

NLWJC - Kagan

DPC - Box 005 - Folder 010

**Budget Materials - FY2000 General
[2]**

December 17, 1998

To: Gene Sperling
Bruce Reed
Ron Klain
Sally Katzen
Elana Kagan
Neal Lane

From: Rob Nabors for Jack Lew and Sylvia Mathews

Subject: Budget Initiatives

Attached for your review is a rack-up of the budget initiatives currently being discussed. Please get any comments or changes to me as soon as possible at X54840 or by email. Thank you.

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>12/10 Discussion</u>	<u>12/17 Discussion</u>	<u>Policy Council Preferred Level</u>
CEQ			
Costal Salmon	125	100	
Lands and Livability	750	375	
Clean Air Fund	250	250	
Subtotal	1,125	725	
HHS			
CDC	75	60	
Long-Term Care	150	150	
AIDS		28	
CBC AIDS		50	
Mental Health (SAMSHA)	75	65	
Race and Health	50	50	
Children's Hospital	40	40	
Tobacco -- PH CDC	27	27	
Tobacco -- FDA	66	34	
Tobacco -- Public Health Education	25	15	
Food Safety	50	30	40
Subtotal	558	549	
Education			
Adult Literacy	255	190	
Social promotion	350	350	
Quality		18	
Urban/Rural Computing	100	60	
Charter Schools	9	10	
Stay in College	100	25	
Title I Accountability	250	0	
Technology for Disabled	60	35	
Native Americans	10	10	
Education Research	25	0	25
Unallocated Education		-700	
Subtotal	1,159	-2	

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>12/10 Discussion</u>	<u>12/17 Discussion</u>	<u>Policy Council Preferred Level</u>
Labor			
Universal re-employment	300	235	250
Youth employment	212	150	170
FMLA/Paid Leave	8	8	
Child Labor			
Enforcement	3		
Standards	40	40	
Equal Pay	20	20	
Manufacturing Assistance	0	0	55
NLRB	10	0	
Subtotal	593	453	
Urban Initiative			
SBA	238	115	150
Treasury	25		
Subtotal	263	115	
HUD Abandoned buildings	100	50	
Treasury			
Firearms	25	15	
Americorps	100	70	80
Child Labor	30		
Microcredit	10	0	10
Information Technology			
DARPA	100	[100]	
NSF	60	0	35
DOE	70	25	
Digital Library	20	10	20
Subtotal	250	35	
Energy			
Climate Change	75	75	
Russia	535		
Subtotal	610	75	

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>12/10 Discussion</u>	<u>12/17 Discussion</u>	<u>Policy Council Preferred Level</u>
Agriculture			
Integrated Service Ecosystems	50	45	50
VA			
Smoking cessation	90	[90]	-
Homeless vets		[50]	
Subtotal	90	0	
Justice			
COPS II	650	650	
Coerced abstinence	100	[100]	
Offender Justice	40	[40]	
Subtotal	790	650	
Total	5,753	2,780	

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>12/10 Discussion</u>	<u>12/15 Discussion</u>
CEQ		
Costal Salmon	125	100
Lands and Livability	750	375
Clean Air Fund	250	250
HHS		
CDC	75	60
Long-Term Care	150	150
AIDS		28
CBC AIDS		50
Mental Health (SAMSHA)	75	65
Race and Health	50	50
Children's Hospital	40	40
Tobacco -- PH CDC	27	27
Tobacco -- FDA	66	34
Educational Research	25	15
Food Safety	50	40
Education		
Adult Literacy	255	190
Social promotion	350	350
Quality		18
Urban/Rural Computing	100	60
Charter Schools	9	10
Stay in College	100	25
Title I Accountability	250	0
Technology for Disabled	60	35
Native Americans	10	10
Education Research	25	
Labor		
Universal re-employment	300	250
Youth employment	212	170
FMLA/Paid Leave	8	8
Child Labor		
Enforcement	3	
Standards	40	40
Equal Pay	20	20
NLRB	10	10

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>12/10 Discussion</u>	<u>12/15 Discussion</u>
Urban Initiative		150
SBA	238	
Treasury	25	
HUD Abandoned buildings	100	50
Treasury		
Firearms	25	15
Americorps	100	80
Child Labor	30	
Microcredit	10	10
Information Technology		
DARPA	100	[100]
NSF	60	35
DOE	70	35
Digital Library	20	20
Energy		
Climate Change	75	75
Russia	535	
Agriculture		
Integrated Service Ecosystems	50	50
VA		
Smoking cessation	90	[90]
Homeless vets		
Justice		
COPS II	650	650
Coerced abstinence	100	[100]
Offender Justice	40	40
Unallocated Education		-500
Total	5753	3190

12/15

Track entry re discretionary spending

Carrying 2.5M

Health - ~~25000~~

Prior / sup → 60 (-15)

Long term care → 150 still

AIDS → 78 still

Mental health → 65 (-10)

Race + health → 50 still

Rural → ~~2~~ (-25)

Children's hospital

??

Tobacco - FDA → 34 (-32)

?

Tobacco - CDC → 27 still

Ed Research → 10-15 (10-15)

Food safety → 40 (-10)

Education -

Adult literacy → 180 (-75)

Social promotion → 350 still

Teacher quality → 0 still (18+ troops to teachers)

Computing → ~~60~~ 60 (-15)

Charter schools → 10 still

Stay-in-college → 25 (25-75); poss of going to 0

Accountability → 0 ⁽⁻²⁰⁰⁾ (Assume this comes from T1 ↑)

Technology → 35 (-5)

Native Americans → 10 (-0)

Ed Research → ??

~~25000/25000~~

Labor -

Univ Re-employment ~~30~~ → 210-250 (50-90) (100 already in)

Youth Emp → ~~170~~ 170 (100/50/20) (-32)

FMLA/Paid Leave Fund - 8 still

Labw Standards/childlabor - 40

Equal Pay ??? [Look at Civ Rts as a whole.]
20m placeholder

Trillion Dollars → 150 (-100)

Abandoned Bldgs → 50 (-50)

Guns → 15

Finclw Bq/Rts → ~~20~~ 0 (-25)

Americorps → ~~20~~⁸⁰ (-20)

Child labor ~~20~~ → 0 (-20-30)

Microcred → 10 still

InfoTech ^(NSA/DOE?) → plus up - around 70?

Digital → 20 still

Climate change → ??

Russia initiative → ??

~~Ecosystem~~ Challenges → ??

(-90)
[Vets - so through VA]
Homeless vets

Coerced → 0 (-100)

1-yr DOT programs?? (00m)

Total around 306 (w/ .5 from ed cut)

	Request	Possible Settlement Range	
		Low	High
CEQ			
	Costal Salmon	125	100
	Lands and Livability	500-750	375
	Clean Air Fund	250	250
HHS			
	CDC	75	60
	Long-Term Care	150	150
	AIDS		28
	CBC AIDS		50
	Mental Health (SAMSHA)	75	65
	Race and Health	50	50
	Children's Hospital	40	40
	Tobacco -- PH CDC	27	27
	Tobacco -- FDA	66	32
	Educational Research	25	10
	Food Safety	50	40
Education			
	Adult Literacy	255	110 150
	Social promoter Quality	350	350
			18
	Urban/Rural Computing	75-100	60
	Shift general Ed Tech increase		[25]
	TLC		41
	Charter Schools	9	5
	Stay in College	50-100	25
	Title I Accountability	250	0
	Technology for Disabled	40-60	35
	Native Americans	10	10
	Education Research	25	
Labor			
	Universal re-employment	300	210
	Youth employment	212	170
	FMLA/Paid Leave	8	8
	Child Labor		
	Enforcement Standards	3	40
	Equal Pay	20	20
	NLRB	10	10
			458
Urban Institute			
	SBA	238	
	Treasury	25	
HUD Abandoned buildings	100	50	50
Treasury			
	Firearms	25	15
Americorps	100	80	80
Child Labor	20-30	—	—
Microcredit	10	10	10
Deduct Education		-500	-500
Total		2502	2592

FY00 Discretionary Initiatives

<u>Initiative by Agency</u>	<u>Amount</u> (\$ million)
DEPARTMENT OF EDUCATION	
Adult Literacy	255
Social Promotion/After School	350
Teacher Quality	0
Urban and Rural Computing Centers (or HUD or Commerce)	75-100
Charter Schools and Choice	9
Stay-in-College Initiative	50-100
Title I Accountability Fund	200
You Can Go to College Campaign	0
Technology for Disabled Americans	40-60
Native Americans	10
Education Research	25
SUBTOTAL	1,014-1,109
DEPARTMENT OF LABOR	
Universal Re-employment	300
Youth Employment	212
FMLA and Paid Leave Research Fund	8
Child Labor Enforcement	3
International Labor Standards	40
Equal Pay (also EEOC)	20
SUBTOTAL	583
HHS	
Bioterrorism	65
Superbug	10
Long-term Care (Family Support, Nursing Home Quality, Medicare Limitation Education)	150
AIDs: Ryan White (28) and CBC Initiative (50)	78
Mental Health	75

25

50

20

60 }

150

203 }

2	Race & Health	50
1	Rural Emergency Services	25
24	Tobacco -- Public Health (CDC)	27
34	Tobacco -- FDA Enforcement	66
1	Children's Hospitals	40
	Education Research	25
40	Food Safety (w/USDA)	50
	SUBTOTAL	661
	HUD	
	Abandoned Buildings	100
	SBA	
	Trillion Dollar Roundtable	238
	DEPARTMENT OF TREASURY	
	Trillion Dollar Roundtable (CDFI)	25
15	Firearms Enforcement (w/DOJ)	25
	Financial Consumer Bill of Rights	25
	SUBTOTAL	75
	EPA	
	Climate Investment Fund	250
	DEPARTMENT OF COMMERCE	
	Coastal Salmon Restoration	100 125
	DEPARTMENT OF INTERIOR	
	Lands Legacy and Livability	500-750
70	CORPORATION FOR NATIONAL SERVICE	100
	DEPARTMENT OF STATE	
	Child Labor (AID)	20-30
	Microcredit	10
	SUBTOTAL	30-40
	NSF	
	Information Technology Initiative	14-29

NIF -> 35
DOE -> 3035

10

?

	Digital Library for Education (also Smithsonian)	20
	SUBTOTAL	34-49
	DEPARTMENT OF ENERGY	
	Global Climate Change -- Research and Technology (also Ag, EPA, NSF,NASA,NOAA)	75
	Russia Initiative (also State and DoD)	185-535
	SUBTOTAL	260-685
	AGRICULTURE	
	Integrated Science for Ecosystem Challenges (also NOAA)	50
	VETERANS AFFAIRS	
SD	Smoking Cessation	90
	DEPARTMENT OF JUSTICE	
	COPS II	650
0	Redirect Prison Funds to Coerced Abstinence and Alternatives to Incarceration	100
	Child Support	10
	Medicare Suit (w/HHS,DoD,VA, OPM)	20
	Child Welfare Judicial Reform	5
	Abortion Safety	5
	SUBTOTAL	790
	DEPARTMENT OF DEFENSE	
	Information Technology Initiative	100
	Smoking Cessation	60
	Medical Research	200
	SUBTOTAL	360
	TOTAL	5.2-5.9

- DoD

4.84

FY00 Discretionary Initiatives

<u>Initiative</u>	<u>Amount</u> (\$ million)
I. EDUCATION AND TRAINING	
Adult Literacy	255
Social Promotion/After School	350
Universal Re-employment	300
Youth Employment	212
Charter Schools and Choice	29
Stay-in-College Initiative	50-100
Title I Accountability Fund	200
Native Americans	10
You Can Go to College Campaign	0
Education Research	25
II. HEALTH	
Bioterrorism	65
Superbug	10
Long-term Care (Family Support, Nursing Home Quality, Medicare Limitation Education)	150
AIDs: Ryan White (28) and CBC Initiative (50)	78
Mental Health	75
Race & Health	50
Rural Emergency Services	25
Children's Hospitals	40
Food Safety	50
DoD Medical Research	200
III. URBAN, EMPOWERMENT, AND WELFARE REFORM	
Trillion Dollar Roundtable	238
Urban and Rural Computing Centers	75-100
Child Support	10
Abandoned Buildings	100
IV. ENVIRONMENT	

Coastal Salmon Restoration	125
Lands Legacy and Livability	500-750
Climate Investment Fund	250
Global Climate Change -- Research and Technology	75
V. NATIONAL SERVICE	100
VI. TECHNOLOGY	
Information Technology Initiative	114-129
Technology for Disabled Americans	40-60
Digital Library for Education	20
Integrated Science for Ecosystem Challenges	50
VII. TOBACCO	
DoD/VA Cessation	150
Public Health (CDC)	27
FDA Enforcement	66
Medicare Suit	20
VIII. WOMEN, CHILDREN AND FAMILIES	
Child Welfare Judicial Reform	5
FMLA and Paid Leave Research Fund	8
Abortion Safety	5
IX. CRIME	
COPS II	650
Firearms Enforcement	25
Redirect Prison Funds to Coerced Abstinence and Alternatives to Incarceration	100
X. INTERNATIONAL	
Russia Initiative	185-535
XI. MISCELLANEOUS	
Child Labor	23-33
Labor Standards and Anti-sweatshops	40
Financial Consumer Bill of Rights	25
Equal Pay	20
TOTAL	5.2-5.9 billion

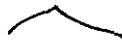
WAYS TO REDUCE HEALTH BY: (1) 50m (2) 100m (3) 150m

FY00 Discretionary Initiatives ^{12/10} List

Initiative	Amount (\$ million)			
I. EDUCATION AND TRAINING				
Adult Literacy	255			
Social Promotion/After School	350			
Universal Re-employment	300			
Teacher Quality	0			
Youth Employment	212			
Charter Schools and Choice	29			
Stay-in-College Initiative	50-100			
Title I Accountability Fund	200			
Native Americans	10			
You Can Go to College Campaign	0			
Education Research	25			
II. HEALTH				
Bioterrorism	65	-25 (40)	-25 (40)	-55 (10)
Superbug	10			
Long-term Care (Family Support, Nursing Home Quality, Medicare Limitation Education)	150			-10 (140)
AIDs: Ryan White (28) and CBC Initiative (50)	78			-10 CBC: 40
Mental Health	75			
Race & Health	50			
Rural Emergency Services	25	-25 (0)	-25 (0)	-25 (0)
Children's Hospitals	40	-40 (0)	-40 (0)	-40 (0)
Food Safety	50		-10 (40)	-10 (40)
DoD Medical Research	200			
III. URBAN, EMPOWERMENT, AND WELFARE REFORM				
Trillion Dollar Roundtable	238			
Urban and Rural Computing Centers	75-100			
Child Support	10			
Abandoned Buildings	100			
IV. ENVIRONMENT				
	543	-50 493	-100 443	-150 393

~~255~~
~~355~~
~~767~~
~~867~~
~~8770~~

~~350~~
~~359~~
~~559~~



Us
 2.228

Gene
 1.423 lw

Por = 2.9 + judiciary 3.150

us = 2.5?

~~Car 1.7~~

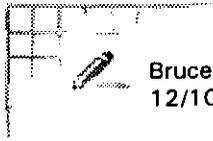
dur of 500,000:

	<u>Savings</u>
Boo	-
Educ	190
Health	190 m.
Tobacco	75 m.
Service	20
Equal Pay	20
Cerainty etc	100
Crus	10
	<hr/>
	\$ 315
Cops	100
	<hr/>
	\$ 415

→ other ~~to 207~~
 Ser 100 to pick
 up.

