who need financial assistance to take parental leave or other forms of family leave and to evaluate and develop options to aid these workers.

Paid Leave Initiative. The President's budget includes $20 million to fund roughly 15 competitive planning grants for states and other interested entities to explore ways to make parental leave and other forms of family leave more affordable and accessible for American workers. Today, the Family and Medical Leave Act (FMLA) allows covered workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse – making it less likely that employees will have to choose between work and family. However, many workers face barriers, such as financial barriers, to taking advantage of this leave. A 1996 Study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. The President's budget request will enable states and others to identify the workers who need financial assistance to take parental leave or other forms of family leave and to evaluate and develop options to aid these workers.

Encouraging Youth Community Service. Community Service can provide local solutions to community problems and empower the young and old to get involved in civic life. Since the start of his Administration, the President has encouraged and facilitated community service. Today, over 150,000 young people have participated in AmeriCorps – they have helped to immunize more than a million people; taught, tutored or mentored 4.4 million children; helped build some 11,000 homes; and truly sparked a new spirit of public engagement across the land. The President's budget includes over $850 million to encourage more community service and spark involvement in civic life. This increase of nearly $120 million for the Corporation for National Service keeps AmeriCorps on track for the President's goal of 100,000 members each year by the year 2004. The budget will also include a new "AmeriCorps Reserves" program, modeled after the military reserves, and designed to engage former Corps members in times of need. The budget also includes $15.5 million in new initiatives that reward innovations in youth service, as well as additional resources to encourage service by senior citizens, and to engage students in learning through community service.

Preventing Youth Violence. Over the past year, the country has been traumatized by a spate of school shootings. The President has taken leadership to address the issue of preventing youth violence by establishing a National Campaign Against Youth Violence. The National Campaign is beginning a public engagement campaign on how best to prevent youth violence and is working with the best minds in the field of youth violence to identify and replicate best practices of prevention in local communities. The President's budget includes over $8.8 billion, $875 million above FY 2000, for programs throughout the government that work to target youth violence and programs that support the healthy development of young people including developing smaller high schools; promoting safe after-school opportunities; cracking down on illegal gun traffickers who supply guns to youth; and, helping communities develop and implement community-wide responses to school and youth violence through the Safe Schools/Healthy Students initiative.

Empowering Youth. Across the budget, the President has committed funding to empower youth as leaders and to support young people as they grow into healthy and productive adults. These efforts include: **Youth Empowerment Grants**, a new $3 million effort to provide competitive fellowships to reward young social entrepreneurs dedicated to solving problems in their communities; providing $75 million – twice the FY 2000 funding -- for **Youthbuild**, a program that provides at-risk youth with a fresh start by involving youth in productive service, providing them with GED preparation classes, job training, and placement assistance; providing $375,000 to expand **Youth Opportunity Grants** which address the special problems of out-of-school youth, especially in inner-cities and other areas, with high jobless rates in order to reach close to 50 communities; and providing $20 million for a new initiative, **Rewarding Achievement in Youth**, to support comprehensive employment raining, counseling and education services to over 9,000 academically high-achieving, low-income youth.

HOUSING

DRAFT New Housing Vouchers for Hard-Pressed Working Families

The President's budget will include $690 million for 120,000 new housing vouchers to help America's hard-pressed working families. These housing vouchers subsidize the rents of low-income Americans, enabling them to move closer to job opportunities – many of which are being created far from where these families live. Of the 120,000 new housing vouchers, 32,000 will be targeted to families moving from welfare to work, 18,000 to homeless individuals and families,

and 10,000 to low-income families moving
to new housing constructed through the Low Income Housing Tax Credit, with the remaining 60,000 vouchers allocated to local areas to help address the large unmet need for affordable housing. These new vouchers build on the 110,000 new housing vouchers secured through the President's leadership in the past two years.

Homeless Initiative
The President and Vice President have continued to work to end homelessness. Homeless persons do not participate fully in important health and other programs for which they are eligible. The President's budget proposes legislation for a new $10 million initiative that would improve homeless individuals' access to mainstream programs that will help them move toward self-sufficiency. Demonstration grants would be awarded to 5-7 states and large counties to improve access to and provide coordination among mainstream programs such as Medicaid, State Children's Health Insurance Program (SCHIP), Temporary Assistance for Needy Families, Food Stamps, the Workforce Investment Act, and the Mental Health and Substance Abuse Block Grants. The President's budget also proposes $1.2 billion for homeless assistance programs at the Department of Housing and Urban Development, including $105 million for homeless vouchers.

