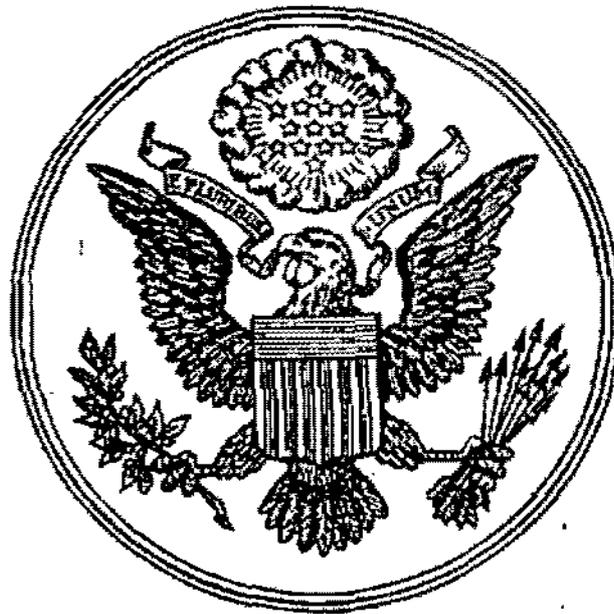


A History of the
White House Domestic Policy Council
1993-2001



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Introduction

"We need a new approach to government, a government that offers more empowerment and less entitlement. More choices for young people in the public schools they attend. And more choices for the elderly and people with disabilities and the long-term care they receive. A government that is leaner, not meaner; a government that expands opportunity, not bureaucracy; A government that understands that jobs must come from growth in a vibrant and vital system of enterprise. I call this approach a New Covenant, a solemn agreement between the People and their government based not simply on what each of us can take, but what all of us can give."

William J. Clinton
Acceptance Speech to the Democratic National Convention
July 16, 1992

PLEDGING HIMSELF TO THE RENEWAL of an America based on a "New Covenant to shoulder our common load," and "make America work again," William Jefferson Clinton introduced himself to the nation as the Democratic nominee for President in 1992. His campaign and the platform it espoused set out to restore the basic bargain on which this country was built: expanding opportunity for all, demanding personal responsibility from all, and a forging civic community of all. The domestic agenda he put forth spoke to the issues that mattered most to the American people: he promised to reduce an unprecedented rise in crime and violence, to reform a broken welfare system, to expand access to health care, to improve American education at all levels, and to enhance the quality of life for America's families. And he promised to do all of this while turning around a stagnant economy and streamlining the federal government.

Opportunity, Responsibility, Community

Clinton unveiled his domestic, economic, and international vision in a series of three speeches he gave at Georgetown University in late 1991. In the first, delivered October 23, 1991,

he spelled out the philosophy that would guide the Clinton Administration's domestic agenda with the idea that government must "provide opportunity for everybody, inspire responsibility throughout our society, and restore a sense of community to this great nation."¹ He proposed a "New Covenant" to change the relationship between the people and their government by doing more to address America's problems but challenging Americans to do more in return. "There will never be a government program for every problem," he said. "I can promise to do a hundred different things for you as president. But none of them will make any difference unless we all do more as citizens."²

The New Covenant speeches outlined several key initiatives that would come to guide domestic policy in the White House over the next eight years. On education, Clinton promised opportunity for all by increasing funding for schools, enhancing scholarship opportunities, reducing class size at all levels, and expanding public school choice. In addition, he proposed instituting "high national standards based on international competition for what everybody needs to know, and a national examination system to measure whether they're learning it." "It's not enough to put money into schools," he reasoned, instead "we need to challenge [them] to produce, and we've got to insist on results."³ Stressing both increased investment in schools and increased standards and accountability, Clinton built upon his theme of mutual obligations and responsibility. His national service proposal, later embodied in the Americorps program, embodied this same theme. It would be "a Peace Corps for America's cities" that would afford American youth the opportunity to make money for college and give back to the community of which they are a part. Its very design expressed the touchstones of Clinton's vision of governance: opportunity, responsibility, and community.