Elena

FY00 Discretionary Initiatives				
Initiative	<i>General</i>	<i>FY00</i> Amount (\$ million)	<i>FY00</i>	<i>FY00</i>
II. HEALTH	12/10 List	-\$50 million	-\$100 million	-\$150 million
Bioterrorism	65	50 (-15)	50 (0)	40 (-10)
Superbug	10	10	10	10
Long-term Care (Family Support, Nursing Home Quality, Medicare Limitation Education)	150	150	150	140 (-10)
AIDS: Ryan White (28) and CBC Initiative (50)	78	78	78	63 (-15 CBC)
Mental Health	75	75	65 (-10)	50 (-15)
Race & Health	50	50	50	50
Rural Emergency Services	25	0 (-25)	0 (0)	0 (0)
Children's Hospitals	40	40	0 (-40)	0 (0)
Food Safety	50	40 (-10)	40 (0)	40 (0)
DoD Medical Research	[200]	[200]	[200]	[200]
TOTAL	543	493	443	393



Bruce N. Reed
12/10/98 10:44:35 AM

Record Type: Record

To: Cathy R. Mays/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP
cc:
Subject: DPC Passback

----- Forwarded by Bruce N. Reed/OPD/EOP on 12/10/98 10:45 AM -----



Bruce N. Reed
12/10/98 10:34:31 AM

Record Type: Record

To: Jacob J. Lew/OMB/EOP
cc:
Subject: DPC Passback

Here's a revised list of new initiatives:

	Cut	New Level
HEALTH		
Bioterrorism/Superbug	10	90
LT care	80	135 [120 for family care giver; 15 for education]
Diseases	105	200 [50 for minority AIDS, 50 for race & health, 75 for mental health, 25 for asthma]
Rural	0	25
Childrens GME	[First Lady initiative; discuss w/Melanne]	
DOD Health	[Earmark within DOD budget]	
EDUCATION		
End Social Promotion	100	350
Teacher Quality	250	0
Charters & Choice	20	40
Title I Acctability Fund	0	200
TOBACCO		
	0	207
WELFARE		
Child Support	0	10
Access to Jobs	25	50
Vouchers	145	0 [unless helps w/HUD appeal]

WOMEN/CHILDREN	0	20	
SERVICE	72	100	
MISCELLANEOUS			
Food Safety	25	50	
Equal Pay	0	20	
CRIME			
COPS II		100	650
Guns	0	25	
Certainty o' Punishment	45	50	[earmark out of prison funds]
Coerced Abstinence	45	50	[earmark out of prison funds]

DOMESTIC POLICY DISCRETIONARY FY 2000 NEW INITIATIVES

Budget - FY 2000 general

Initiative	Purpose	Funding Request
I. HEALTH		
a. BIOTERRORISM	To train epidemic intelligence officers, develop a mass casualty emergency response system, maintain stockpile of pharmaceuticals, and develop new vaccines and antibiotics.	\$90
b. SUPERBUG	To educate health providers and consumers on appropriate use of antibiotics and to undertake research and surveillance efforts that will help in developing effective responses to antibiotic resistance.	\$10
c. LONG TERM CARE: FAMILY CAREGIVER SUPPORT	To establish one-stop-shops to assist families who care for severely impaired elderly relatives through counseling, training, respite service, and adult day care.	\$140
d. LONG TERM CARE: NURSING HOME QUALITY	To strengthen enforcement of nursing home standards, including by increasing surveys of repeat offenders and improving training of surveyors.	\$50 (eliminating need for user fees)
e. LONG TERM CARE: EDUCATION OF MEDICARE BENEFICIARIES	To educate beneficiaries about limits of Medicare coverage of long-term care and inform them about private sector options.	\$25

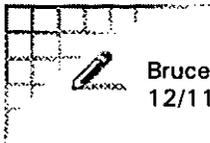
f. AIDS	To increase access to Ryan White programs. To sustain commitment to prevention and treatment programs focused on minority communities.	\$50 \$50
g. RACE AND HEALTH	To sustain commitment to public health efforts dedicated to reducing racial disparities in disease incidence.	\$80 (eliminating earmark)
h. MENTAL HEALTH	To provide direct mental health services and to raise awareness of mental health problems.	\$100
I. ASTHMA	To disseminate new treatment guidelines for asthma, raise public awareness about asthma, reduce asthma triggers in homes, and establish school-based asthma programs.	\$25
j. RURAL EMERGENCY SERVICES	To improve access to emergency medical services in rural areas.	\$25
k. CHILDREN'S HOSPITALS	To assist children's hospitals in providing graduate medical education.	\$40
l. DOD MEDICAL RESEARCH	To strengthen cancer research and osteoporosis research programs at DoD.	\$200
HEALTH SUBTOTAL (NOT INCLUDING DOD INCREASE)		\$685
II. EDUCATION		
a. SOCIAL PROMOTION/AFTER-SCHOOL	To promote social promotion policies and expand supportive summer school and after-school services.	\$450

b. TEACHER QUALITY	To (i) expand Higher Education Act scholarship program and provide fellowships to top high-school students entering careers in teaching through Byrd Scholarship program; (ii) continue Troops to Teachers program and encourage other mid-career professionals to enter teaching; (iii) assist districts to reduce number of out-of-field teachers; and (iv) set up principal academies.	\$250
c. CHARTERS AND CHOICE	To accelerate charter school expansion and promote work-site schools and magnet schools on university campuses.	\$60
d. ACCOUNTABILITY FUND	To provide new monies in Title 1 to assist states in turning around low-performing schools by supporting external assessments of schools and responses to critical needs.	\$200
EDUCATION SUBTOTAL		\$960 (but could delay teachers or accountability fund)
III. TOBACCO		
a. DOD/VA CESSATION	To provide smoking cessation services to veterans and military personnel.	\$90 (another \$60 in defense spending)
b. PUBLIC HEALTH (CDC)	To fund counteradvertising and public information campaigns addressed to youth smoking, and to work with states and other countries on implementing effective tobacco control policies.	\$27

c.	FDA ENFORCEMENT	To enforce FDA rule's access restrictions through conducting compliance checks of retail establishments.	\$66
d.	MEDICARE SUIT	To support DOJ and other agencies in preparing large-scale litigation against the tobacco companies.	\$20 (estimate)
TOBACCO SUBTOTAL (NOT INCLUDING DOD COSTS)			\$203
IV. WELFARE			
a.	CHILD SUPPORT	To double prosecutions of egregious child support violators by providing funds for investigative and legal support.	\$10
b.	ACCESS TO JOBS	To expand program to connect welfare recipients to jobs by providing new or expanded transportation services. (N.B. We are reviewing Chris Edley idea on how to target this increase.)	\$75
c.	HOUSING VOUCHERS	To bring total number of welfare-to-work housing vouchers to 100,000.	\$145
WELFARE SUBTOTAL			\$230
V. WOMEN, CHILDREN, AND FAMILIES			
a.	CHILD WELFARE JUDICIAL REFORM	To support courts handling abuse and neglect cases by providing technological services, training, and technical assistance.	\$5
b.	FMLA AND PAID LEAVE RESEARCH FUND	To conduct research on how states can best provide paid leave systems.	\$10
c.	ABORTION SAFETY	To improve security of abortion clinics by providing additional U.S. Marshall support and giving grants to conduct security assessments.	\$5

FAMILIES SUBTOTAL		\$20
VI. SERVICE		
a.	EXPANDING AMERICORPS	To expand the number of Americorps members to 100,000 by 2001, with new initiatives involving high school and college students.
b.	SENIORS FOR SCHOOLS	To create a senior corps of 40,000 people to serve as tutors, mentors, and afterschool workers.
SERVICE SUBTOTAL		\$172
VII. MISCELLANEOUS		
a.	FOOD SAFETY	To establish a nationally integrated food safety system, involving federal, state, and local officials, and to enhance international surveillance and inspections.
b.	EQUAL PAY	To support EEOC and DOL in performing outreach and technical assistance activities and upgrading enforcement efforts, with a special focus on non-traditional occupations.
MISCELLANEOUS SUBTOTAL		\$95
VIII. CRIME (OUTSIDE THE POT)		
a.	COPS II	To renew the President's COPS initiative, with new emphases on crime-fighting technologies, community-based prosecutors, and community crime prevention programs.
b.	FIREARMS ENFORCEMENT	To expand the Youth Crime Gun Initiative and dedicate new resources for federal, state, and local law enforcement to investigate and prosecute gun crimes.

c. CERTAINTY OF PUNISHMENT	To develop and implement punishment alternatives to incarceration for youthful offenders.	\$95
d. COERCED ABSTINENCE	To ensure rigorous drug testing, sanctions, and treatment for all drug offenders within the criminal justice system.	\$95
CRIME SUBTOTAL		\$965



Bruce N. Reed
12/11/98 05:34:16 PM

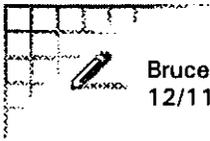
Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc:

Subject: DPC estimates

EDUCATION	559		000
Social Promotion		350	
Title I / Acct Fund		200	
Charters		009	
HEALTH	453		090
Bioterr/Superbug		060	015
LT Care		150	
AIDS		078	
Mental Health		075	
Race & Health		050	
Rural		000	025
Children's Hosp.		000	040
Food Safety		040	010
TOBACCO	128		075
FDA		034	032
Cessation		050	040
CDC		024	003
Medicare suit		020	
MISCELLANEOUS	108		040
Welfare		010	
Women/Children		018	
Americorps		080	020
Equal Pay		000	020
CRIME	565		210
COPS II		550	100
Guns		015	010
Certainty/Abstinence		000 [earmarked]	100
TOTAL	1.813B		
PREVIOUS TOTAL	2.228B		
SAVINGS			0.415



Bruce N. Reed
12/11/98 09:59:54 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc:

Subject: DPC estimates

EDUCATION	459		
Social Promotion		350	
Title I / Acct Fund		100 [Helps w/appeal?]	100
Charters		009	
HEALTH	350		
Bioterror/Superbug		050 0	
LT care		125	25
Diseases		150 [AIDS 100, Mental Health 50]	25
Rural		025	50
TOBACCO	154		
FDA		034	32
Cessation		090 [Does this help w/VA appeal?]	
CDC		010	17
Medicare suit		020	
MISCELLANEOUS	153		
Welfare		010	
Women/Children		018	
Americorps		100	
Food Safety		025	25
Equal Pay		000	20
CRIME	675		
COPS II		650	
Guns		025 015	
Certainty/Abstinence		000 [earmarked w/i prisons]	10
TOTAL	1.7 ⁷ 1B		100

savings

25
25
50

32
17

25
20

~~400~~
10
100

407

447



Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP, Leanne A. Shimabukuro/OPD/EOP
Subject: COPS Scenarios

BR:

Per your request, here's a suggested redistribution of COPS funding if we needed to reduce the overall funding. What do you think? I hate cutting the technology piece, but I assume we need to keep the prevention # up unless really pressed...jc3

- (1) -\$100 million/\$1.2 billion.
 - \$700 million for hiring/redeploying 200
 - (approx. 12,000 more police -- 9,000 new, 3,000 redeployed)*
 - \$250 million for technology 250
 - \$150 million for prosecutors 200
 - \$100 million for prevention 150

- (2) -\$200 million/\$1.1 billion.
 - \$600 million for hiring/redeploying
 - (approx. 10,000 more police -- 7,000 new, 3,000 redeployed)*
 - \$250 million for technology
 - \$150 million for prosecutors
 - \$100 million for prevention

- (3) -\$300 million/\$1 billion.
 - \$600 billion for hiring redeploying
 - (approx. 10,000 more police -- 7,000 new, 3,000 redeployed)*
 - \$250 million for technology
 - \$100 for prosecutors
 - \$50 for prevention

*\$50 million in 1-year retention waivers would result in a net gain of about 1,000 more police officers (+ 2,000 retained/-1000 new/redeployed officers).



Jose Cerda III

12/11/98 07:17:54 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Leanne A. Shimabukuro/OPD/EOP
Subject: Rubin Request

BR:

Here are the Treasury Enforcement requests:

1. ATF -- Total appeal of \$29.325 million. Half of this \$14.232 is for Brady/YCGII -- our priority -- and the remainder is for a series of other ATF enhancement, including \$6 million for tobacco compliance, \$6 million for their crime lab, etc. This should be a big priority for us.
2. Money Laundering -- \$29.4 million for a Custom's money laundering initiative. I'm not sure of the details, but they claim it's for efforts like Casablanca and to develop a National Anti-Money Laundering Strategy, as required by legislation signed into law this year.
3. Drugs -- \$62.628 million for Custom's drug and border enforcement, including new agents, inspectors and x-ray machines along the border. McCaffrey should be pushing for this, too.
4. Counterfeiting -- \$13.616 for the Secret Service to acquire advanced technologies to help them fight high-tech counterfeiters and identity theft. Identity theft is an up and coming issue. We signed legislation on it this year.
5. Cybersmuggling/Child Porn -- \$8 million for Customs to hire more agents and computer specialists to crack down on the "cybersmuggling" of child porn into the country. Their successful cases in this area have received lots of press attention.

jc3



Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Leanne A. Shimabukuro/OPD/EOP, Laura Emmett/WHO/EOP
Subject: Reasons Not to Cut COPS Funding

EK:

As requested, reasons not to cut COPS, in order of most to least defensible:

1. \$100 million is for a communications initiative strongly supported by the VP;
2. \$76 million funds Brady records, the sex offender registry and DNA lab improvements -- all of which were originally in DOJ budget and cannot be cut;
3. At least \$200 million is needed simply to fund the popular earmarks supported by Congress and the Administration (bulletproof vests, school safety, Indian law enforcement, meth enforcement, DC initiative, Police Corps, domestic violence...not to mention a potential "hot spots" earmark for the race initiative;
4. \$50 million is needed to fund retention waivers that are strongly supported by the VP;
5. \$150 million is for prosecutors initiatives that have already been cut from other parts of the budget (community prosecutors, juvie crime bill);
6. \$100 million is for the only sizable prevention increase in the Justice budget; and
7. \$600 million is needed if we want to be able to fund a minimum of 10,000 cops per year.

TOTAL: \$1.276 Billion



Jose Cerda III

12/07/98 09:36:05 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Leanne A. Shimabukuro/OPD/EOP
Subject: Budget for New Initiatives

BR:

Per your request last night, here's my best take on where we are with the Budget folks:

1. COPS II -- Need another \$750 million for COPS not to be cut from its \$1.4 billion funding level. OMB's budget already includes \$650 million in initiatives that can be absorbed by COPS II. These include:

(1) \$300 million for COPS I, w/earmarks for Indians, school safety, police corps, bulletproof vests, and DC initiative;

(2) \$100 million for juvie prosecutors;

(3) \$50 million for community prosecutors;

(4) \$100 million for state and local police communications, which would be loosely tied to OMB's fee for the re-sale of analog spectrum;

(5) Nearly \$100 million in related technology projects, including -- \$45 million for Brady records and sex offender registries, \$27 million to improve forensics/DNA improvements, and \$20 million for crime mapping, local crime surveys and other relatively low-tech items that are essential to community policing.

NB: While incorporating the above items will generally allow OMB to avoid finding new money, some of the items -- such as community prosecutors and crime mapping -- are currently funded through earmarks in Byrne discretionary and will not yield savings unless OMB cuts those programs by the same amount.

2. Firearms Enforcement Initiative -- need \$25 million to cobble together a firearms initiative. Currently, the only new money we have for firearms enforcement is \$6 million for increased tracing and some new agents in about 5 cities -- giving us a total budget of \$34 million for the President's gun trafficking/tracing initiative. With \$25 million in new money to hire more ATF agents and AUSAs in about 10 to 15 cities -- and with \$25 million earmarks in COPS hiring and community prosecutors -- we could launch a respectable firearms enforcement initiative that targets just over \$100 million for increased gun enforcement. This should include Brady, trafficking and exile-type cases. While DOJ and Treasury haven't supported such an approach to date, they will be thanking us when/if they get any new money for gun cases.

3. Other Crime Bill programs -- \$200 million for other crime bill program, including -- \$100 million for drug courts/coerced abstinence, and \$100 million for Certainty of Punishment (enhanced probation).



Jose Cerda III

12/10/98 02:17:38 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Leanne A. Shimabukuro/OPD/EOP
Subject: Budget Update

BR/EK:

OMB seems to have gotten the okay to raid the \$100 million in prison funding, and we discussed how to split up the funds for our two remaining initiatives. Here's what we (me/Deich's staff) are proposing:

1. \$200 million coerced abstinence initiative. This includes:
 - \$50 million for drug courts (+ 10);
 - \$65 million for residential prison testing/treatment (+ 2); and
 - \$85 million for AG's testing/treatment initiative (+ 85).

NB: AG's initiative would earmark \$25 million to test/treat probationers/arrestees.

2. \$40 million for certainty of punishment (+35, with \$5 million earmarks for Indians).

Specific offsets include: -100 million for prisons and -32 million from \$50 million Byrne earmark for drug testing/treatment. While on paper dropping the earmark from Byrne reduces overall funding by \$32 million -- or to \$400 million overall -- it really increases Byrne by \$18 million, since the earmark is not real money. The AG should like this trade off -- no earmarks and only real money in Byrne...and restored funds for one of her appeal priorities (albeit with a bit of a DPC twist).

Does this work for you guys?

Jose'



Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Leanne A. Shimabukuro/OPD/EOP
Subject: Follow-up on Budget

BR/EK:

Spoke w/Michael about the Budget and new initiatives pot. He was unsure about how much came out of the new initiatives pot, but thought the \$650 million COPS add-on was the most likely candidate (thought he didn't believe it was at risk from OMB or DOJ's perspective). If that's the case, we should assume the following about the \$1.3 billion in COPS II funding:

- 1 \$650 M in COPS sealed by DOJ deal. This includes:
 - \$300 M in passback for COPS hiring;
 - \$200 M in DOJ technology initiatives (Brady, sex offenders, DNA/crime labs, comm.); &
 - \$150 M in original base for community/juvenile prosecutors.

2. \$650 M COPS add-on from new initiatives pot, and supported by DOJ, including:
 - \$300 M in extra hiring money (can include new race earmark, allows 10,000 more cops);
 - \$150 M add-on for technology (includes crime forecasting, DNA backlog, etc.); &
 - \$50 M add-on for prosecutors (includes non-hiring programs Holder/DOJ wants);
 - \$150 M for community crime prevention (only new prevention/innovative \$ in budget).

Again, at the end of the day, the overall COPS II \$ can be somewhat fungible. DOJ is meeting w/the AG today to go over state/local law enforcement budget one more time. Once she's on board with our outline, DOJ will fight money being taken away for other non-crime initiatives. My guess is that they would be least offended by cuts to the hiring monies, as opposed to toys and soft stuff...jc3

▶ **Julie A. Fernandes**
12/10/98 06:36:02 PM
.....