HEALTH CARE

DRAFT Strengthening and Modernizing the Medicare Program
The President's budget includes a comprehensive plan, released in July of 1999, to reform and modernize this vitally important program. This historic plan will: (1) modernize Medicare's benefits; (2) make the Medicare program more efficient and competitive; and (3) extend the solvency of the Medicare Health Insurance trust fund. As its centerpiece, the President's plan proposes an outpatient prescription drug plan that would be available to all Medicare beneficiaries. The drug plan would have no deductible and pay half of all beneficiaries' prescription drug costs up to $2,000 in FY 2003 and $5,000 when fully phased-in by 2009. The benefit would be administered by pharmaceutical benefit managers (PBMs) in order to employ private-sector management and purchasing tools, and provide special assistance with premiums and cost sharing for low-income beneficiaries. The plan also proposes to give financial incentives to employers who currently offer retiree prescription drug benefits to maintain coverage. In addition, to assure the financial health of the HI Trust Fund through XX, and eliminate the need for the excessive cuts and radical restructuring that would be inevitable in the absence of new resources, the President's plan dedicates XXX of the budget surplus to the Medicare program for the next X years.

DRAFT Covering the Uninsured Parents of Children in Medicaid or SCHIP
The centerpiece of the President's FY 2001 health insurance coverage initiative is a proposal to allow states to cover the parents of children eligible for Medicaid or the State Children's Health Insurance Program (SCHIP). Many of the parents of the children insured through Medicaid and SCHIP are themselves uninsured. This proposal builds on the current programs to help these parents and, in so doing, increases the likelihood that uninsured children get enrolled in these programs as well. It does this by providing higher Federal matching payments for expanding

coverage to parents. Parents would be insured in the same program as their children to improve efficiency and continuity of care. States would cover lower-income parents before covering upper-income parents, as in SCHIP and would ensure that they are successfully insuring children before accessing additional funds for adults.

DRAFT Increasing Enrollment in Children's Health Insurance Programs
This initiative accelerates enrollment of uninsured children in Medicaid and CHIP by focusing on school-based efforts and eligibility simplification. One of the greatest health policy achievements of the President is the creation of SCHIP. This initiative promotes enrollment in the SCHIP program and in Medicaid through schools by: (1) allowing school lunch application information to be shared with Medicaid and CHIP for outreach; (2) letting enrollment in the school lunch program serve as a proxy for Medicaid or CHIP eligibility while formal applications are being processed; and (3) allowing additional sites like child care referral centers and homeless programs to determine presumptive eligibility. The initiative would also simply the enrollment process by requiring states to make Medicaid applications no more complicated than their CHIP process. Finally, it creates a $10 million competitive state grant program in Medicaid to coordinate programs and increase enrollment of homeless children and families in Medicaid, CHIP, and other social service programs.

DRAFT Expanding Health Insurance Options for Americans Facing Unique Barriers to Coverage
Some vulnerable groups of Americans often lack access to employer-sponsored insurance and insurance programs like Medicare or Medicaid. These include older Americans, people in transitions (between jobs, turning 19 and entering the workforce, leaving welfare for work), and workers in small businesses. This plan addresses these specific and other problems by: establishing a Medicare buy-in option and making it more affordable through a 25 percent tax credit; making COBRA continuation coverage more affordable through a 25 percent tax credit for COBRA premiums; improving access to affordable insurance for workers in small businesses by providing small firms that have not previously offered health insurance a tax credit equal to 20 percent their contribution – twice the credit he proposed last year -- towards health insurance obtained through purchasing coalitions; expanding state options to insure children through age 20; extending transitional Medicaid for up to a year for those losing it due to increased earnings; and restoring state options to insure legal immigrant children, pregnant women, and individuals with disabilities in Medicaid and S-CHIP regardless of their date of entry into the country.

DRAFT Strengthening Programs that Provide Health Care Directly to the Uninsured
In the absence of a universal health insurance system, public hospitals, clinics, and thousands of health care providers give health care of the uninsured and receive inadequate compensation for doing so. The President will renew his commitment to helping these providers by: increasing funding to increase access to health care for the uninsured by coordinating systems of care, increasing the number of services delivered and establishing an accountability system to assure adequate patient care for the uninsured and low-income; and new investments in to enhance the network of community health centers that serve millions of low-income and uninsured Americans – for total funding of over $1.069 billion in FY 2001.