¹ William J. Clinton, Speech at Georgetown University, October 23, 1991.

² Ibid.

³ Ibid.

On the issue of crime, Clinton likewise stressed mutual obligations between the government and the American people. While he promised to invest in crime prevention through community policing and after-school programs in the inner cities, he also urged a tougher stance on criminals after they have offended the law. More police, fewer guns, stricter penalties, and expanded educational opportunities for the at-risk population formed the core of Clinton's New Covenant on crime. The government accepted more responsibility to prevent and deter crime; citizens would accept greater responsibility for their own actions in return.⁴

The centerpiece of Clinton's new social contract was his pledge to reform welfare. His Administration, he promised, would "do everything we can to help the poor climb out of poverty;" but it would also "end welfare as we know it" by breaking the cycle of dependency.⁵ The key to his approach was a return to what he described as the original purpose of welfare, to give "temporary help to people who've fallen on bad times." Able-bodied welfare recipients, in his vision, would thus receive benefits for two years only before being required to make a transition back into the work force. Government would keep up its end of the bargain by providing education, training, and career counseling to welfare recipients, tax credits and other incentives for businesses that hire former welfare recipients, and by "making work pay" with an Earned Income Tax Credit and higher minimum wage.⁶ Clinton swore continued help for "people who can't help themselves" but also made clear that those who get help have responsibilities, too.

To be truly "pro-work," Clinton argued further, an Administration must prove itself equally "pro-family," by empowering America's families to meet the challenges presented by the New Covenant he sought to forge. He envisioned an expanded role for the government in providing opportunity to families: by lowering the infant mortality rate, reducing teen pregnancy, expanding

⁴ William J. Clinton, Speech to the National Association of Police Officers, August 20, 1992.

⁵ William J. Clinton, Speech at Georgetown University, October 23, 1991.

⁶ William J. Clinton, Speech to the Cleveland City Club, May 21 1992.

funds for maternal and child health coverage, increasing child immunization programs, protecting children from violence in the media, and enhancing the availability of child care for working mothers and fathers.⁷ Combined, these programs signaled Clinton's dedication to an aggressive expansion of the role of government in helping families. At the same time, in characteristic fashion, he promised that these opportunities would require increased responsibilities in return.

"Governments don't raise children; people do," he said. Collection of child support payments would be enforced to an unprecedented extent, and every parent who attempted to dodge such responsibility would be caught and punished. Parents would uphold their role in the education and moral guidance of their children by taking advantage of new government programs to provide early learning opportunities and to shield children from harmful influences. Clinton called these ideas a "third way to approach the American family -- beyond the traditional politics of both parties, beyond the [Bush] Administration's cheerleading for family values on the one hand, and on the other hand, the old big-government notion that there is a program for every social problem."⁸

As part of his agenda for American families, Clinton pledged himself to reform the nation's health care system. Particularly, he sought to address the millions of Americans, especially children, who had been squeezed out of the health care market because of poverty, illness, or circumstance. In the New Covenant, the government would seek to secure health care for more Americans than ever before. These new opportunities would be balanced by responsibilities: of the government to monitor the delivery and quality of health care; of insurance companies to hold down costs without sacrificing services; of consumers to take a more active role in preventive care for themselves and their children. Health care reform, he argued, "has to be a part of our efforts to restore growth, improve education, and manage change in a tough global economy."⁹

⁷ Ibid.

⁸ Ibid.

⁹ William J. Clinton, Speech to Employees of Merck Pharmaceuticals, Sept. 24, 1992.