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP
cc: Cathy R. Mays/OPD/EOP, Laura Emmett/WHO/EOP
Subject: Civil rights initiative

Attached is a rough assessment of the possible components of an enhanced civil rights initiative. This proposal would result in a **\$101 million civil rights initiative for FY 2000**. This total does not include a proposed **\$25 million** to fund a Civil Rights Corps initiative (outlined as part of the attached). This also does not include the **\$27.7 million** Wage Discrimination (Equal Pay) initiative.

OMB's recommendation would result in a ⁶⁰~~\$40~~**\$40.5 million** increase for civil rights enforcement over FY 1999 funding levels (including EPA civil rights, tribal courts, and Community Relations Service -- three items not included in the civil rights package last year).

The attached chart compares FY 1998 actual, FY 1999 actual, FY 2000 request, FY 2000 pass-back, and FY 2000 suggested enhancements.


FY2000.CC

julie

1. EEOC

FY99 actual: \$279 million

FY00 request: \$355 million

FY00 OMB: \$288 million

FY00 JF: \$312 million (= additional \$24 million)

Proposed total increase over FY 1999 = \$33 million

Last year, the EEOC received a \$37 million increase, from \$242 million to \$279 million, to reduce the average time it takes to process a complaint from over 9 months to 6 months, and the current backlog from 64,000 to 28,000 cases, by the end of 2000. For FY 2000, the agency requested an increase of \$76 million. These additional resources would be used to: (1) continue progress in reducing the backlog; (2) outreach to underserved communities; (3) wage discrimination enforcement initiative and outreach; (4) data collection; and (5) technology improvements and training. OMB has passed back a \$9 million increase for FY 2000. EEOC has appealed, and now asks for an additional \$40 million over the OMB mark (for a total of \$328 million). This would represent a 17% increase over the FY 1999 funding level.

Last year's increase of \$37 million was significant. The FY 2000 budget should continue to demonstrate our commitment to this agency's work. The \$9 million increase recommended by OMB does not demonstrate such a commitment. We could recommend an increase of **\$24 million** over the OMB mark for FY 2000 to support (1) enhanced technology and training (**\$10 million**); (2) streamlining the federal EEO program to ensure compliance with the requirement that those requesting a hearing obtain one within 180 days (**\$6 million**); (3) increasing investigative staff (**\$6 million**); (4) maximizing the effectiveness of ADR activities by hiring additional ADR staff for field offices (**\$1 million**); and (5) outreach to underserved communities (**\$1 million**).

These increases do not include the **\$17.3 million** that the EEOC has asked for their Wage Discrimination (Equal Pay) initiative.

2. HUD

FY99 actual: \$40 million

FY00 request: \$67 million

FY00 OMB: \$42 million

FY00 JF: \$57 million (= additional \$15 million)

Proposed total increase over FY 1999 = \$17 million

Last year, the Administration proposed a \$22 million increase for Fair Housing and Equal Opportunity at HUD to increase emphasis on reducing discrimination and ensuring equal opportunity in housing. Part of this increase (\$10 million) was to support a nation-wide testing initiative to "take the temperature" of housing discrimination throughout the country. HUD received a \$10 million increase for fair housing activities, including \$7.5 million for the testing initiative. This year, OMB is recommending a \$2 million increase for fair housing activities at HUD.

For FY 2000, HUD has requested \$67 million -- a \$27 million increase -- to support fair housing activities. Of that total, **\$15 million** is proposed to fund a new partnership initiative (the Fair Housing Partnership) to focus on new and underserved populations by ensuring the full protection of the Fair Housing Act and other civil rights laws (including immigrants, rural populations, people with disabilities, and the homeless). The request includes a \$7.5 million set-aside for both the Fair Housing Assistance Program (FHAP; funds state and local enforcement agencies) and the Fair Housing Initiatives Program (FHIP; funds private fair housing groups). In order to receive a portion of the proposed Partnership set-aside, State and local fair housing enforcement agencies and eligible private entities would be required to submit applications outlining the duties of each applicant, and the process by which they will work together. The Partnership would require state and local law enforcement agencies (which have enforcement authority, but have had limited success in reaching out to underserved populations) and private groups (that are traditionally community based, but without any enforcement authority) to engage in strategic planning in order to focus and coordinate their fair housing activities.

We could recommend an additional **\$15 million** to fund the Fair Housing Partnership.

3. Civil Rights Division

FY99 actual: \$ 68 million

FY00 request: \$ 79 million

FY00 OMB: \$ 76 million

FY00 JF: \$ 84 million (= additional \$8 million)

Proposed total increase over FY 1999 = \$16 million

Last year, the Administration proposed a 10 percent increase for the Civil Rights Division -- from \$65 to \$72 million -- to permit the Department to continue its efforts in enforcing the laws that provide civil and criminal protections from discrimination, including the Civil Rights Act of 1964, the Fair Housing Act, and the Americans with Disabilities Act. The Civil Rights Division received an increase of approximately \$3 million in the final budget package, resulting in a total budget of \$68 million.

The Civil Rights Division has requested \$79 million for FY 2000. OMB has recommended a \$8 million increase to \$76 million.

This increase, while respectable, could be improved upon. We could propose an additional **\$8 million** for the Civil Rights Division that would include: (1) a **\$2 million** increase for criminal civil rights enforcement (hate crimes; violence against abortion clinics; worker exploitation; and misconduct by law enforcement); (2) a **\$2 million** increase in enforcement against housing and lending discrimination; (3) **\$2 million** to continue and further expand the Division's ADA initiatives; and (4) **\$2 million** to prepare for the review, required by the Voting Rights Act, of numerous redistricting that will follow the 2000 Census, and to obtain necessary technology improvements.

4. Department of Education, OCR

FY99 actual: \$66 million

FY00 request: \$73 million

FY00 OMB: \$71 million

FY00 JF: \$73 million (= additional \$2 million)

Proposed total increase over FY 1999 = \$7 million

Last year, the President proposed a \$6 million increase for the OCR at Education -- from \$62 million to \$68 million -- to fund technology improvements to increase productivity and customer service. These additional funds were also designed to be used to enable the Department of Education to continue to invest sufficient resources in higher education desegregation reviews and to focus on building partnerships with States to address statewide compliance with civil rights laws. In the final budget agreement, OCR received \$66 million.

For FY 2000, OCR has requested **\$73 million**, a \$7 million increase over FY 1999. OMB has passed back a \$5 million increase, to **\$71 million**. We could recommend full funding of OCR's original request, equal to an additional **\$2 million**, which would allow them to fund (1) a demographic survey of the universe of elementary and secondary public school district, (2) necessary technology enhancements, and (3) increased provision of on-site technical assistance. The survey would be the first in over 25 years to provide a comprehensive demographic picture of the nation's at-risk students and would a useful tool for both enforcement and compliance work. Data from the survey could provide information on trends to Department of Education components, other federal agencies (such as DOJ and HHS) and other stakeholders (such as public schools, advocacy groups, and research organizations).

5. Department of Health and Human Services, OCR

FY99 actual: \$21 million

FY00 request: \$23 million

FY00 OMB: \$22 million

FY00 JF: \$25 million (= additional \$3 million)

Proposed total increase over FY 1999 = \$4 million

Last year, the Administration sought and received an increase for HHS's Office of Civil Rights, increasing its funding from \$20 to \$21 million. For FY 2000, HHS has requested a \$2 million increase -- to \$23 million -- to continue its focus on preventative activities such as compliance reviews and technical assistance to ensure that persons do not encounter discrimination in HHS programs, including in the areas of managed care, access to care for minorities and people with disabilities, inter-ethnic adoption, provision of services limited English proficient services, and the TANF program. OMB has recommended a **\$1 million** increase for FY 2000. We could seek an additional **\$3 million**, bringing their total to **\$25 million** for FY 2000. This increase would further support existing efforts including technology enhancement, staff training and skills development, and program travel. Funds could also be directed toward improving data collection regarding the extent of discrimination in the provision of health care or welfare services.

8. Community Relations Service

FY99 actual: \$8 million

FY00 request: \$9.5 million

FY00 OMB: \$9.5 million

FY00 JF: \$13 million (= additional \$3.5 million)

Proposed total increase over FY 1999 = \$5 million

The Community Relations Service (CRS) was funded at **\$8 million** in FY 1999. They requested an increase to **\$9.5 million** for FY 2000 to enhance their current ability to respond to racial unrest in communities (like Jasper, TX) by increasing staff (with an emphasis of field and regional conciliators) and enhanced technology. The OMB passback reflects this increase. We could recommend an **additional \$3.5 million** to (1) provide community mediation and conflict resolution training to local governments, law enforcement, community groups and other stakeholders (techniques that can be used by communities as an alternative to litigation); (2) better allow the CRS to fulfill their commitment to provide technical assistance on hate crimes to the 93 U.S. attorneys around the country; and (3) support their effort to serve as a clearinghouse for racial dialogues and promising practices (picking up on the Race Initiative's work).

9. Tribal Courts

Tribal courts are essential to the maintenance of law and order in Indian communities, and thus provide an important part of the infrastructure necessary for community security and economic development. Our continued support for tribal courts is vital to the civil rights and self-determination interests of Indian people. In its FY 2000 budget, the Department of Justice asked for **\$10 million** to support tribal courts. OMB has passed back **\$5 million**. We could recommend that DOJ receive the full **\$10 million** to support tribal courts.

Proposed total increase over FY 1999 = \$5 million

10. Civil Rights Corps

Chris Edley has suggested a program to support state attorneys general in their civil rights work. This could be structured as a **\$25 million** initiative that provides formula grants to states to support civil rights work in their attorney general offices (similar to HUD's Federal Housing Assistance Program (FHAP) that provides funds to state and/or local fair housing agencies). This could provide \$500,000 per state, which would allow for the hiring of staff and technical assistance to local law enforcement entities (including county and city attorneys).

Proposed total increase over FY 1999 = \$25 million

Civil Rights Enforcement Funding
(Budget authority, in millions of dollars)

	1998 Actual	1999 Request	1999 Actual	1998- 1999 Increase	2000 Request	2000 pass- back	JF Suggest
Equal Employment Opportunity Commission	242	279	279	37	355	288	312
Department of Housing and Urban Development, Fair Housing Activities	30	52	40	10	67	42	57
Department of Justice, Civil Rights Division	65	72	68	2	79	76	84
Department of Labor, Office of Federal Contractor Compliance Efforts	62	68	65	3	87	74	74
Department of Education, Office of Civil Rights	62	68	66	4	73	71	73
Department of Health and Human Services, Office of Civil Rights	20	21	21	1	23	22	25
Department of Agriculture	17 ¹	19	21	4	23	23	23
U.S. Commission on Civil Rights	9	9	9	0	16	11	11
Department of Transportation, Office of Civil Rights	6	7	7	1	8	7	7
Department of Labor, Civil Rights Center	5	5	5	0	6	6	6
EPA -- Office of Civil Rights	2	2	2	0	2	2	2
Community Relations Service			8		9.5	9.5	13
Tribal Courts			5		10	5	10
Total			596			636.5	697

^{1/} The FY 1998 supplemental bill added \$2 million to civil rights programs at the Department of Agriculture, bringing the FY 1998 enacted level to \$17 million, from \$15 million. The President's initiative included the original \$15 million for the Department of Agriculture, which is the number used in the totals on this spreadsheet.

**DRAFT: HEALTH CARE
SOURCES OF FUNDS: FY 2000 BUDGET OPTIONS**

	OMB		OPTION 1		OPTION 2	
	2000	2000-2004	2000	2000-2004	2000	2000-2004
SPENDING						
MANDATORY						
Jeffords-Kennedy	0.070	1.050	0.070	1.050	0.070	1.050
Medicare Buy-In	0.000	1.600	0.000	1.400	0.000	1.600
Cancer Clinical Trials	0.000	0.750	0.000	0.750	*	*
Medicaid Disability (300%)	0.010	0.110	*	*	*	*
Medicaid for Foster Kids FLOTUS	0.010	0.050	0.010	0.050	0.010	0.050
Legal Immigrant Kids	0.030	0.230	0.030	0.230	0.030	0.230
CHIP Territories	0.030	0.140	0.030	0.030	0.030	0.030
Medicaid Asthma Initiative FLOTUS	0.050	0.050	0.050	0.050	0.050	0.050
Medicare prev. coins. reduction	0.000	0.900	0.000	0.900	0.000	0.900
DC Medicaid DSH Fix	0.010	0.050	0.010	0.010	0.010	0.010
Voluntary Purchasing Coops	0.020	0.100	*	*	*	*
TOTAL MANDATORY	0.230	5.030	0.200	4.470	0.200	3.920
DISCRETIONARY **	1.300	7.900	1.300	7.900	1.300	7.900
TOTAL SPENDING	1.530	12.930	1.500	12.370	1.500	11.820
OFFSETS						
MEDICARE						
Last Year's Medicare Fraudulently paid	-0.150	-2.000	-0.150	-2.000	-0.150	-2.000
Hospital Update: Freeze 2000	-0.550	-3.000	-0.550	-3.000	-0.550	-3.000
Higher Lab Coinsurance ditto	-0.210	-1.900	-0.210	-1.900	-0.210	-1.900
- Bad Debt Payment Cut	-0.160	-1.490	-0.160	-1.490	-0.160	-1.490
Single Fee for Surgery - perennial	-0.080	-0.510	-0.080	-0.510	-0.080	-0.510
Prosthetics & Orthotics Cut - disabil	-0.090	-0.470	-0.090	-0.470	*	*
Expand DRG Payment Window	-0.084	-0.420	-0.084	-0.420	-0.084	-0.420
Hospice Double Payment - very tough	-0.060	-0.360	*	*	*	*
Lab Test Fee Cut 74% → 72%	-0.030	-0.190	*	*	*	*
Enteral Nutrients Cut - 20 25% overpayment	-0.030	-0.150	-0.030	-0.150	*	*
Subtotal	-7.444	-10.490	-1.354	-9.940	-1.234	-9.320
MEDICAID						
Medicaid Cost Allocation - last year	-0.050	-1.390	-0.050	-1.390	-0.050	-1.390
Medicaid Generic Drug Payment	-0.010	-0.130	-0.010	-0.130	-0.010	-0.130
Subtotal	-0.060	-1.520	-0.060	-1.520	-0.060	-1.520
TOTAL OFFSETS	-1.504	-12.010	-1.414	-11.460	-1.294	-10.840
NET SPENDING/SAVINGS	0.026	0.920	0.086	0.910	0.206	0.980

* Dropped

** Does not include additional funding for discretionary WH priorities / discussed separately.

MANDATORY TENTATIVELY INCLUDED IN 2000 BUDGET

(in millions of dollars)

2000		'00-'04	
BA	Outlays	BA	Outlays

Initiatives:

Reproposals:

Education and child care:

Child care.....	1,155	798	7,500	6,612
Establish Early Learning Fund demo projects 3/.....	50	31	250	222
Subtotal, education and child care.....	1,205	829	7,750	6,834

Other initiatives:

Agriculture:

Increase EQIP.....	100	22	500	329
Forest Service payments to States de-coupling	25	25	219	219

HUD:

Fund new Urban Empowerment Zones.....	150	3	750	472
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Interior:

BLM timber payments to States delinkage.....	6	6	56	56
Recreation/entrance fees (DOI/USDA) 1/.....	--	--	58	58

Labor:

Reauthorize NAFTA-TAA for five years and other TAA amendments.....	138	94	737	678
PBGC: raise guarantee cap for multiemployer pensions and other.....	--	1	--	10

Veterans:

Pay full benefits for Filipinos residing in the U.S.....	5	5	25	25
Charge fees to lenders participating in VA's home loan program to fund information technology improvements:				
Increased technology spending.....	5	5	15	15
Fees.....	-5	-5	-15	-15

Transportation:

Shift St. Lawrence Seaway mandatory.....	13	13	67	67
--	----	----	----	----

Treasury:

Expand cover-over of distilled spirits tax to Puerto Rico and Virgin Islands.....	46	46	230	230
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EPA:

Provide funding for Superfund orphan shares.....	200	200	1,000	1,000
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Railroad Retirement Board:

Conforming Social Security equivalent benefits to Social Security.....	36	32	231	227
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Subtotal, other initiatives.....	719	447	3,873	3,371
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Subtotal, reproposals.....	1,924	1,276	11,623	10,205
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New initiatives:

Agriculture:

Wildlife Habitat Incentives (WHI).....	10	3	50	31
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MANDATORY TENTATIVELY INCLUDED IN 2000 BUDGET

(in millions of dollars)

	2000		'00-'04	
	BA	Outlays	BA	Outlays
Farmland Protection Program (FPP).....	28	8	138	111
Cooperator Export Program.....	30	30	150	150
Reallocate rural development & research funds.....	--	--	180	128
Finance land purchases with sales of surplus lands(F	--	--	--	--
EZ/EC proposal.....	15	15	75	75
Farm initiative.....	Will be offset by farm savings			
Food assistance.....	Will be offset by food savings			
HHS:				
Independent living.....	40	40	190	190
Health care.....	Will be offset by health savings			
HUD:				
Elderly housing vouchers.....	100	9	500	299
Interior:				
Finance land purchases with sales of surplus land.....	--	--	--	--
Increase impact aid to Guam.....	5	5	25	25
Labor:				
UI reform proposal.....	Will be offset by UI revenues			
Extend welfare to work.....	1,000	178	1,000	1,000
NDNH enhancement.....	40	40	40	40
SSA:				
Return to work proposals (ticket and demo):				
SSI.....	--	--	4	4
DI.....	1	1	52	52
Subtotal, new proposals.....	1,269	329	2,404	2,105
Subtotal, mandatory initiatives.....	3,193	1,605	14,027	12,310
Increases in caps:				
SSI disability redeterminations.....	50	46	50	50
Harbor services fund.....	337	337	1,357	1,357
FAA.....	1,122	1,122	5,313	5,313
Total, increases in caps.....	1,509	1,505	6,720	6,720
TOTAL, initiatives.....	4,702	3,110	20,747	19,030

PENDING PROPOSALS
(in billions of dollars)

2000		'00-'04	
BA	Outlays	BA	Outlays

Health care:

Initiatives:

Clinical cancer trials.....	0.0	0.0	0.8	0.8
Medicare buy-in.....	0.0	0.0	1.6	0.2
Other 99 budget repropoals.....	0.1	0.1	0.5	0.5
Kennedy-Jeffords.....	0.1	0.1	1.1	1.1
Waive cost-sharing for preventive benefits.....	0.0	0.0	0.9	0.9
Other.....	0.1	0.1	0.3	1.7
Subtotal, initiatives.....	0.2	0.2	5.0	5.0

Offsets:

Repropose 1999 budget svaers.....	-0.2	-0.2	-2.3	-2.3
Reduce hospital market basket.....	-0.6	-0.6	-3.0	-3.0
Reduce Medicare bad debt payments to providers.....	-0.2	-0.2	-1.5	-1.5
Medicaid cost allocation.....	-0.1	-0.1	-1.4	-1.4
20% co-insurance fore certain medicare lab services....	-0.0	-0.0	-1.9	-1.9
Pay single fee for surgery.....	-0.1	-0.1	-0.8	-0.8
Other.....	-0.5	-0.5	-1.7	-1.7
Remove portion offsetting discretionary.....	1.4	1.4	7.9	7.9
Subtotal, offsets.....	-0.2	-0.2	-4.7	-4.7

Environment:

Program spending.....	?	?	?	?
Hydro dam fee.....	0.0	0.0	0.4	0.4

Farm programs:

Initiatives.....	?	?	?	?
Offsets.....	?	?	?	?