DRAFT Long-Term Care Initiative

The budget proposes a $X billion initiative that includes a $3,000 tax credit to compensate for the cost of long-term care services – three times what was in the FY 2000 Budget; a new National Family Caregivers Program; a national campaign educating Medicare beneficiaries about long-term care options; and will make group long-term care insurance available to Federal employees, annuitants, and their families. Employees would pay the full cost of insurance premiums, which, at group rates, are expected to be 15 to 20 percent lower than the individual rates otherwise available. The budget also invests $X million in an innovative housing initiative to integrate assisted living facilities and Medicaid home and community-based long-term care, $Y million in a new Medicaid option to equalize eligibility for people with long-term care needs in community settings; andan additional $16.8 million to help states strengthen nursing home enforcement tools and increase Federal oversight of nursing home quality and safety standards.

DRAFT Patients Bill of Rights

The President encourages Congress to finish the job this year and pass patients' rights legislation that includes critical protections such as: guaranteed access to needed health care specialists; access to emergency room services when and where the need arises; continuity of care protections so that patients will not have an abrupt transition in care if their providers are dropped; access to a fair, unbiased and timely internal and independent external appeals process to address health plan grievances; and an enforcement mechanism that ensures recourse for patients who have been harmed as a result of a health plan's actions.

DRAFT Preventing Medical Errors and Improving Quality of Care

This initiative will respond to the recent Institute of Medicine study and the President's request to develop new avenues for the prevention of medical errors. It will include new funding to increase medical errors prevention, patient safety research, information dissemination, and create a new Center for Patient Safety at HHS. In addition, in FY 2001, OPM will require FEHBP participating carriers to institute initiatives to improve health care quality through the prevention of medical errors and enhancements in patient safety.

DRAFT Protecting Patients Purchasing Prescription Drugs Over the Internet

This initiative would invest new funds in the investigation, identification, and prosecution of entities selling unapproved new drugs, counterfeit drugs, prescription drugs without a valid prescription, expired or illegally diverted pharmaceuticals, and the marketing of products based on fraudulent health claims. It would establish new Federal certification requirements for all internet pharmacy sites to ensure that they meet all state and Federal requirements. It would also update the current penalty structure to create new civil money penalties of up to $500,000 per violation for dispensing without a valid prescription over the internet or for selling drugs without Federal certification; and provide FDA with new administrative subpoena authority in order to gather the information necessary to build a case against offenders.

DRAFT Supporting biomedical research

Funding for biomedical research has led to groundbreaking advances in diagnosing, treating, and curing diseases. It has contributed to the eradication of smallpox and the disappearance of polio in the Western Hemisphere. The President's FY 2001 budget includes almost $19 billion, an increase of $1 billion over last year's funding level, for biomedical research at the National Institutes of Health. In addition, the President will eliminate the delays in releasing $4 billion in research funds as required in last year's appropriations bill. If Congress passes the President's proposal, funding for NIH will increase by over 80 percent – nearly twice what the NIH budget was when President Clinton came into office. The new funds will be used to support new and expanded research that provide the basis for the disease breakthroughs and pharmacological advances preventing death and disability and improving the quality of life for millions of Americans.

DRAFT Major New Investment to Combat HIV and AIDS
This initiative would invest an additional $225 million in FY 2001 to increase efforts prevent the spread of HIV and AIDS both domestically and overseas. This initiative would invest an additional $50 million in domestic community based interventions to: help 150,000 individuals who are not aware of their infection learn their status and access prevention counseling and treatment services; expand community prevention planning, with a special emphasis on racial and ethnic minorities, women, injection drug users and their partners, and young gay men; and building a data infrastructure to assist local public health officials in targeting their prevention efforts. It will also invest an additional $40 million in efforts in activities to prevent AIDS worldwide, including: providing care for children who have been orphaned by AIDS; implementing workplace prevention programs through international labor unions; and providing treatment for the opportunistic infections associated with the disease. Finally, the new investment in Ryan White and ADAP would shorten the waiting time needed to access the comprehensive range of drugs needed to effectively treat this disease.