Over the course of his Presidency, Clinton used many phrases to describe his central theme: "the New Covenant," "Opportunity, Responsibility, Community," "the Third Way." But the core principle was always the same: a new political and governing philosophy based on mutual obligation. That principle guided Clinton's domestic policy throughout his years in office. It was a progressive roadmap for the future, he explained in the 1995 State of the Union Address, "a new set of understandings for how we can equip our people to meet the challenges of a new economy, how we can change the way our government works to fit a different time, and, above all, how we can repair the damaged bonds in our society and come together behind our economy, our government, and ourselves."¹⁰

A Think Tank in the White House: the Domestic Policy Council

While domestic policy has been an important function for any Presidency, Presidents have gone about making it in vastly different ways. Early Presidents relied on a cabinet system, and the executive departments that evolved from it. While most Presidents kept themselves abreast of policymaking as it developed in the executive departments, and retained ultimate authority in setting their agenda, the White House remained largely insulated from the process through which policy details and programs developed. Conferring such discretion to the cabinet, however, became less productive as the executive bureaucracies and the interests they served expanded in the twentieth century. The New Deal expansion in both the size and scope of the federal government brought with it a fundamental change in the nature of the cabinet. Though their role as counselors to the President continued, the Secretaries – themselves heads of extremely large institutions – responded increasingly to forces outside the President's direct control. Outright contention between the President and cabinet members has been rare, yet nonetheless recent Presidents have

¹⁰ Remarks by the President in the State of the Union Address, January 24, 1995.

done more to center policymaking in the White House itself, and to rely more heavily on the departments to implement and monitor the programs that result.

The Johnson White House was the first to include an internal apparatus for developing domestic policy.¹¹ Joseph Califano – a key adviser to President Johnson – was the first senior White House aide to spend the majority of his time developing domestic policy and to organize a staff to facilitate that activity. Though still informal, this group fashioned itself after the National Security Council that had been formed in 1949 to advise the President on foreign affairs and military policy. Under Johnson's direction, Califano and his aides began to take on much of the domestic policymaking that had traditionally fallen to the cabinet. It turned out to be an experiment that worked: in 1970, President Nixon issued an Executive Reorganization Plan that created the Office of Policy Development (OPD) to advise the President on domestic social and economic issues from within the walls of the White House.¹² Though it still lacked a clear mandate, and its influence depended on the whims of individual presidents, the Office provided an institutional body for domestic policymaking in the White House.¹³ The power of the OPD waxed and waned over the course of the subsequent four Administrations: it enjoyed wide discretion and significant influence under both Carter and Reagan while its power eclipsed in the Ford and Bush Administrations.¹⁴ President Clinton's vision of policymaking in the White House has been consistent with his philosophy of executive action generally. He reorganized the OPD to provide clear lines of authority for both domestic and economic policy.

In the 1992 campaign, Clinton repeatedly insisted that "we need an economic security council similar to the National Security Council, with responsibility for coordinating our economic

¹¹ Paul Weinstein, Tools and Techniques for Making Policy in the U.S. Government (New York: Addison, Wesley, Longman, Forthcoming).

¹² "Domestic Forum Can Sway a President," Washington Post, August 8, 1990.

¹³ Paul Weinstein, Tools and Techniques.

¹⁴ Bradley Patterson, Jr., The White House Staff: Inside the West Wing and Beyond. (Washington: Brookings Institution Press, 2000). p. 77.

policy."¹⁵ Towards that end, he created the National Economic Council (NEC) by executive order in January, 1993.¹⁶ A derivative of the Office of Policy Development, the NEC assumed responsibility for formulating economic policy, coordinating its implementation, and representing the President's priorities to the other branches of government. Soon thereafter the President issued another executive order establishing the Domestic Policy Council (DPC) a second subsidiary of the OPD to function similarly to the NEC on issues of social policy.¹⁷ In theory, the DPC was chaired by the President with the Vice President serving in that capacity during his absence. Its members included the cabinet Secretaries of all major domestic agencies – health and human services, labor, education, housing and urban development, and treasury, among others – as well as the Attorney General, the Director of the Office of Management and Budget and the heads of 13 other federal departments. In practice, however, the Council rarely met and its function was served by its own staff of approximately thirty Presidential appointees who specialized in the areas that fell under its purview: education, welfare, crime, children and families, and health care.