Food assistance:

Initiatives.....	?	?	?	?
Offsets.....	?	?	?	?

Unemployment reform:

Initiatives.....	?	?	?	?
Offsets.....	?	?	?	?

Revenue package:

Initiatives.....	?	?	?	?
Offsets.....	?	?	?	?

FY 2000 DISCRETIONARY BUDGET STATUS

(Budget authority in billions of dollars)

	Appeal	Settlement
Available resources.....		5.2
Agencies likely to settle.....	4.1	-0.7
Transportation		
Treasury		
Legal Services Corporation		
NEA / NEH		
NSF		
OPM		
SBA		
SSA		
Other small agencies		
Settlement possible.....	5.0	-0.6
Agriculture		
EPA		
FEMA		
Interior		
Judiciary		
Justice		
NASA		
Presidential appeals likely.....	23.7	-1.1
Commerce		
Education		
Energy		
HHS		
HUD		
Labor		
State / International Affairs		
Veterans		
Available resources after settlement of appeals.....	---	2.9
Initiatives.....		5.2 to 5.9
Education and training		
Health		
Urban, Empowerment and Welfare Reform		
Environment		
National Service		
Technology		
Tobacco		
Women, Children, and Families		
Crime		
Remaining problem.....		2.3 to 3.0

Remaining Funding Issues
(BA in millions of dollars)

10-Dec-98
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	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>			<u>Proposed Final</u>
			<u>OMB Passback</u>	<u>Appeal</u>	<u>Potential Settlement</u>	
<u>SETTLEMENT POSSIBLE:</u>						
AGRICULTURE.....	14,611	14,475	14,381	608	---	14,381

County Office Funding. USDA seeks to delay a long-standing NPR plan to consolidate its county offices and reduce staffing. This plan was delayed last year because of concerns about implementation of the emergency spending program. USDA seeks an additional \$463 million for county office salary and expenses including computer upgrades. While the consolidation and staff reductions are unpopular, the alternative is to propose funding for offices that we have already announced would be streamlined.

The OMB passback includes increases over FY 1999 for WIC, food safety, rural development and the Forest Service.

EPA.....	7,361	7,590	6,932	614	50	6,982
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While EPA appealed for \$614 million, we have been quite close to settling open issues with an add of \$50 million for an agency operating program.

However, CEQ has raised concerns that the topline funding for EPA will be seen as inadequate by the environmental community. The decline is related to a lower funding request for the Clean Water State Revolving Fund (CWSRF). Policy resources are not the major concern raised by CEQ, but rather the impact on the EPA topline. The CWSRF level is consistent with Administration goals for adequate fund capitalization and phase-out of Federal assistance by 2005.

FEMA.....	848	827	838	277	60	898
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We still hope to resolve the FEMA appeal at a level close to the recommended settlement amount. James Lee Witt has agreed to repeat our past policy to fund emergencies on a contingency basis rather than under the discretionary caps. However, he would like to increase the contingency funding to a level that may lead the appropriators to argue that we have increased our use of emergency funding.

FEMA would use the additional \$177 million to fund worthy initiatives to advance pre-disaster mitigation policies. We are trying to avoid stirring up an emergency funding issue, while still funding at least a portion of the pre-disaster mitigation within the caps

Remaining Funding Issues
(BA in millions of dollars)

10-Dec-98
01:21 PM

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>			<u>Proposed Final</u>
			<u>OMB Passback</u>	<u>Appeal</u>	<u>Potential Settlement</u>	
INTERIOR.....	7,523	7,713	8,100	2,191	50	8,150

Partnership for America's Resources (PAR). The major Interior appeal item is a substantial initiative to increase our efforts to protect or acquire green spaces, the Partnership for America's Resources (PAR). The Department proposes a \$2 billion a year program of new mandatory spending (not offset) which would greatly expand Federal activity on a broad range of land stewardship programs. CEQ is recommending a substantial initiative.

All other Interior appeals issues could be resolved with the \$50 million in the potential settlement.

JUDICIARY.....	3,194	3,365	3,639	268	268	3,907
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The recommended level funds the Judiciary at the planning guidance level, equal to the FY 2000 column in the Judiciary's FY 1999 budget request. This level represents an 8 percent increase over the 1999 enacted level, but is \$268 million below the agency request. Under the recommendation, the President's budget would include the Judiciary's full request, while separately including some form on "negative allowance" with the discretionary spending totals.

JUSTICE.....	17,303	18,035	17,390	762	350	17,740
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COPS II. Resolution of the Justice appeal will hinge on decisions about the COPS II initiative. With the likely funding of COPS II, we expect to be able to resolve the Justice issues.

NASA.....	13,638	13,665	13,467	348	---	13,467
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NASA has appealed for \$348 million in FY 2000.

OMB's recommendation for NASA provides \$150 million in FY 2000 for the International Space Stations (\$1 billion over 5 years), as well as protecting priorities in space and earth science, space transportation technology, and aviation safety research, and reallocated funds for a number of high priority initiatives such as Triana, Digital Earth, and the interagency IT initiative.

Remaining Funding Issues
(BA in millions of dollars)

10-Dec-98
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		<u>FY 2000</u>			
<u>FY 1998</u>	<u>FY 1999</u>	<u>OMB</u> <u>Passback</u>	<u>Appeal</u>	<u>Potential</u> <u>Settlement</u>	<u>Proposed</u> <u>Final</u>

NASA (cont'd)

The science community is likely to criticize space station research equipment deferrals that would be necessary at the OMB recommend level, and NASA astronauts and foreign partners are likely to criticize the proposed deletion of the habitation module. We will continue to work with NASA and would most likely be able to settle on FY 2000 levels if we provide additional outyear resources.

Remaining Funding Issues
(BA in millions of dollars)

10-Dec-98
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	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>			<u>Proposed Final</u>
			<u>OMB Passback</u>	<u>Appeal</u>	<u>Potential Settlement</u>	

PRESIDENTIAL APPEALS LIKELY:

COMMERCE.....	4,215	5,031	6,338	913	400	6,738
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Decennial Census Funding Level. DOC has appeal for an additional \$420 million, arguing that this additional funding is needed to successfully implement a census using sampling. At the recommended level of \$4.5 billion, the current census is already 1/3 more expensive in real dollars than the 1990 Census. We are working with DOC on a compromise funding increase.

Other Programs. DOC has also appealed for \$493 million in other programs, with a proposed technology initiative for \$229 million the largest item. The initiative would be duplicative of programs already underway at Labor, HHS, and Education.

EDUCATION.....	29,559	33,119	32,945	4,666	---	32,945
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Secretary Riley has appealed for \$4.7 billion above the OMB recommended level.

Education would increase the cost of existing initiatives -- including class size -- and undertake substantial new efforts in the areas of teacher quality, accountability, and a new pre-school program.

At the core of the Department's argument is the concern that a topline which fails to match the large increases in past budgets will be viewed as a lowering of education as an Administration priority. At the recommended funding level, this would be our first budget with small or no increases in Pell, Title I or other base Education programs.

The recommended level would continue to fund class size and school construction at the levels proposed last year for FY 2000.

This is an area where a number of items are likely to be funded as initiatives, but far from the \$4 billion increase sought by the Department.

ENERGY.....	16,710	17,309	17,690	1,197	150	17,840
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DOE has appealed for an additional \$1.2 billion for: a new \$350 million environmental programs initiative to accelerate cleanup efforts; an additional \$50 million for counter intelligence and critical infrastructure initiatives; and \$100 million to fill the Strategic Petroleum Reserve.

Remaining Funding Issues
(BA in millions of dollars)

10-Dec-98
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<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>			
		<u>OMB</u> <u>Passback</u>	<u>Appeal</u>	<u>Potential</u> <u>Settlement</u>	<u>Proposed</u> <u>Final</u>

ENERGY (cont'd)

Overall, DOE's proposal would increase funding for environmental cleanup by 8 percent and science by 9 percent over enacted. The increase in science would be used primarily to develop supercomputers for science applications. Finally, the appeal would allow DOE to conduct nuclear and fossil energy research at levels above enacted.

At the potential settlement level, we would propose adding close to \$150 million to increase funding to reduce risk from Russian nuclear missiles and accelerate DOE's environmental cleanup. Funding would be increased for climate change research, but fossil and nuclear energy research would be below the FY 1999 enacted level.

HHS.....	36,119	40,309	40,211	4,640	300	40,511
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The HHS appeal will be difficult to settle. Last year's NIH growth has truly squeezed other areas within HHS. Our proposed levels shift a significant share of HCFA administrative funding to the mandatory side, funded by \$1.3 billion in Medicare and Medicaid reductions. This is a controversial proposal. Funding for Child Care would be continued from last year and Head Start would remain in FY 2000 on course to reach 1 million children.

Current levels do not provide funding at last year's level for a number of Presidential priorities, including tobacco, food safety, bio-terrorism and mental health. Additional funding for these programs may be available from resources set aside for initiatives.

To remain within the available constraints, HHS increases above this level would have to be contained to several hundred million dollars against the Department's appeal for \$4.6 billion. If we maintain last year's target level for NIH, which is only a \$49 million increase over the 1999 enacted, we would seek to use both appeal funds and initiative funds to provide modest increases in CDC, Ryan White, and other high profile health programs.

With the proposed settlement level, the HHS topline would increase, but not as dramatically as would key programs.

Remaining Funding Issues
(BA in millions of dollars)

10-Dec-98
01:21 PM

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>			<u>Proposed Final</u>
			<u>OMB Passback</u>	<u>Appeal</u>	<u>Potential Settlement</u>	
HUD.....	22,228	24,380	27,800	6,003	-419	27,381

HUD has appealed for \$6 billion to fund a broad range of initiatives, including public housing, vouchers, and CDBG.

Our recommended level would maintain base funding for most programs but cut public housing capital to the 1999 request level to pay for increases in vouchers, homeless assistance, HOPWA, and a modest economic development initiative.

LABOR.....	10,710	10,991	10,991	753	100	11,091
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Labor has appealed for \$753 million above the OMB recommendation. We expect that the appeals related to base operations will be resolved.

The appeal requests funding of several items that will be considered for funding as initiatives. If some of these are included in initiatives lists, we expect to settle with DOL.

STATE/INTERNATIONAL

AFFAIRS.....	19,494	20,044	20,534	4,852	614	21,148
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State, Treasury, AID, Export-Import Bank, and others have appealed for over \$4 billion. Most notably, State seeks \$732 million to expand State staffing and \$1.4 billion to fund construction of over 20 new embassies and consulates.

At the proposed settlement level, we would provide agreed upon funding for security but would still fall far short of State's request. We have made some progress in our discussions with State about capitalizing the embassy security program over a number of years, including Y for FY 2001 advance appropriations for new embassy construction. However, we believe that it is necessary that funding for embassy construction be tied to a sound capital acquisition plan.

Remaining Funding Issues
(BA in millions of dollars)

10-Dec-98
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	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>		<u>Potential Settlement</u>	<u>Proposed Final</u>
			<u>OMB Passback</u>	<u>Appeal</u>		
VA.....	18,926	19,246	18,894	1,283	---	18,894

VA has appealed for \$1.4 billion. Two years ago, VA agreed to a budget with substantial long term benefits to the Department. VA spending under the caps would be frozen in exchange for allowing VA to keep all collections from payors. Absent this agreement, the collections would simply have gone to the general fund.

If VA uses these receipts to fund high priorities such Hepatitis C coverage, we would have sufficient resources to resolve this appeal without any additional funds.

VA argues that a budget which fails to increase discretionary funding will be a political disaster with veterans. We have made little progress in our discussions with the Department.

At the core of VA's large dollar appeal is a difference of opinion regarding how receipts should be allocated. VA would like more independence on the use of these resources and is resisting efforts to address there proposed policies under customary constraints regarding WH and OMB review.

FY00 Discretionary Initiatives	
<u>Initiative by Agency</u>	<u>Amount</u> (\$ million)
DEPARTMENT OF EDUCATION	
Adult Literacy	255
• Social Promotion/After School	350
• Teacher Quality	0
Urban and Rural Computing Centers (or HUD or Commerce)	75-100
• Charter Schools and Choice	9
Stay-in-College Initiative	50-100
• Title I Accountability Fund	200
You Can Go to College Campaign	0
Technology for Disabled Americans	40-60
Native Americans	10
Education Research	25
SUBTOTAL	1,014-1,109
DEPARTMENT OF LABOR	
Universal Re-employment	300
Youth Employment	212
FMLA and Paid Leave Research Fund	8
Child Labor Enforcement	3
International Labor Standards	40
Equal Pay (also EEOC)	20
SUBTOTAL	583
HHS	
Bioterrorism	65
Superbug	10
Long-term Care (Family Support, Nursing Home Quality, Medicare Limitation Education)	150
AIDs: Ryan White (28) and CBC Initiative (50)	78
Mental Health	75

Race & Health	50
Rural Emergency Services	25
Tobacco -- Public Health (CDC)	27
Tobacco -- FDA Enforcement	66
Children's Hospitals	40
Education Research	25
Food Safety (w/USDA)	50
SUBTOTAL	661
HUD	
Abandoned Buildings	100
SBA	
Trillion Dollar Roundtable	238
DEPARTMENT OF TREASURY	
Trillion Dollar Roundtable (CDFI)	25
Firearms Enforcement (w/DOJ)	25
Financial Consumer Bill of Rights	25
SUBTOTAL	75
EPA	
Climate Investment Fund	250
DEPARTMENT OF COMMERCE	
Coastal Salmon Restoration	125
DEPARTMENT OF INTERIOR	
Lands Legacy and Livability	500-750
CORPORATION FOR NATIONAL SERVICE	100
DEPARTMENT OF STATE	
Child Labor (AID)	20-30
Microcredit	10
SUBTOTAL	30-40
NSF	
Information Technology Initiative	14-29

Digital Library for Education (also Smithsonian)	20
SUBTOTAL	34-49
DEPARTMENT OF ENERGY	
Global Climate Change -- Research and Technology (also Ag, EPA, NSF,NASA,NOAA)	75
Russia Initiative (also State and DoD)	185-535
SUBTOTAL	260-685
AGRICULTURE	
Integrated Science for Ecosystem Challenges (also NOAA)	50
VETERANS AFFAIRS	
Smoking Cessation	90
DEPARTMENT OF JUSTICE	
COPS II	650
Redirect Prison Funds to Coerced Abstinence and Alternatives to Incarceration	100
Child Support	10
Medicare Suit (w/HHS,DoD,VA, OPM)	20
Child Welfare Judicial Reform	5
Abortion Safety	5
SUBTOTAL	790
DEPARTMENT OF DEFENSE	
Information Technology Initiative	100
Smoking Cessation	60
Medical Research	200
SUBTOTAL	360
TOTAL	5.2-5.9

**Department of Defense
Bridging the Gap
(\$ in billions)**

	<u>FY 2000</u>
Original DoD Overguidance Request	19.2
DoD Revised Request	13.0

	<u>FY 2000</u>
DoD Revised Request	13.0
White House Initiatives	0.4
Adjusted Request	13.4
Agreed to offsets	-3.2
Remaining Gap	10.3

Additional Adjustments Tentatively Agreed to by DoD

Alternative Scoring for Retirement Compromise	-0.6
PAYGO Balances	-2.9
Remaining Gap	6.8