Enhancing the Nation's Food Safety System. The Centers for Disease Control estimates that contaminated food kills up to 5,000 Americans and sickens 76 million more each year. A total of $422 million is included in the President's budget for his food safety initiative -- a $68 million, or 19 percent, increase over FY 2000 enacted. The initiative includes an additional $40 million for the Department of Health and Human Services (HHS) to achieve annual inspections of high-risk domestic foods such as unpasteurized juice; expand the number of inspections of imported foods; enhance the national network of public health laboratories capable of subtyping foodborne pathogen DNA for rapid response to disease outbreaks (PulseNet); and expand research, risk assessment and education activities. The Department of Agriculture's (USDA) $28 million increase would extend risk assessment modeling and data collection to include the pre-harvest phase for all foods and support bioscience research to develop effective methods of handling and treating agricultural products to minimize microbial contamination. Funding is also included for HHS and USDA to begin implementation of the Egg Safety Action Plan adopted by the President's Council on Food Safety.

- **[DPC: decide how you want to incorporate this extra bullet on food safety; note, this one is a draft while the one above is not a draft] DRAFT Major New Investment in Food Safety**
  The budget proposes a new investment of $35 million, an 18 percent increase over FY 2000 funding levels, to provide for an additional 6,100 imported entries in order ensure the safety of food entering our borders. Today more than 3 million shipments of FDA-regulated products arrive at our ports, and these imported food entries are expected to increase by 33 percent by 2003. This additional funding would allow the FDA to conduct 1000 additional high-risk inspections. During the next few years, additional foods such as sprouts, eggs, and

juice will be considered high-risk, and will need to be inspected at least once per year in keeping with the President's commitments. Finally, this additional funding will improve research and surveillance, particularly in the area of anti-microbial resistance.

DRAFT Major Increase in the War on Emerging Infectious Diseases
This initiative will dedicate an additional $20 million, an 83 percent increase over the FY 2000 funding level, to further the development of a national electronic disease surveillance network to track newly emerging infectious diseases, such as West Nile-like encephalitis, and new strains of influenza, and provide essential information to public health clinics, hospitals, and health care providers. Funds will also be used to enhance local investigations, education, and focused disease monitoring nationwide, and promote the dissemination of new software for outbreak detection.

DRAFT Increasing Family Planning Efforts Nationwide
The FY 2001 budget will invest an additional $35 million, a 16 percent increase over the FY 2000 funding level, for grants to family planning clinics providing reproductive health services and clinical care to over 5 million low income women. These new funds will be used to prevent over a million unintended pregnancies year by improving the delivery of comprehensive reproductive health services, including STD and cancer screening and prevention, and HIV prevention, education and counseling; providing educational programs that encourage adolescents to postpone of sexual activity; increase the accessibility of contraceptive counseling and services; increasing efforts to provide effective contraceptives to those in need; and developing partnerships with other community based providers to conduct outreach to adolescents at risk. In addition, the budget continues the requirement that health plans in FEHBP offer the full range of contraceptive options.

DRAFT Promoting Childhood Immunizations
The budget proposes $1.1 billion for the Childhood Immunizations Initiative, including the Vaccines for Children program and CDC's discretionary immunization program. The incidence of vaccine-preventable diseases among children, such as diphtheria, tetanus, measles, and polio, is at an all-time low.

DRAFT Expanding Substance Abuse Activities
The budget includes an $30 million increase for the prevention and treatment of substance abuse, a 45 percent increase from the FY 1993 enacted level. These new funds continue the Administration's commitment to expand substance abuse treatment for thousands of under-served Americans. To help communities address gaps in substance abuse services for emerging areas of need, the budget proposes an additional $20 million for Targeted Capacity Expansion grants. With this increase and an additional $25 million in funding for the Substance Abuse Block Grant, the budget will provide treatment for another _**XX**__ individuals. In addition, in January 2001, the FEHBP's benefit structure will, for the first time, provide for parity in the provision of mental health and substance abuse benefits, illnesses which have long been given less favorable treatment by the health care industry.