The DPC advised the President on policy matters, wrote executive orders and memoranda, worked with Congress to enact legislation, oversaw policy implementation by executive agencies, and coordinated media efforts to highlight the President's agenda. All of the major domestic initiatives of the Clinton-Gore White House were planned, implemented, and monitored under the auspices of the DPC. The chapters that follow outline those initiatives.

¹⁵William J. Clinton, Speech to the Economic Club of Detroit, August 21, 1992.

¹⁶ Executive Order 12835, Establishing the National Economic Council, January 25, 1993.

¹⁷ Executive Order 12859, Establishing the Domestic Policy Council, August 17, 1993.

Education

"When I became President in 1992, the education debate in Washington, I felt, was fairly stale and predictable, and unfortunately, divided into what I thought were partisan camps with false choices. On the one side were those, most of them in my party, who believed that money could solve all the problems in our schools, and who feared that setting high standards and holding schools and teachers and students accountable to them would only hold back poor children, especially poor minority children. On the other side, there were those, mostly in the other party, who fundamentally did not think the public schools were fixable, and therefore, didn't want to spend much money trying. Also they felt education was a state responsibility, and therefore, should not have a comprehensive national response. Some of them, you'll remember, even tried to get rid of the Department of Education.

Vice President Gore and I believed both those positions were wrong. There was plenty of evidence, even then, that high levels of learning were possible in even the most difficult social and economic circumstances. The challenge was to make the school transformation going on in some schools available and active and real in all schools. And we sought to do it by investing more in our schools and demanding more from our schools."

President William J. Clinton
Remarks to the Education Writers Association
April 14, 2000

THROUGHOUT THE 1980S AND early 1990s, Washington talked more and did less about education than almost any other issue. The 1983 report, A Nation at Risk, sounded a national alarm about education standards, and many states, especially in the South, responded with dramatic measures. But for the most part, Washington stubbornly refused to step up national investment or accept a stronger national role in raising education achievement.

Bill Clinton, who had made education his top priority in Arkansas, had a different vision. He believed that America's economic future depended upon a comprehensive national effort to improve our schools. Clinton proposed a simple formula – invest more, demand more – that had worked in Arkansas and moved beyond the tired ideological stalemate in Washington. It has worked. "The fundamental lesson of the last seven years," President Clinton said in April 2000, is

this: "education investment without accountability can be a real waste of money. But accountability without investment can be a real waste of effort. Neither will work without the other. If we want students to learn, we should do both."¹ Since 1993, investment in education has nearly doubled, with more of that money reaching the neediest students than ever before. The national government launched an unprecedented effort to reduce class size in the early grades. Afterschool assistance increased five-hundred-fold. With federal help, charter schools grew from one to 1700. The largest federal investment in college education since the G.I. Bill helped college attendance reach an all-time high. In 1995, Congressional Republicans tried to abolish the Department of Education. But by the end of Clinton's term, those same Republicans took pains to make sure they spent as much on education as the Administration.

Just as important, the standards movement took hold in every state, and nearly every state began to measure students against those standards. At the end of Clinton's term, math, reading, and SAT scores were on the rise, with the greatest improvement coming in poor urban and rural districts. The Presidential nominees of both parties in 2000 named education as their number-one priority. Bill Clinton's new synthesis on education – increased national investment and a nationwide movement on standards and accountability – had gone from political heresy to accepted wisdom in just eight years. When Bill Clinton took office in 1993, he inherited the largest federal budget deficit in history. As President, he spent much of his term making tough choices to restore fiscal discipline and leave behind the largest budget surplus in history. But even as he worked to put the nation's fiscal house in order, Clinton insisted on substantial increases in national investment in education, which he saw as just as important to our long-term economic and social well-being.

¹ Remarks to the Education Writers Association, April 14, 2000.