Additional Adjustments Not Agreed to by DoD

Directed scoring on expiring balances	-0.7
Rescission	-2.4
Defer facilities funding	-1.4
Absorb first-year of pay table reform	-0.6
Defer long-term modernization	-1.7
Remaining Gap	-0.0

OUTYEAR POLICY PRIOR TO CLOSING DEFENSE GAP
(in billions of dollars)

	<u>Five year outlay impact</u>
Problem in outyears.....	112.7
Expand spending offset by:	
Mandatory savings and other offsets.....	-16.9
Tobacco legislation and recoupment.....	-40.1
Remaining problem.....	55.6
Options to avoid spending the surplus on non-defense discretionary spending:	
(1) Avoid spending surplus over five years	
Reduce non-DoD spending below freeze by: 5% in FY2001, 5% in FY2002, 8% in FY2003, and 10% in FY2004.....	-55.8
(2) Avoid spending surplus each year	
Reduce non-DoD spending below freeze by: 9% in FY2001, 8% in FY2002, 5% in FY2003, and 1% in FY2004.....	-55.5
Impact on surplus.....	0.0

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Budget - FY2000 - general

WELFARE REFORM BUDGET INITIATIVES

12/7/98

Initiative	Proposed	OMB Passback	Comment
Welfare-to-Work Reauthorization, including Responsible Fathers Grants. - approx. 60% to formula grants - approx. 20% to competitive grants, w/ possible <u>set asides for substance abuse, literacy/ESL, disabilities</u> - approx. 15% to <u>fathers grants.</u>	\$1.5 B annually over 5 yrs	N.A.	DOL request did not include separate Fathers grants, but they are generally supportive of the concept. Status: meeting w/ DOL on overall reauthorization issues 12/7; meeting w/ DOL & HHS on Fathers 12/9.
Welfare-to-Work Housing Vouchers	\$289 M (BA) 50,000 vouchers, on top of 50,000 funded in FY 99	\$144 M (BA) 25,000 vouchers, on top of 50,000 funded in FY 99	In passback, OMB also proposed that HUD could fund up to 36,000 more vouchers beginning in 2001 (for WtW or other purposes) through enhanced rent collection or other program savings. Passback level seems reasonable given budget constraints.
Access to Jobs Transportation	\$150 M	\$75 M	TEA-21 authorized \$150 M, guaranteed \$75M for FY 2000. <u>Preliminary discussion of targeting additional \$75 M to jobs gap proposal under race initiative.</u>
Adult Literacy/ESL	N.A.	N.A.	Working w/ NEC to refine proposal on addressing skills gap through expanding adult ed/ESL, workplace literacy, and combined ESL/acclturation services

<p>Expand targeted Substance Abuse Treatment grants</p>	<p>\$100 M</p>	<p>\$26 M</p>	<p>These 'targeted capacity expansion grants' address emerging needs in local communities. In FY 98, SAMHSA awarded 44 grants totaling \$24 M, w/ about one-third to women with children and/or women on TANF. Unlike the substance abuse block grant, we can target these to specific issues and they can go directly to locals. (See background information below)</p> <p>Depending on available funding, some increase in these grants would help <u>address the specific substance abuse needs of women moving from welfare to work</u>. We continue to work with Crime and Health teams to determine suggested funding level and strategy.</p>
<p>Child Support Law Enforcement Initiative</p>	<p>\$35 mi DOJ \$5 mi HHS</p>		<p>This initiative will increase the <u>prosecution of egregious child support violators by establishing multi-agency investigative teams</u> to identify, analyze, and investigate cases for prosecution. This investigative effort will <u>result in more cases being referred to the U.S. Attorney offices</u> ready to prosecute. HHS's Office of Child Support Enforcement, Office of the Inspector General, and Office of Investigations, working with state and local law enforcement and child support agencies, have already <u>launched a pilot project in Columbus Ohio, which will cover 5 states</u> (Illinois, Indiana, Michigan, Minnesota, and Ohio). This proposal would put these units in place all across the nation within the next several years. Additionally, it would <u>provide paralegals dedicated to child support cases to the 83 U.S. Attorneys offices that do not now have them</u>. In July, the President signed into law the Deadbeat Parents Punishment Act, creating two new categories of felonies for the most egregious child support evaders.</p>

Why not w/in whole?

Background

There are two ways to increase substance abuse treatment:

1) Substance Abuse Block Grant

These funds are allocated to states on a formula basis with states deciding how to target the funds. SAMHSA requested an increase of \$270 million for FY 2000. OMB passback holds them to FY 99 level of \$1.585 billion (plus an additional \$100 million in advance funding).

2) Targeted Capacity Expansion Grants

These funds are designed to address treatment needs for emerging substance abuse problems specific to a city, county, state or region, with a particular focus on meeting local needs since the block grant goes to states. For FY 1988, SAMHSA identified several target groups including: substance abusing women and their children, clients participating in welfare reform programs, juvenile and adult criminal justice-referred offenders, dually diagnose youth offenders, substance abusing physically and cognitively challenged individuals, and hard-to-reach IV drug users. FY 98 funds supported 41 grants totaling \$24 million to a combination of state, local, and tribal agencies and community-based organizations. This funding will serve an additional __ people on an annual basis. Grants are available for three years, with first year funding generally between \$500,000 and \$700,000. Approximately one-third of the FY 1998 grants are targeted to TANF or substance abusing women with children. For example, Women in Need in Brooklyn received \$250,000 to expand capacity to serve an additional 85 homeless women and women with children receiving TANF. The Wisconsin Department of Health and Family services received \$750,000 to provide intensive family treatment to 121 women with children and TANF recipients.

US Conference of Mayors has indicated strong support for these grants -- in fact, they would like to see an increase of around \$250 million. Based on conversations with ONDPC staff, they generally support SAMHSA's request both for the block grant and targeted capacity grants, but they particularly like the targeted capacity grants since we have more ability to target and track how these get spent.

Budget - FY2000 - tobacco
 and
 Budget - FY2000 - general

Tobacco Budget: Current Status -- Revised

All figures are outlays

	FY '99	FY '00 HHS Request	Requested Increase	OMB Passback
FDA	\$34 million	\$184 million	\$150 million	\$34 million
CDC	\$73 million	\$243 million	\$170 million	\$73 million

Cessation New Initiatives

- **New Department of Defense anti-tobacco plan.** This comprehensive anti-tobacco plan to increase military readiness will likely include covering over-the-counter nicotine replacement therapies under military health care coverage as part of a comprehensive military-wide anti-tobacco plan. (Cost: \$300 million over 5 years)
- **Veterans.** We should re-propose the plan from the President's 1999 budget which created a new discretionary program open to all veterans who began using tobacco products while in the service, regardless of their eligibility for other VA health care services (currently less than 15 percent of veterans receive their health care through the VA system because of statutory limits --veterans must be low income or have a service-related injury.) Thirty-six percent of the 25 million veterans in this country smoke. (Cost: \$435 million over 5 years).

Budget- FY2000 - general

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>Proposed Settlement</u>
CEQ	
Costal Salmon	100
Lands and Livability	670
Clean Air Fund	200
Subtotal	970
HHS	
Long-Term Care	150
AIDS	28
CBC AIDS	50
Mental Health (SAMSHA)	65
Race and Health	50
CDQ	60
Children's Hospital	40
Tobacco -- PH CDC	27
Tobacco -- FDA	34
Tobacco -- Public Health Education	15
Food Safety	30
Subtotal	549
Education	
Adult Literacy	190
Social promotion	350
Quality	18
Urban/Rural Computing	60
Charter Schools	10
Stay in College	25
Title I Accountability	0
Technology for Disabled	35
Native Americans	10
Education Research	0
Unallocated Education	(700)
Subtotal	(2)
Labor	
Universal re-employment	235
Youth employment	150
FMLA/Paid Leave	8

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>Proposed Settlement</u>
Child Labor	
Enforcement Standards	40
Equal Pay	20
Manufacturing Assistance	55
NLRB	[10]
Subtotal	508
Urban Initiative	115
SBA	
Treasury	
Subtotal	115
HUD Abandoned buildings	50
Treasury	
Firearms	15
Americorps	70
Microcredit	0
Information Technology	
Declassification	30
DARPA	[100]
NSF	[35]
DOE	[70]
Digital Library	30
Subtotal	30
Energy	
Climate Change	75
Russia	[300]
Subtotal	75
Agriculture	
Integrated Ecosystems Sciences	45
VA	
Smoking cessation	[90]

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>Proposed Settlement</u>
Homeless vets	[50]
Subtotal	0
Justice/Crime	
COPS II	650
Cybercorps (OPM)	2
Coerced abstinence	[100]
Offender Justice	[40]
Subtotal	652
Total	3,077

ALLOCATION OF SURPLUS
(outlays in billions of dollars)

	<u>'00-'04</u>
On-budget surplus assuming CPI growth	168.0
Adjust to current services baseline.....	-7.5
On-budget baseline surplus.....	160.5
Additional funding to fully fund Defense (DOD) topline.....	-53.9
Additional funding to restore non-DoD to a freeze.....	-64.7
Additional funding for non-DoD initiatives of \$3.0, 6.0, 9.0, 12.0 billion in-budget authority in 2001 through 2004, respectively....	-21.7
Remaining on-budget surplus.....	20.1
Alternative of funding 2 % growth in non-DOD funding per year for 2001 through 2004.....	-42.6

12/29/98
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Alternative Outyear Discretionary Paths to Reach BBA Caps

29-Dec-98

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	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
Across the Board Cuts:				
Save Surplus Each Year.....	-8.0%	-11.0%	-7.0%	-4.0%
Save Surplus Over 5 Years.....	-3.0%	-7.0%	-12.0%	-14.0%
Annual Impact on Surplus of Save Surplus Over 5 Years.....	-7.2	-9.6	1.2	15.7

Initiatives Summary
(in millions of dollars)

	Amount
FY 2000 Budget Initiatives, New Money	2,630
FY 2000 Budget Initiatives Funded in Base	755
Unallocated Education	700
Total Initiatives Resources	4,085

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>12/17 Discussion</u>	<u>Policy Council Preferred Level</u>
CEQ		
Costal Salmon	100	
Lands and Livability	500	570
Clean Air Fund	0	250
Subtotal	600	
HHS		
Long-Term Care	150	
AIDS	28	
CBC AIDS	50	
Mental Health (SAMSHA)	65	
Race and Health	50	
CDC	60	
Children's Hospital	40	
Tobacco -- PH CDC	27	
Tobacco -- FDA	34	
Tobacco -- Public Health Education	15	
Food Safety	30	40
Subtotal	549	
Education		
Adult Literacy	190	
Social promotion	350	
Quality	18	
Urban/Rural Computing	60	
Charter Schools	10	
Stay in College	25	
Title I Accountability	0	
Technology for Disabled	35	
Native Americans	10	
Education Research	0	
Unallocated Education	-700	
Subtotal	-2	
Labor		
Universal re-employment	235	250
Youth employment	150	170
FMLA/Paid Leave	8	
Child Labor		
Enforcement Standards	40	
Equal Pay	20	
Manufacturing Assistance	0	55
NLRB	[10]	
Subtotal	453	

25 (NSF or ed?)

FY 2000 BUDGET INITIATIVES

<u>Agency/Policy Area</u>	<u>12/17 Discussion</u>	<u>Policy Council Preferred Level</u>
Urban Initiative	115	150
SBA		
Treasury		
Subtotal	115	
HUD Abandoned buildings	50	
Treasury		
Firearms	15	
Americorps	70	80 probably ch w/ Fran - (connection to long-term care?)
Child Labor		
Microcredit	0	X
Information Technology		
DARPA	[100]	
NSF	[35]	
DOE	[70]	by
Digital Library	10	20
Subtotal	10	
Energy		
Climate Change	75	
Russia	[260]	535
Subtotal	75	probably
Agriculture		
Integrated Ecosystems Sciences	45	50
VA		
Smoking cessation	[90]	
Homeless vets	[50]	
Subtotal	0	
Justice		
COPS II	650	
Coerced abstinence	[100]	
Offender Justice	[40]	
Subtotal	650	
Total	2,630	

Existing Tax Cut Package

<u>PROPOSAL</u>	<u>5 YEAR COST (IN BILLIONS OF \$)</u>
I. Child Care	
a. Dependent Care Tax Credit (DCTC)	5.1
b. Tax Credit for Employers	0.5
II. School Construction	5.0
III. Employer Provided Education (Sec. 127)	1.0
IV. Low Income Housing Tax Credit	1.6
V. Climate Change	3.6
VI. Pensions	0.9
VII. Extenders (R&E, WOTC, WTW, etc.)	3.3
VIII. International and Puerto Rico	1.4
IX. \$2,000 Severance Pay Exemption	0.8
TOTAL	\$24.2 billion
I. Savings: ½ year extenders	-1.6
II. Drop Severance Pay	-0.8
TOTAL	\$21.8 billion

New Tax Cut Proposals

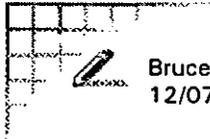
<u>PROPOSAL</u>	<u>5 YEAR COST (IN BILLIONS OF \$)</u>
I. Long-term Care Tax Credit	6.7 → 5.2
II. Tax Credit for the Disabled	0.7
III. Small Business Health Purchasing Cooperatives	0.2
IV. Stay at Home Moms (add to child care)	1.3 → 0.8
V. Taxation of Americorps Loan Forgiveness	na
VI. Tax Credit for Workplace Literacy	0.2
VII. Eliminate 60-month Limit on Student Loan Interest Deduction	0.3
VIII. Green Bonds	0.7
IX. Fund of Fund Tax Cut	0.9
X. Personal Credits and AMT	0.8
XI. Employee Telecommunter Expense	0.3
TOTAL	\$10.1 Billion
TOTAL OF 2 TAX PACKAGES	\$31.9 Billion

Proposals Left On the Table/Below the Line

<u>OPTION</u>	<u>5 YEAR COST (BILLIONS)</u>
Steel	na
Tax Credit for Work-Site Schools	na -- likely small
Tax Credit for Workplace Literacy	less than 0.2
Liberalize Lifetime Learning Tax Credit	Option Range: 2.8; 7.1
Exclusion for Americorp Education Awards	na -- may raise very small amount
Home Ownership Tax Credit	Roughly 0.5
CDFI Tax Credit	About 0.1
Financial Security (one new small tax item)	na -- likely small
Cap Gains Exclusion -- Land for Conservation	na -- likely small
Pensions -- WTW (DOL proposal)	na

Proposals Taken Off the Table by Group

<u>OPTION</u>	<u>5 YEAR COST (BILLIONS)</u>
Lifetime Learning Savings Accounts	About \$10 billion over ten years
WTW-WOTC Longer Extensions	Permanent -- roughly 2.5
Modify R & E Credit (Small business, consortia)	na -- likely small
Farm and Ranch Risk Management Accounts	na
Pensions (DOL proposals EZs, EITC)	na
Oil and Gas Marginal Wells (DOE)	na
HUD (multi-family exit, LIHTC carveout, elderly tax credit)	na



Bruce N. Reed
12/07/98 03:13:42 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Elena Kagan/OPD/EOP

Subject: One-pagers for New Initiatives

In order to make the case for our new initiatives, we will need to present more detail to OMB and others about what they entail. By mid-week, I would like to be able to show them one-pagers on each significant initiative. This will help us get the \$ we're asking for, and force us to think through -- and vet with other relevant people -- all the wrinkles of what we're doing. It will also force others to do the same for their initiatives, which may not be as well thought through.

We don't need a lot of rhetoric -- just nuts and bolts about what the money would go for and how the initiatives would work, and what it would enable the President to say in the State of the Union (e.g., 500,000 kids in afterschool programs; 100,000 people a year in Americorps by 2001; etc.). Please get drafts to Elena by mid-day tomorrow.

Here's our draft wish list on NDD (all #'s are above passback). We will go through a similar exercise on mandatory/tax initiatives -- let's plan to have those ready by Wednesday.

EDUCATION (COHEN)

1. Social promotion/after-school -- 450m (WORK WITH JEN)
2. Teachers -- 250m
3. Americorps -- 176m (Americorps appeal level) (WORK WITH TANYA)
4. Charters, work-site schools, & choice -- 50m

HEALTH (JENNINGS et al)

1. Bioterrorism (90m) + Superbug (10m) -- 100m
2. Long-term care -- 250m
 - Family caregiver -- 150m
 - Nursing home quality -- 100m
3. Diseases -- 250m
 - Race & health -- 50m
 - Mental health -- 100m
 - AIDS -- 100m
 - DOD increases in heart disease, cancer, osteoporosis -- 0 NDD (250m? at DOD)
4. Tobacco initiatives -- 203m (CYNTHIA)
 - FDA tobacco enforcement -- 66m
 - Medicare suit -- 20m
 - DOD/VA cessation -- 90m NDD (another 60m at DOD)
 - CDC tobacco -- 27m
5. Food safety -- 75m (TOM)
6. Medical education -- 40m

WELFARE (CYNTHIA)

1. Child support crackdown -- 40m

2. Child welfare -- 35m (JEN)
3. Access to jobs -- 75m (What is "jobs gap" proposal Andrea mentioned?)
4. 50,000 WTW housing vouchers -- 145m

MISCELLANEOUS

1. Equal pay -- 20m (TOM)
2. Parental leave -- 20m (JEN)

CRIME BILL II (JOSE)

1. COPS II -- 750m increase in passback to keep COPS at \$1.4B (Is this enough? Does it require unacceptable Byrne cuts?)
2. ATF gun enforcement -- 25m
3. Drug courts & testing/treatment for probationers -- 100m
4. Certainty of punishment grants -- 100m

WTW EXTENSION (CYNTHIA)

URBAN/EMPOWERMENT: Paul -- most of this is on mandatory side, right?