DRAFT Increasing Federal Support for Improving the Mental Health of All Americans

According to the December 1999 Surgeon General's Report on Mental Health, one in five Americans is living with a mental health disorder. This report states that the fundamental components of effective service delivery are broadly agreed upon, but in short supply. The budget provides an increase of $80 million for mental health services, a $329 million, 85 percent increase from FY 1993. This includes: a $44 million increase for the Mental Health Block Grant, which provides integral support to States for services for people with severe mental illnesses. The budget also proposes $28 million for new Targeted Capacity Expansion grants to assist those with mental illnesses that the Mental Health Block Grant is not authorized to serve.

DRAFT Improving Public Health's Response to the Threat of Bioterrorism
The budget proposes a $8.5 million, 3 percent increase for medical and public health response and preparedness related to potential terrorist use of biological and chemical weapons. The proposed increase would also support 25 new local health care response systems for a total of 97 teams by the end of FY 2001.

DRAFT Promoting Full Participation in the Women, Infants, and Children (WIC) Program
Last year, WIC reached over 7.3 million low-income women, infants, and children, providing nutritional food packages, nutrition education and counseling, and health and immunization referrals. Due in large part to expansion during this Administration, funding has grown by over 40 percent, and the program now helps nearly half of America's infants. The budget proposes $4.1 billion to serve 7.5 million people in 2001 and fulfills the President's goal of full participation, making sure that all who are eligible take part in WIC.

DRAFT Providing Quality Health Care to Native Americans
The budget proposes a new investment of $230 million, a 10 percent increase over the FY 2000 funding level, for a six pronged funding strategy for the Indian Health Service (IHS). This initiative includes new efforts to: improve preventive services designed to reduce the need for acute medical care; expand preventive care programs; improve emergency medical services in remote locations common on American Indian and Alaska Native reservations; address the environmental conditions in American Indian and Alaska Native homes and communities, including environmental planning, food protection, and occupational health and safety; expand programs that provide substance abuse treatment and prevention services; provide surveillance and training in diabetes care; conduct nutrition services research and coordinate with other social service; and providing preventive and corrective dental care to prevent disease and reduce tooth loss, such as water fluoridation.

DRAFT Combating Fraud and Abuse in the Medicare Program
This new initiative will invest $48 million to create a team of over 100 anti-fraud analysts to be placed in the offices of Medicare contractors nationwide to ensure a swift and coordinated response to suspected instances of fraud. In addition, it will invest new funds to implement new, financial management computer systems to accurately track and identify claims payments and prevent Medicare claims processors and auditors from defrauding the program.

OPPORTUNITY AND PROSPERITY FOR ALL

Universal Reemployment Initiative
Last year, the President announced a Universal Reemployment Initiative which included putting us on a path (beginning in FY2000) toward job training services for all dislocated workers who want and need it. The Dislocated Worker Employment and Training program provides core services, intensive services, training and support to help permanently dislocated workers return to productive, unsubsidized employment. The President's FY2001 budget keeps us on track by providing an increase of $175 million to provide assistance to almost a million dislocated workers. In addition, the initiative includes $50 million to provide reemployment assistance to unemployment claimants to help them find jobs faster.

DRAFT Helping Low-Income Working Families Get to Work
Many low-income parents need a car to get to work; however, current law forces many working families to choose between feeding their families and owning a reliable car because it limits food stamp eligibility to most families owning a car worth less than $4,650. This limit has increased only three percent since it was set in 1977, while the cost of cars has nearly tripled. The President's budget will make it easier for working families to own vehicles and receive food stamps by allowing states to conform their food stamp vehicle policy with a more generous TANF vehicle policy. The President will also double Access to Jobs transportation funding to $150 million to expand grants to communities to develop innovative transportation solutions that help more low-income workers and welfare recipients get to work, and will propose to allow low-income working families to use Individual Development Accounts to save for a car that will allow them to get or keep a job.

NEW MARKETS INITIATIVE

The United States is currently in the midst of the longest peacetime expansion in history marked by tremendous business and job growth. The strength and duration of this expansion has helped bring economic opportunity to millions of people once cut off from the economic mainstream. Despite all of this success, many urban and rural areas of the country have not participated in this growth. These new markets here at home have great potential and President Clinton is committed to building a strong America, where every individual and community are provided access to the country's economic success. The President's expanded New Markets initiative will spur approximately $20 billion in new capital investment in businesses in these underserved areas through a package of tax credits and loan guarantees. Specifically:

DRAFT Expanded New Markets Tax Credit
$15 billion dollars in new investment in community development. An entity making new equity investments in a selected community development project would be eligible for a tax credit worth 25 percent of the cost of the investment. A variety of vehicles providing equity and credit to community development organizations making investments in underserved areas would be eligible for this tax credit.