Investing More: Doubling Federal Investment in America's Schools

As he promised to do in the 1992 campaign, President Clinton brought federal education spending to historic highs and took great care to ensure that those investments yielded results. In 1992, Washington allocated \$14.2 billion to elementary, secondary, and vocational education programs as well as an additional \$12.1 billion to higher education.² Over the course of President Clinton's tenure in office, however, the amount of federal money devoted to education grew by unprecedented increments: \$6.6 billion added to the budget for elementary, secondary, and vocational education; \$4.9 billion for higher education; and nearly \$30 billion for student aid.³ No previous Administration had devoted so much federal money to education, let alone in the face of such Congressional opposition. But the aggregate spending levels tell only part of the story. President Clinton targeted federal money to the neediest districts, reversing Washington's long neglect of the nation's poor urban and rural schools.

The Clinton-Gore Administration dramatically expanded investments in reforms that work :

- **Class-Size Reduction Initiative:** The President invested \$2.5 billion between 1998 and 2000 to hire 100,000 new teachers for America's schools. In fiscal year 2001, moreover, Congress authorized an additional \$1.75 billion for the program. Between 1993 and 2000, districts receiving these funds reduced the average class size from 23 to 18 students in the schools where new teachers were hired. Research shows that students, particularly in the early grades, learn more effectively in smaller classes and thus the program enhanced the quality of education for millions of students.⁴
- **After-School and Summer School Programs:** President Clinton's 21st Century Community Learning Centers Program provided \$600 million in fiscal year 2000 for extended educational opportunities in the evenings and summers. An estimated 850,000 students – most of whom lived in poor urban and rural districts – benefited from the program. For fiscal year 2001, moreover, the President called on Congress to double that investment, to \$1.2 billion.⁵

² United States, Office of Management and Budget, Budget of the United States Government Fiscal Year 2000, Historical Tables (Washington: GPO, 1999), p. 81.

³ *Ibid.*, p. 82.

⁴ U.S. Department of Education, Challenging the Status Quo: The Education Record, 1993-2000 (Washington, 2000)

⁵ United States, Office of Management and Budget, Budget of the United States Government Fiscal Year 2000, Appendix (Washington: GPO, 1999), p. 345; Domestic Policy Council, "A Nation Transformed: Clinton-Gore Administration Accomplishments 1993-2000," (Washington, October, 2000).

- **Charter Schools:** The Administration's Federal Public Charter Schools Program invested \$400 million between 1994 and 2000 in public school choice. By the end of the Administration, nearly 2000 charter schools in 32 states and the District of Columbia had been created with federal seed money.⁶
- **Head Start:** Between 1993 and 1999 funding for early learning opportunities and child development programs in low-income areas increased 90%. Each year, an estimated 880,000 children participated in Head Start and were better prepared for future academic success as a result.⁷
- **Expanding Access to Technology:** Overall investments in educational technology increased from \$23 million in 1993 to \$769 million in 2000. President Clinton and Vice President Gore created the Technology Literacy Challenge Fund to help connect every school to the internet and to provide technology training for teachers. As a result, 95% of public schools were connected to the internet in 1999, up from just 35% in 1994.⁸
- **Title I reform:** A 1994 revision of Title I – the program through which schools receive the bulk of federal aid – targeted funds more effectively towards the nation's neediest districts. Whereas in 1994, only 79% of the highest-poverty schools received Title I funds, a full 95% reached the neediest schools in 1999. The Administration thus took pains to drive federal money down to the schools that most needed it.

Demanding More: Standards and Accountability

If there truly was a "Clinton Revolution" in education policy, it occurred in the area of standards and accountability. For too long, Americans had come to believe that education was a matter of intelligence and circumstance, rather than universal birthright and obligation. As he said in his 1997 State of the Union Address, "we must end the tyranny of low expectations." Bill Clinton believed what he had seen in Arkansas – that every child can learn to high standards. Some in his party feared that raising standards would leave some children behind. Clinton argued that any system that passed students on every year without teaching them left millions of children behind. We needed to invest more in our schools, he said, but that investment would only work if we also held schools, teachers, and students accountable for results.