CIVIL RIGHTS (Julie -- please check OMB passback levels to see whether they're adequate)

Message Sent To:

Christopher C. Jennings/OPD/EOP
Cynthia A. Rice/OPD/EOP
Michael Cohen/OPD/EOP
Jose Cerda III/OPD/EOP
Julie A. Fernandes/OPD/EOP
Jennifer L. Klein/OPD/EOP
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Paul J. Weinstein Jr./OPD/EOP



Bruce N. Reed
12/07/98 12:37:51 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Revised list -- ignore previous

Here's a revised copy of our list (all #'s are above passback). It adds up to \$2.214 billion, not counting the crime bill. We could easily squeeze it down to \$2B if we needed to (take 50m from teachers, 50m from mental health, 50m from AIDS, 25m from food safety, 40m from children's graduate medical education).

EDUCATION (\$926m)

1. Social promotion/after-school: 450m
2. Teachers: 250m
3. Americorps: 176m
4. Charters, work-site schools, & choice: 50m

HEALTH (\$958m)

1. Bioterrorism (90m) + Superbug (10m) -- 100m
2. Long-term care -- 265m
 - Family caregiver -- 140m
 - Nursing home quality -- 100m
 - Medicare long-term care education -- 25m
3. Diseases -- 275m
 - Race & health -- 50m
 - Mental health -- 100m
 - AIDS -- 100m
 - Asthma -- 25m
 - DOD increases in heart disease, cancer, osteoporosis -- 0 NDD (200m at DOD)
4. Tobacco initiatives -- 203m
 - FDA tobacco enforcement -- 66m
 - Medicare suit -- 20m
 - DOD/VA cessation -- 90m NDD (another 60m at DOD)
 - CDC tobacco -- 27m
5. Food safety -- 75m
6. Children's graduate medical education (HRC) -- 40m

WELFARE (\$290m)

1. Child support crackdown -- 40m
2. Child welfare -- 35m
3. Access to jobs -- 75m
4. 50,000 WTW housing vouchers -- 145m

MISCELLANEOUS (\$40m)

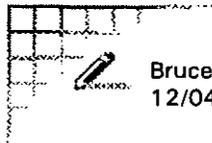
1. Equal pay -- 20m
2. Parental leave -- 20m

NDD IDEAS FUNDED OUTSIDE THE \$3B POT:

CRIME BILL II (\$975m)

1. COPS II -- 750m increase in passback to keep COPS at \$1.4B
2. ATF gun enforcement -- 25m
3. Drug courts & testing/treatment for probationers -- 100m
4. Certainty of punishment grants -- 100m

WTW EXTENSION (\$1B)



Bruce N. Reed
12/04/98 12:30:16 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: draft budget

We should sit down with Gene to figure out how to spend that \$1-2 billion.

Here are some thoughts:

HOW TO SPEND \$2 BILLION:

EDUCATION (\$1 billion):

Social Promotion/After-School: \$300m

Teachers: \$200m

Adult Literacy: \$__m

Training: \$__m

Americorps: \$176m (Harris's appeal)

Work-Site & Choice: \$50m?

[Second-chance schools: cheap Kerry idea for disruptive students]

HEALTH -- \$500m

Bioterrorism -- \$100m (helps with terrorism #)

Diseases -- \$300m

Food safety -- \$75m?

FDA tobacco enforcement -- ??

Medicare suit -- \$10m?

MISCELLANEOUS -- \$200m

Child support crackdown -- \$50m

Foster care -- \$150m

Equal pay -- \$20m

Parental leave demo -- \$10m

GORE STUFF (CEQ/OSTP) -- \$300m (probably unrealistic)

NON-TAX IDEAS FUNDED OUTSIDE THE POT:

Crime Bill II -- \$1 billion

WTW -- \$1 billion

TAX IDEAS FUNDED BY TAX OFFSETS:

Long-term care tax credit -- \$5-6.5b

Stay at home DCTC (no cost or modest cost)

Small business coops -- \$100m

Work-site schools & workplace literacy -- \$200m

Americorps

Interest deduction -- \$300m
CDFI -- \$100m
Telecommuting -- \$500m
Welfare/pensions

BIG QUESTIONS:

Medicare buy-in
Other coverage ideas?
Non-tax long-term care (community centers, nursing home quality)
NIH
Other disability tax credit
Whether to shave child care

Budget - FY2000 - general

FY00 Discretionary Initiatives

<u>Initiative</u>	<u>Amount</u> (\$ million)
I. Education and Training	
Adult Literacy	315-475
Social Promotion/After School	450
Universal Re-employment	350-500
Teacher Quality	250
Youth Employment	150-250
Charter Schools and Choice	60
Stay-in-College Initiative	100
Title I Accountability Fund	200
You Can Go to College Campaign	15-20
Education Research	50
II. Health	
Bioterrorism	90
Superbug	10
Long-term Care	215
Diseases	305
Rural Emergency Services	25
Children's Hospitals	40
DoD Medical Research	200
III. Urban, Empowerment, and Welfare Reform	
Trillion Dollar Roundtable	275
Housing Vouchers	145
Urban and Rural Computing Centers	75-100
Child Support	10
Abandoned Buildings	100
Access to Jobs	75
IV. Environment	
Coastal Salmon Restoration	125
Lands Legacy and Livability	500-750
Climate Investment Fund	250
Global Climate Change -- Research and Technology	165
V. National Service	172
VI. Technology	
Information Technology Initiative	150-165
Technology for Disabled Americans	40-60

Digital Library for Education	10-40
Integrated Science for Ecosystem Challenges	15
VII. Tobacco	
DoD/VA Cessation	150
Public Health (CDC)	27
FDA Enforcement	66
Medicare Suit	20
VIII. Women, Children and Families	
Child Welfare Judicial Reform	5
FMLA and Paid Leave Research Fund	10
Abortion Safety	5
IX. Crime	
COPS II	750
Firearms Enforcement	25
Redirect Prison Funds to Coerced Abstinence and Alternatives to Incarceration	190
X. Miscellaneous	
Child Labor, Labor Standards, and Anti-sweatshops	63-83
Food Safety	75
Financial Consumer Bill of Rights	40-60
Equal Pay	20
TOTAL	6.4-7.2 billion

Budget-FY2000 - general

FY00 Discretionary Initiatives

<u>Initiative by Agency</u>	<u>Amount</u> (\$ million)
Department of Education	
Adult Literacy	315-475
Social Promotion/After School	450
Teacher Quality	250
Urban and Rural Computing Centers (or HUD or Commerce)	75-100
Charter Schools and Choice	60
Stay-in-College Initiative	100
Title I Accountability Fund	200
You Can Go to College Campaign	15-20
Technology for Disabled Americans	40-60
Education Research	50
Subtotal	1,555-1,765
Department of Labor	
Universal Re-employment	350-500
Youth Employment	150-250
FMLA and Paid Leave Research Fund	10
Child Labor Enforcement	3
International Labor Standards	40
Equal Pay (also EEOC)	20
Subtotal	573-823
HHS	
Bioterrorism	90
Superbug	10
Long-term Care	215
Diseases	305
Rural Emergency Services	25
Tobacco -- Public Health (CDC)	27
Tobacco -- FDA Enforcement	66
Children's Hospitals	40
Subtotal	778
HUD	
Housing Vouchers	145
Abandoned Buildings	100
Subtotal	245
SBA	

Trillion Dollar Roundtable	240
Department of Treasury	
Trillion Dollar Roundtable (CDFI)	25
Firearms Enforcement	25
Financial Consumer Bill of Rights	40-60
Subtotal	90-110
Department of Transportation	
Access to Jobs	75
EPA	
Coastal Salmon Restoration	125
Climate Investment Fund	250
Subtotal	375
Department of Interior	
Lands Legacy and Livability	500-750
Corporation for National Service	172
Department of State	
Child Labor (AID)	20-30
Microcredit	10
Subtotal	30-40
NSF	
Information Technology Initiative	50-65
Digital Library for Education	10-40
Subtotal	60-105
Department of Energy	
Global Climate Change -- Research and Technology (also Ag, EPA)	165
Integrated Science for Ecosystem Challenges	15
Subtotal	180
Veterans Affairs	
Smoking Cessation	90
Department of Justice	
COPS II	750
Redirect Prison Funds to Coerced Abstinence and Alternatives to Incarceration	190
Child Support	10
Medicare Suit	20
Child Welfare Judicial Reform	5
Abortion Safety	5
Subtotal	980
Agriculture	
Food Safety	75

Department of Defense	
Information Technology Initiative	100
Smoking Cessation	60
Medical Research	200
Subtotal	360
TOTAL	6.4-7.2 billion

11/23

Passback Meeting - Lew

Caps are frozen

Probably 3-7b of room depending on ~~the~~ tobacco decisions

Medicare left out of picture - essentially self-financed

USDA - w/c OK; food safety ↑ → 7.5 (OK to 10 down from this?)
but unpopular fees funding f.s. initiative + other.
safety net program? OMB worked out options -
financed thru reductions in AMBA (??)

Commerce - spike in census

some Ts in technology programs + on fish programs

ETA time

Educ - Secy request 4b (excluding cl size) ↑.

PB essentially freezes

Two cuts built in - voc ed / impact aid } 375

GS: can't get support
for new unless buy 9pt
of in old.

Energy - 2b new guidance on key's request

PB essentially freezes

EPA - operating program goes up.

freezing superfund - VP not happy

→ will get us to 900 sites

but under 1 interp, 600m short in Kalamazoo

FEMA - Contingent emergency fund (also in UHEAT + SBA) -
should talk through

use fraud + abuse savings from Medicare

HHS - Move some of HCFA admin to mandatory side - fund w/ vfrnts.
thrust: reengineer HCFA \rightarrow give some stability
This gives room to plus up health on discont side
If we get, can have modest \uparrow over last yr - incl. FDA/HV/
Indian health.
Essentially shows no \uparrow in NIH

HUD - Essentially a freeze
Tried to shift rate landmark initiative - plus up Brumfield
25,000 more w-to-uh vouchers
IS new Rd II EZ.
ERI pot not funded - has become a expert for Repuls
Possible GAMA privatization - proposal - 2.5B in vfrnts

Interior - They had 1 bil new idea - 26 \uparrow for buying up land
Not done. (Frankton asked for 80-60 in more)
Big \uparrow s in Indian program

DOE - state/local cuts - Byrne / SCAP / prison
 \downarrow
 letover cut keep whole tax max cut
overall - try to keep up everything else
future discussion - what to do on doPS II
Because doPS II is not in, overall # looks bad

DOE - small \uparrow s in labor law cut, when law. Act
Have to discuss all initiatives - put some in, but &
clear to what they've asked for.
No \uparrow in job corps; didn't include PRAGE - in camp of other
up-to-uh on mandatory - OMB wants to do one yr at
a time.

SEN: OMB questions here

State: Least funding ban program

On energy - they want lots more for env. security.

We're putting it - make sure we get a plan + do it with -
multi-year capital program

Trump: FAA numbers again

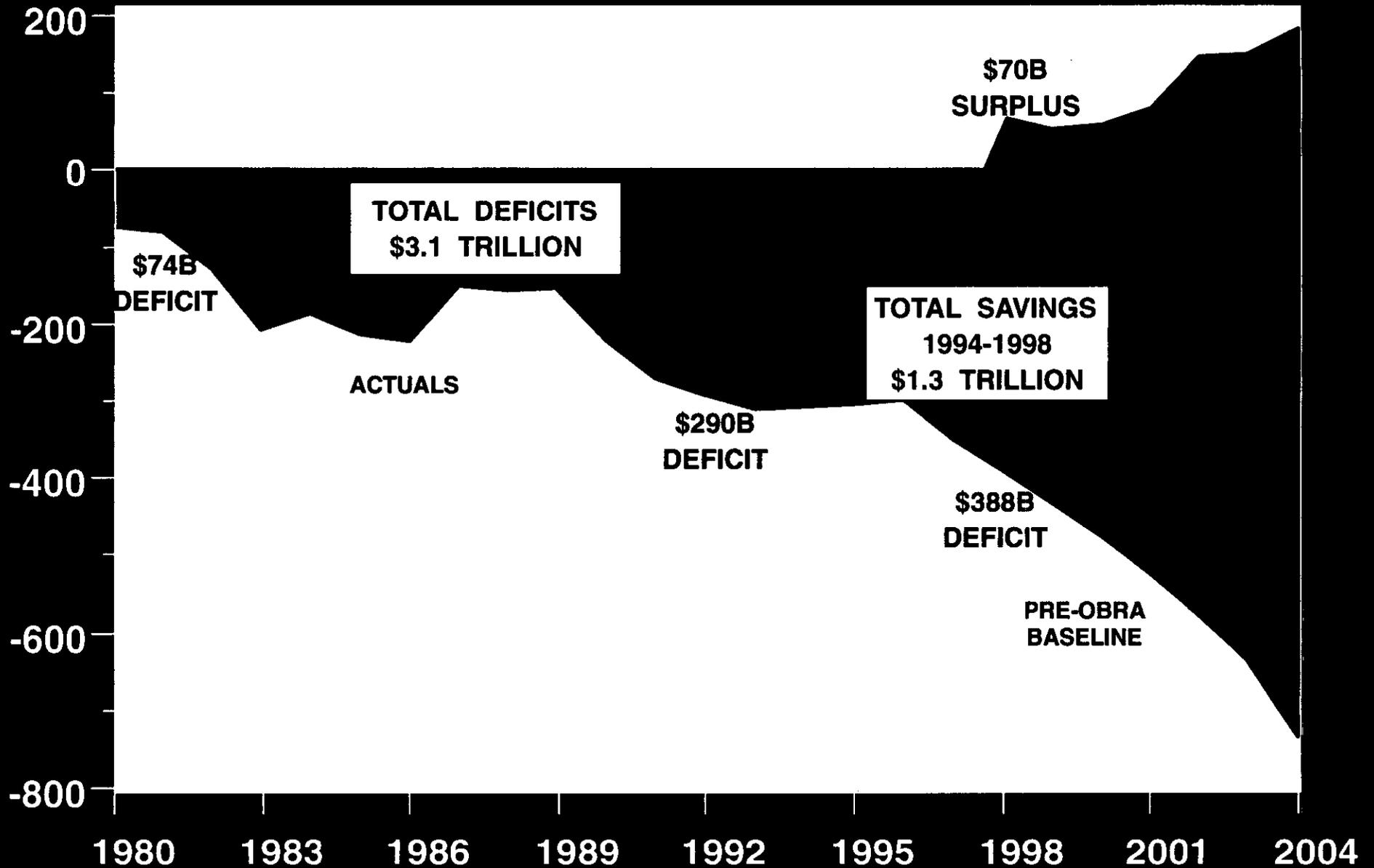
Require alloc b/w highway / mass transit / safety

Treasury: \$1.4 b. apart - They say critical to running IRS +
customs implementation of Rubin Act
Rubin not being flexible

VA: Freeze (in exchange, they keep revenue from 37 payers -
in line w/ deal made several yrs ago)