DRAFT Expanded Empowerment Zone Tax Incentives
These tax credits totaling $4 billion will extend and improve economic growth in the 31 existing urban and rural Empowerment Zones, administered by HUD and USDA, as well as create a third round of 10 new empowerment zones.

DRAFT America's Private Investment Companies (APICs)
Modeled after the Overseas Private Investment Corporation's (OPIC) successful investment fund program, this program would provide guaranteed debt to private investment companies, licensed by HUD, to help leverage private equity capital and lower the cost of capital for investments in low- and moderate-income communities. APICs will make equity investments in larger businesses that are expanding or relocating in inner cities and rural areas.

DRAFT New Market Venture Capital Firms (NMVCs)
SBA will match equity investment and technical assistance funds to finance 10-20 new investment partnerships selected to provide both patient growth capital and expert guidance to entrepreneurs who need both in order to transform their small businesses and great ideas into thriving companies.

DRAFT Other Elements of New Markets
Other elements include expanding the our commitment to microenterprise, including increasing the level of microenterprise lending and a commitment to a program for technical assistance for microenterprise known as PRIME; increasing CDFI funding, expanding funding for BusinessLINC to encourage large businesses to work with small businesses in new markets and a new HUD initiative to establish a New Markets University Partnerships pilot project which would provide Universities with funding for the development of local community partnerships, assistance to intermediaries, and technical and business development assistance to business owners, microentrpreneurs, and individuals wanting to start a business.

WELFARE TO WORK

DRAFT Millions Move from Welfare to Work
In 1992, President Clinton promised to end welfare as we know it, and now more than three years after the enactment of the welfare reform law, welfare reform is working. We've seen revolutionary changes to promote work and responsibility: the number of Americans on welfare is at its lowest level since 1969 – 30 years ago – as millions of people move from welfare to work. Since January 1993, the welfare rolls have fallen by more than half, from 14.1 million to 6.9 million. More than 1.3 million welfare recipients went to work in 1998 alone. The percentage of adults still on welfare who were working reached 27 percent in 1998, a nearly fourfold increase since 1992.

DRAFT Help More Long-Term Recipients Move from Welfare to Work
Because of the President's leadership, the 1997 Balanced Budget Act contained $3 billion for Welfare-to-Work grants to help long-term welfare recipients and certain non-custodial parents go to work and support their children. To fully implement these important efforts, the President's

budget allows grantees an additional two years to spend these existing funds and, as described above, includes new grants to help non-custodial parents and those who have moved from welfare to work succeed in the workforce.

INTERNATIONAL ECONOMY

DRAFT Child Labor

In his 1999 State of the Union address, President Clinton pledged: "[W]e will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world." In June, he spoke to the ILO before it adopted the new convention and in November, with Senate advice and consent, he signed the convention on behalf of the United States. Now we must to more to help countries around the world make the convention's aspirations reality, bringing education – not hard labor -- to millions of children and preventing the loss of future generations of youth to abusive work. In the last two budgets, the United States became the world's largest contributor to the ILO's International Program for the Elimination of Child Labor (IPEC). This year, the President seeks to take our efforts to a new level, providing $100 million to support international efforts to eliminate Child Labor through two inter-related strategies: (1) we will increase the U.S. contribution to IPEC by 50% to $45 million to provide multilateral assistance to more children suffering in abusive child labor in more countries and more industries; and (2) we will establish a new bilateral assistance program to help countries provide accessible, affordable, and decent basic education as a viable alternative to child labor. If there is no accessible school, or it costs too much, or the quality of education is so poor that opportunities are not expanded, parents may see no choice other than to send their kids to work. Our work through IPEC makes clear that access to education is a necessary component of every strategy to eliminate child labor. We must expand the resources available for the educational component of child labor strategies. These funds could be leveraged by private sector donations to an international trust fund established for the same purpose and greater investment by the International Financial Institutions in education and other strategies to eliminate child labor. Furthermore, the President seeks to double (from $5 million to $10 million) U.S. Customs Service resources to enforce the ban on the importation of goods made with forced or indentured child labor. Finally, he proposes to provide $5 million to the U.S. Department of Agriculture for a new program to teach farm safety to children who work on farms.