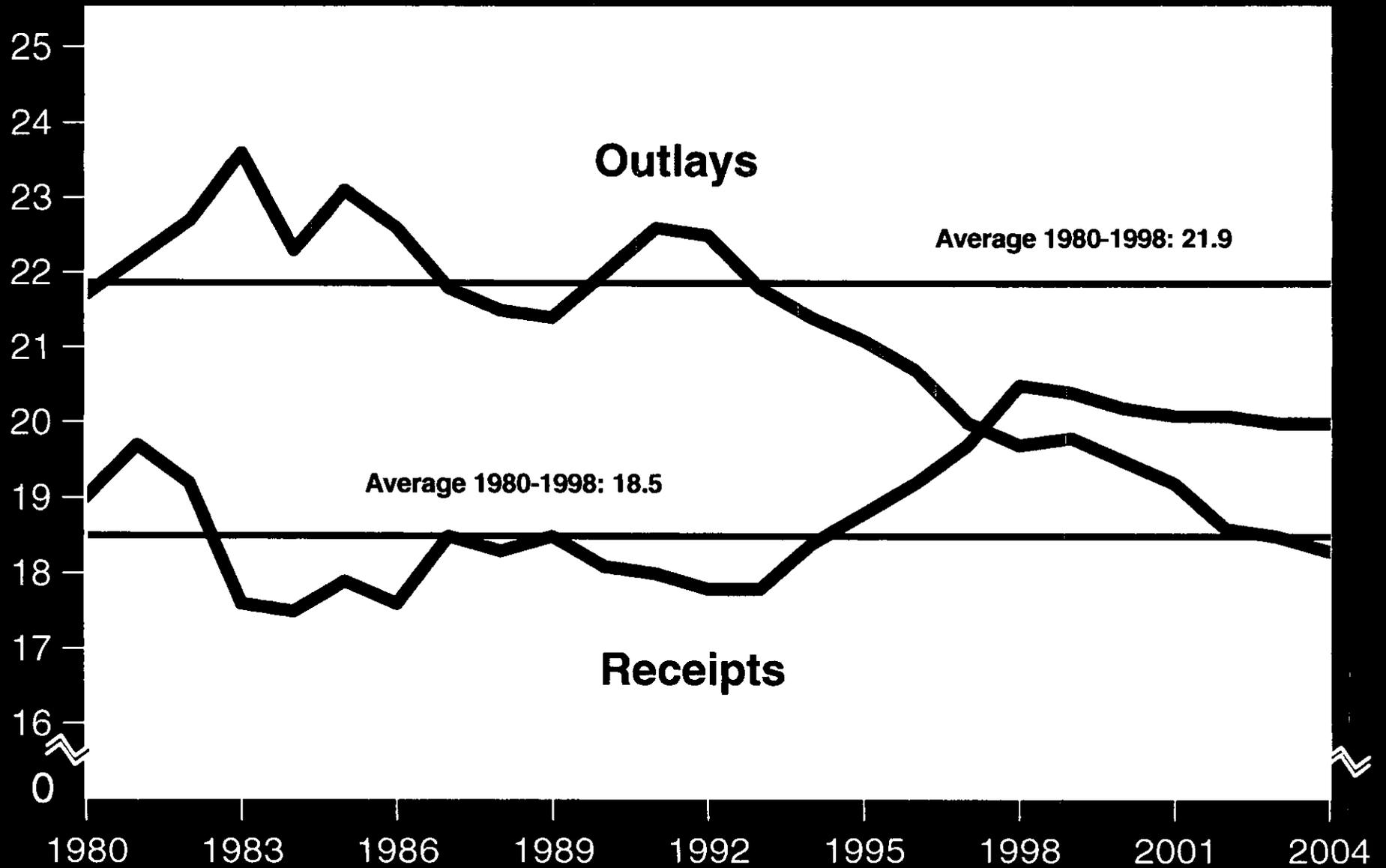
A BALANCED BUDGET AFTER DECADES OF DEFICITS

Surplus (+)/Deficits (-) in Billions



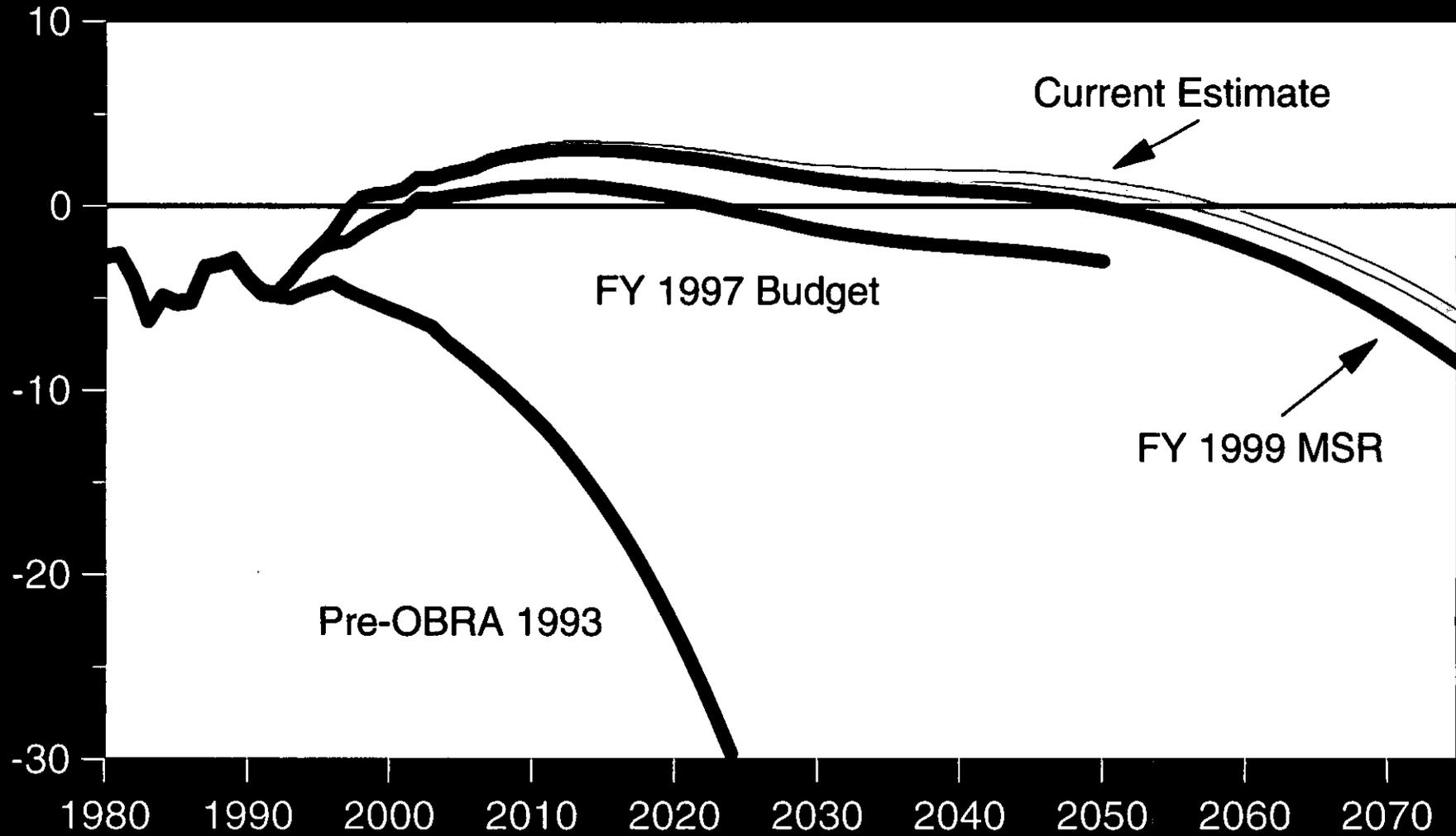
THE ERA OF BIG GOVERNMENT IS OVER

Percent of GDP



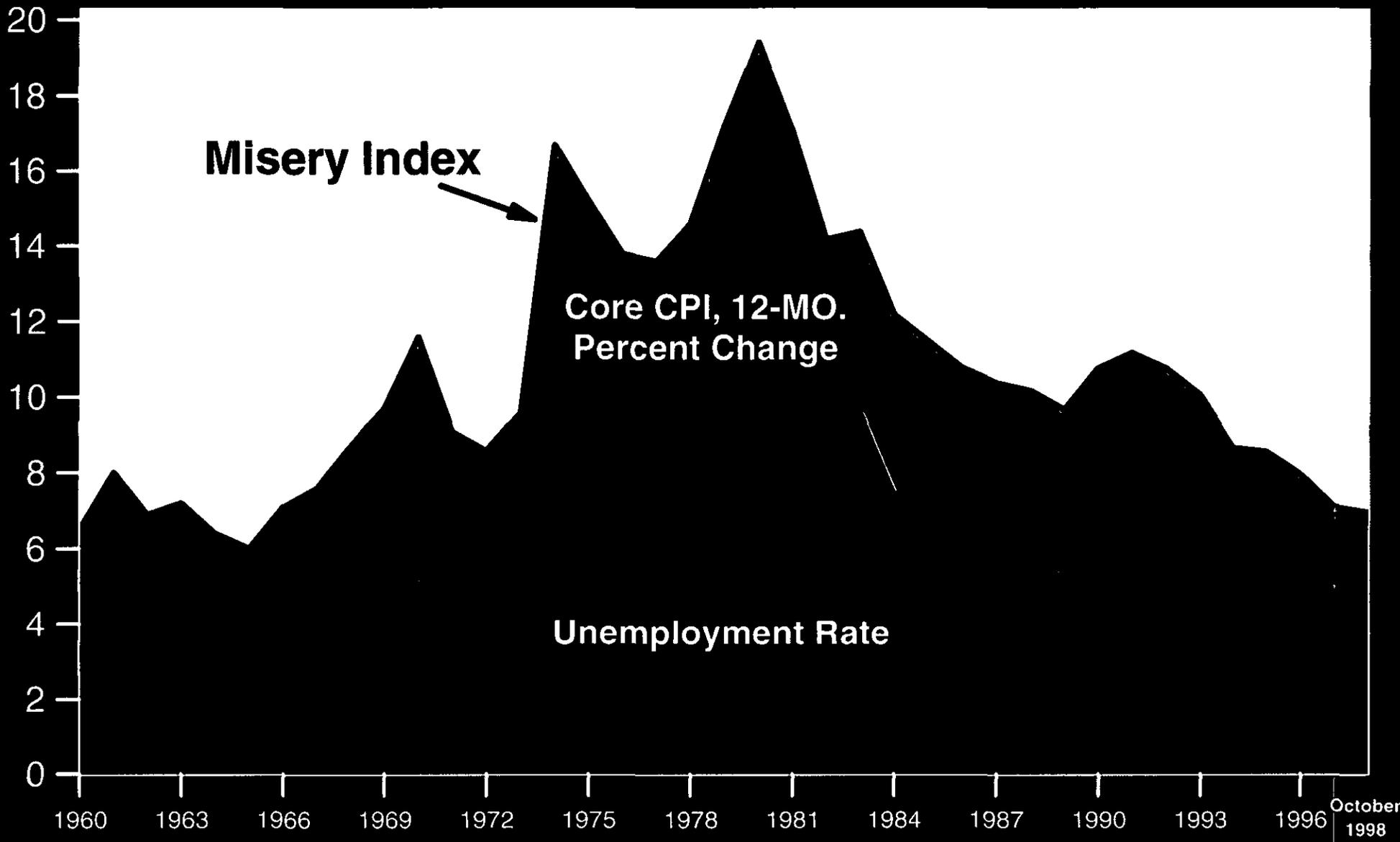
IMPROVED OUTLOOK: UNIQUE OPPORTUNITY TO SAVE SOCIAL SECURITY

Surplus/Deficit (-) As A Percent of GDP



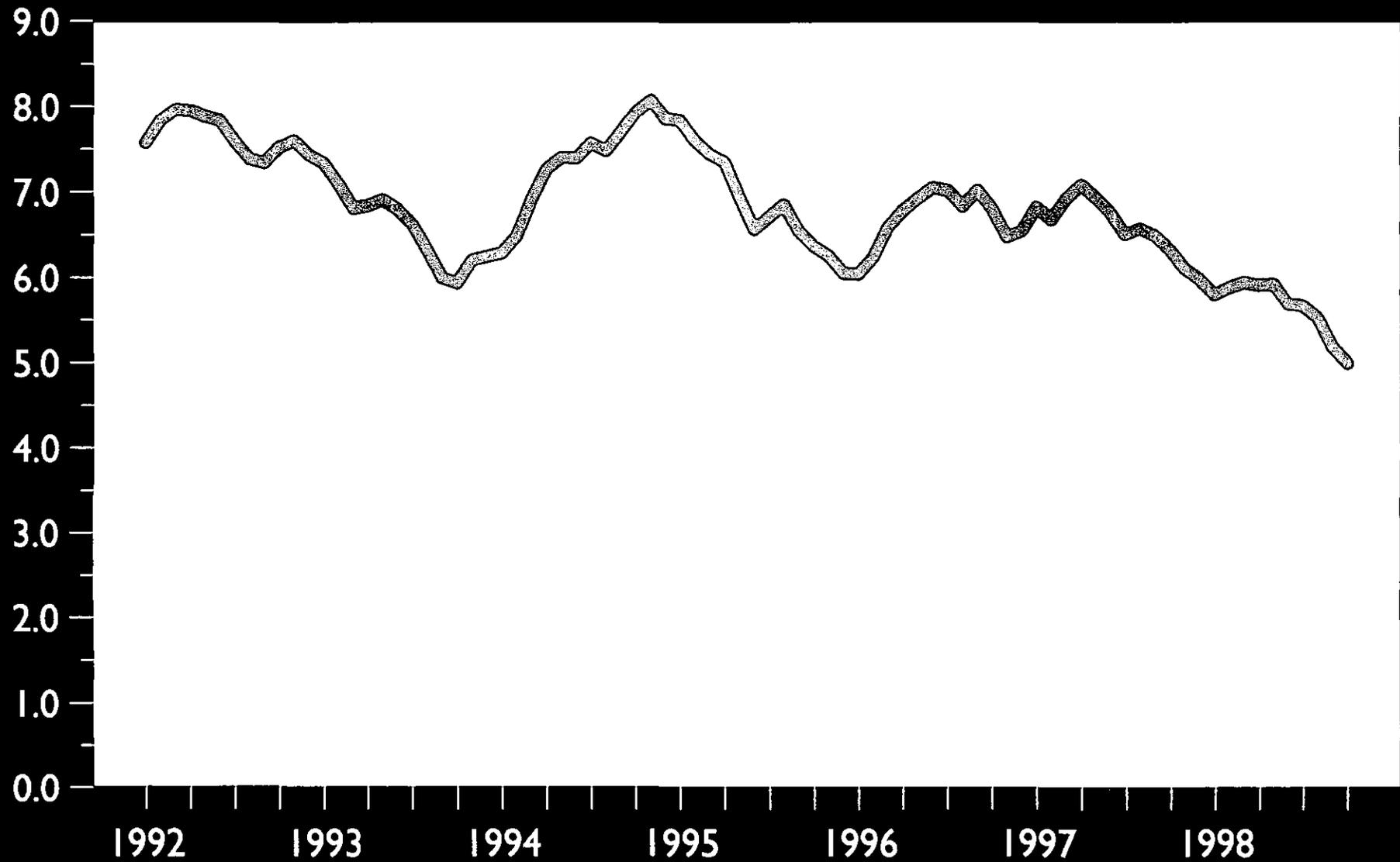
THE MISERY INDEX IS AT ITS LOWEST SINCE THE 1960s

Percent



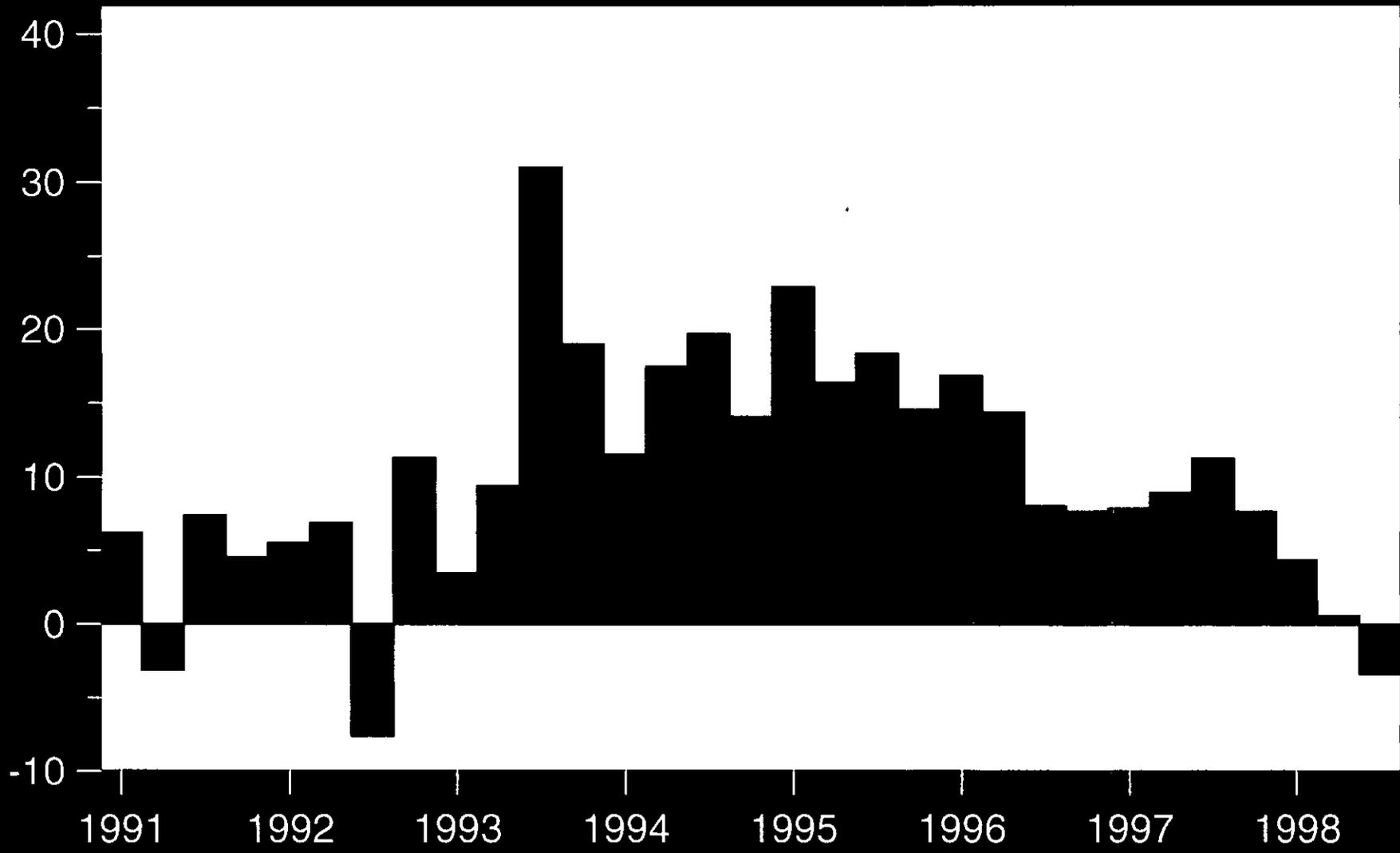
TREASURY BOND RATES ARE AT 30-YEAR LOWS

Percent

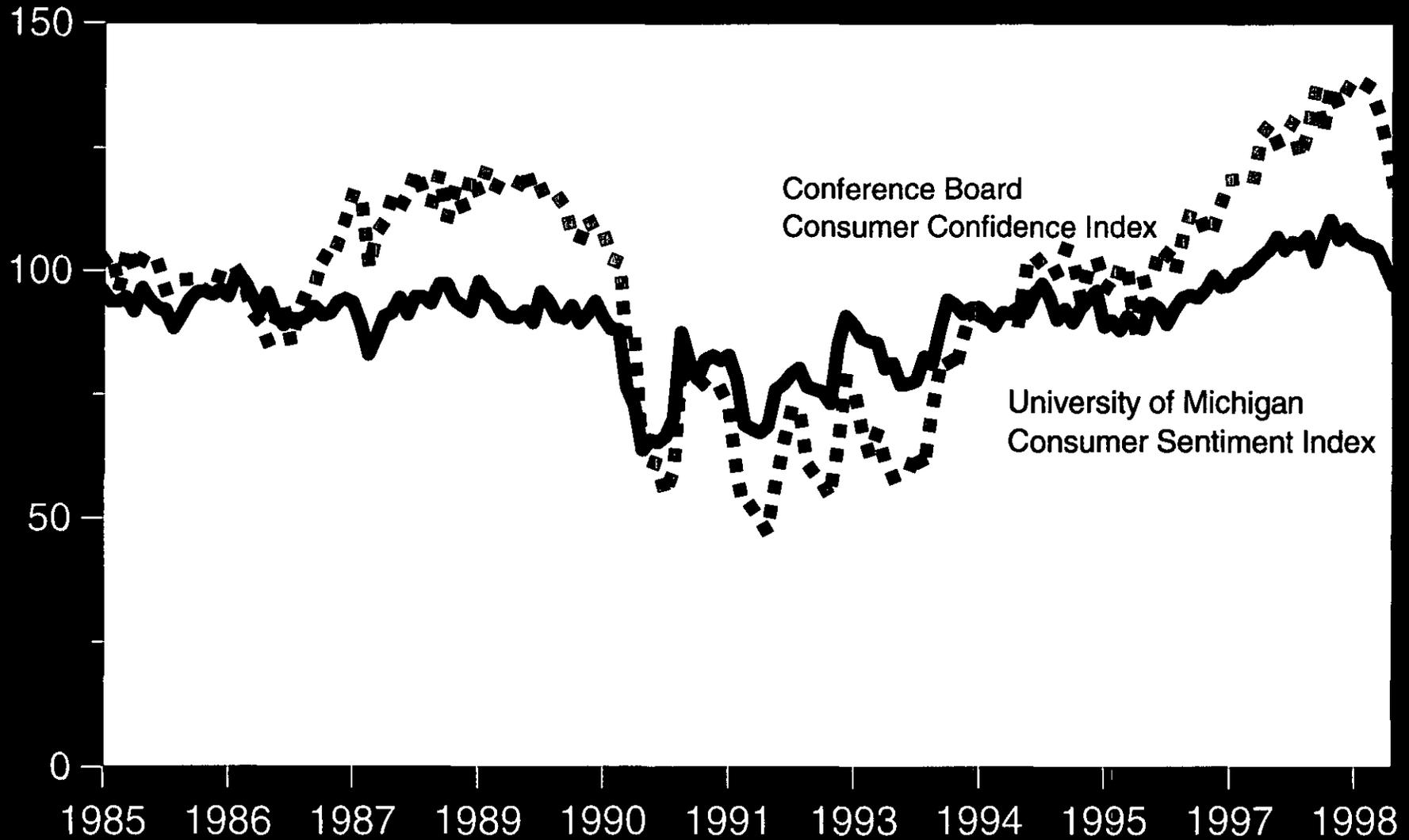


AFTER EXTRAORDINARY GROWTH, CORPORATE PROFITS ARE SLOWING

(Percent Change From One Year Earlier)

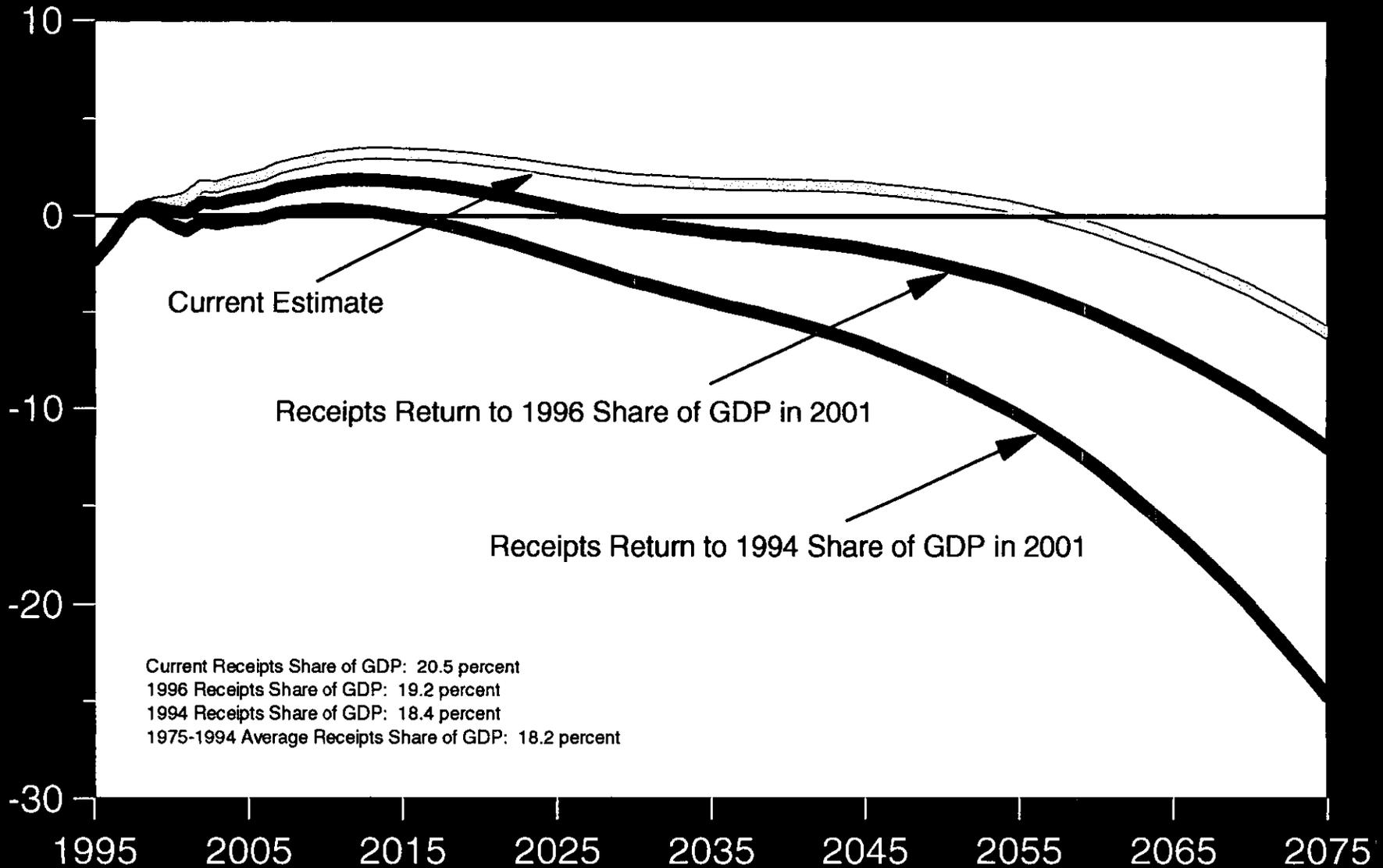


CONSUMER CONFIDENCE IS BEGINNING TO SLIP



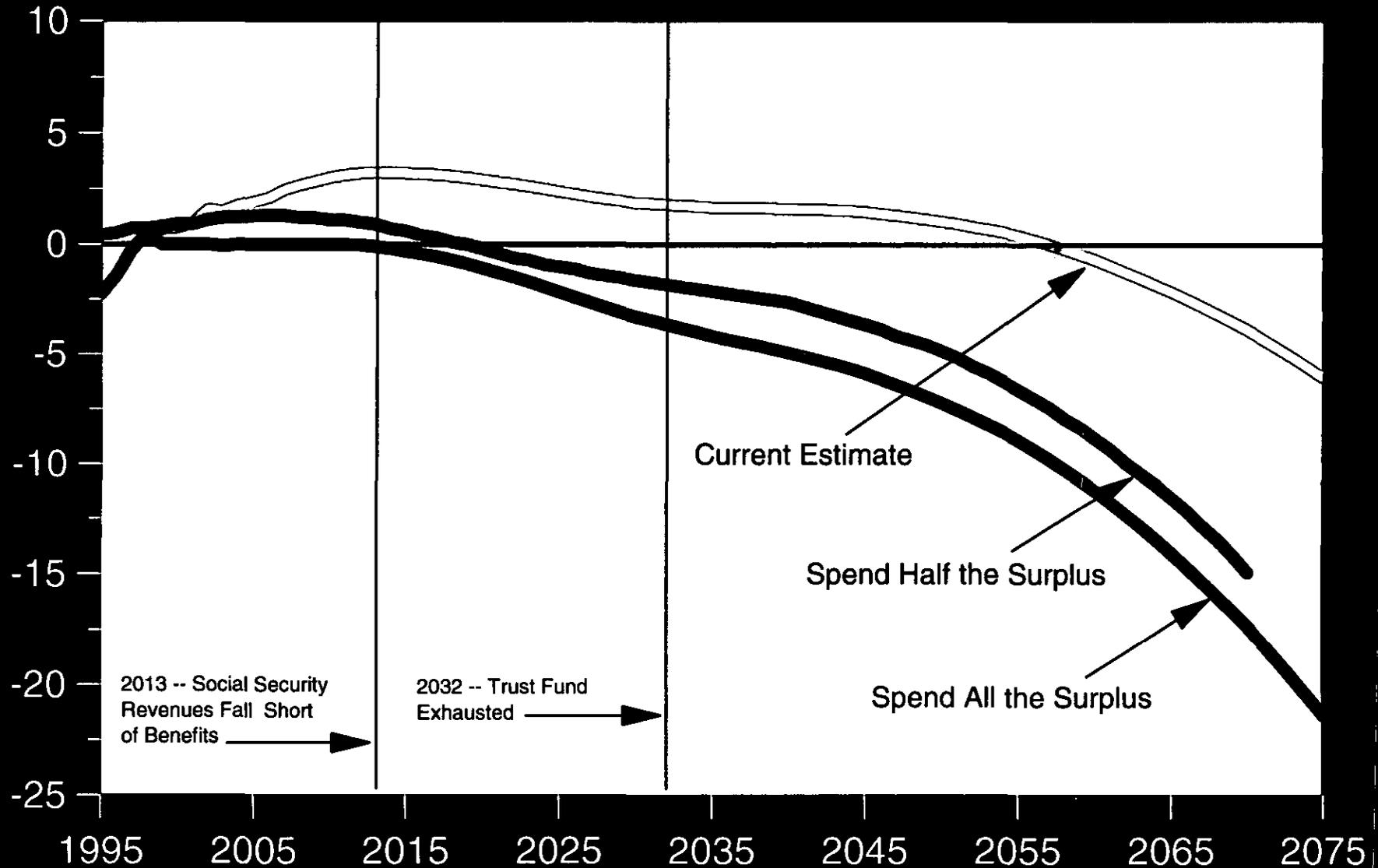
REVERSE REVENUE "SURPRISE" WOULD ENDANGER SURPLUS

Surplus/Deficit(-) As A Percent of GDP



OPTIONS OTHER THAN DEBT REDUCTION (INCLUDING THROUGH SOCIAL SECURITY) WOULD WORSEN THE LONG-RANGE OUTLOOK

Surplus/Deficit (-) As A Percent of GDP



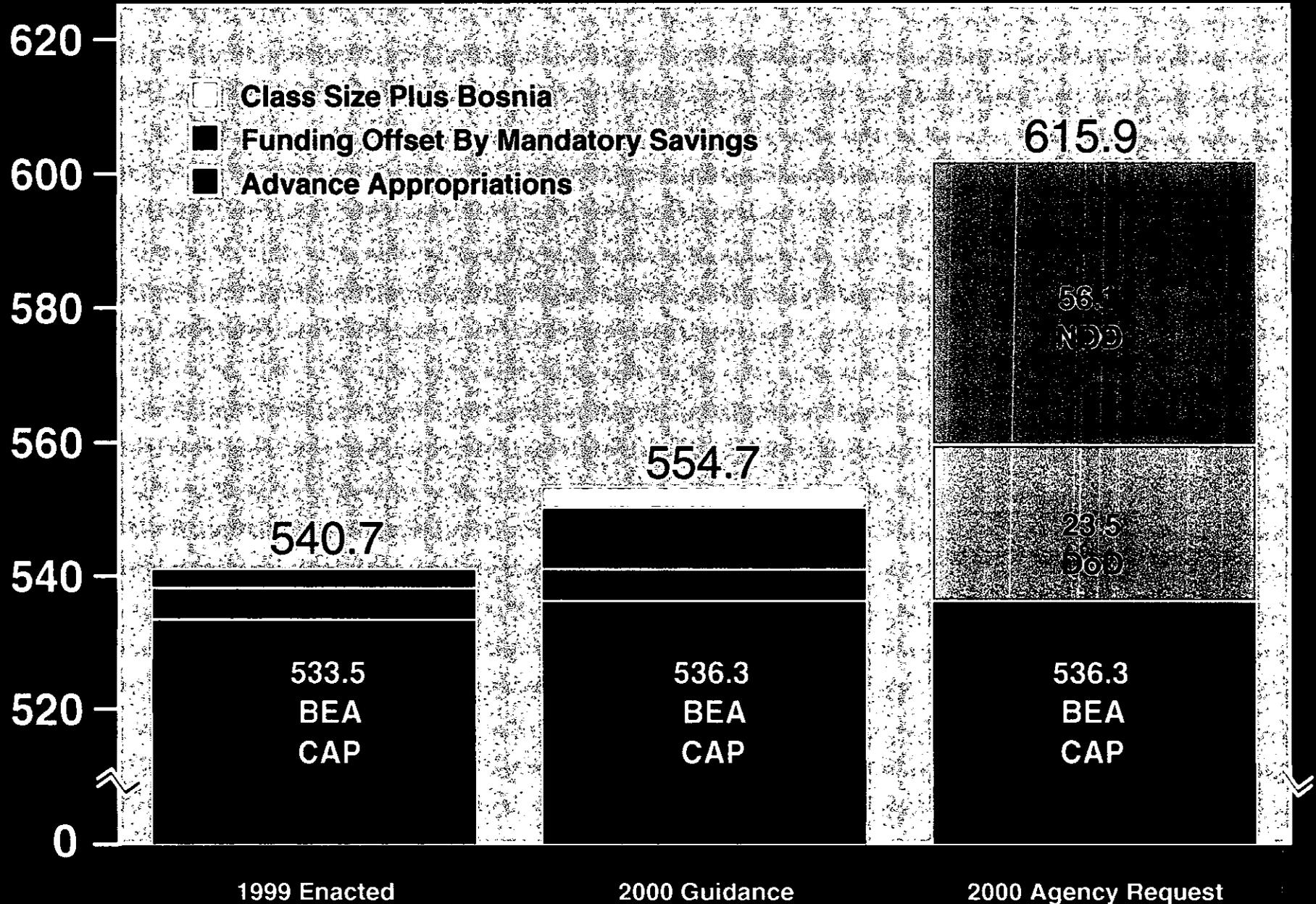
SURPLUS/DEFICIT (-) ESTIMATES

(In Billions of Dollars)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
1999 MSR	54	61	83	148	150	184	213	245	300	342	1788
Current Estimate	47	64	89	157	166	192	221	253	305	348	1842

FY 2000 Discretionary Overview

DOLLARS IN BILLIONS



Additional Requirements and Initiatives

	<u>00</u>	<u>(Outlays)</u>	<u>5-Year</u>
● Mandatory Reproposals:			
– Child Care and Early Learning	1.2		9.3
– Medicare Buy-In	0.1		2.1
– Superfund Orphan Shares	0.2		1.0
– Other	0.7		5.1
● Tax Reproposals:			
– Affordable Child Care	0.3		5.6
– Energy Efficiency/Climate Change	0.4		4.4
– School Construction	0.2		5.0
– Expiring Provisions	1.0		3.5
– Other	1.3		5.9
● Expiring Programs:			
– Welfare-To-Work	0.2		5.6
– COPS	1.2		3.6
● New Initiatives			

2000 Budget Goals

- **Save Surplus for Social Security**
- **Fulfill Prior Commitments**
- **Adequately Fund Core Government**
- **Finance Initiatives**