⁶ Domestic Policy Council, "A Nation Transformed."

⁷ U.S. Department of Education, Challenging the Status Quo.

⁸ Ibid.

President Clinton sent Congress several measures to raise standards and ensure accountability. The Goals 2000: Educate All Americans Act of 1994 was the first national law to link standards and accountability to federal education assistance. Under the Act, only states that implemented standards for all schools within their jurisdiction could qualify. Clinton coupled this accountability with greater investment. In exchange for agreeing to be held to these new standards, states would receive more money than ever before through Title I, money that could be used for professional development, curriculum design, and textbook purchases as they phased in the new standards. Over the course of the next five years, 48 states designed and implemented a standard curriculum for all their students and by 2001 every state is expected to have adopted such standards. In 1999, Clinton's ESEA reauthorization plan extended the reach of this bargain. Where Goals 2000 had put academic standards in place, the 1999 bill mandated that states receiving Title I would be held accountable for student progress on tests aligned to those standards. For the first time, Clinton proposed making federal education assistance contingent on results. "I believe that we must change the way we invest our money, to support what works and to stop supporting what does not work," he said in his 1999 State of the Union Address. He also proposed putting a qualified teacher in every classroom, so that all teachers get the training they need and know the subjects they teach. While the 106th Congress failed to reauthorize the ESEA, the Administration's proposal transformed the debate. Both parties' Presidential nominees in 2000 put forward similar ESEA plans to hold states accountable for closing the education gap.

Congress reflexively rejected President Clinton's 1997 proposal for a voluntary national test, even though dozens of cities and several states agreed to sign up for what they saw as an essential way to know how their students were doing compared with students in other states and other countries. But two years later, Congress agreed to the President's \$134 million Accountability Fund to turn around failing schools. For the first time, the federal government helped local districts

intervene in low-performing schools, and guaranteed students in those schools the opportunity to choose another public school that was not failing.

Fostering Innovation and Encouraging Choice

When President Clinton assumed office, only one state – Minnesota – had a charter-school law on its books. And even there, only one such school existed in 1992. Charter schools represented a bold new approach to government: flexibility to experiment within the public system, in return for meeting specific performance goals or risking being closed. Clinton had long supported greater public school choice and expanded it in Arkansas. Charter schools offered a way to give poor parents who could not afford private school more choices within the public system, and to keep parents inclined to pull their children out of the public system from doing so. Moreover, charter schools were by definition accountable for results, and competition among public schools could increase accountability in the system.

In the four months that followed his first inauguration, President Clinton advocated charter schools in at least fifty public statements. Though many powerful interests both in the states and in Washington continued to oppose charter schools, Clinton's ardent support led to federal legislation in 1994. Since that time, states have applied for nearly \$400 million in seed money to organize charter schools. By the time President Clinton left office, 32 states and the District of Columbia had charter school laws and an estimated 250,000 children were attending more than 1,700 charter schools.

Expanding Access to Higher Education

Like two Presidents he admired, Theodore Roosevelt and Woodrow Wilson, Bill Clinton governed at a time of vast change in the American economy. As Roosevelt and Wilson presided

over the seismic, and often difficult, transition from an agricultural to an industrial economy, President Clinton's tenure coincided with a similar transition, this time to an information economy. And central to his mission, as to that of his predecessors, was equipping Americans to make that transition as smoothly and profitably as possible. In an information economy, the skills needed for success are educational in nature. While a few years of school and a strong back had propelled many Americans into the middle class throughout the postwar period, the new economy depended on strong minds. That reality was behind Clinton's all-out effort to expand college opportunity for all Americans. As President Clinton said time and again, "what you can earn depends on what you can learn."

Clinton set out to make two years of college as universal as primary and secondary schooling. Through two programs, the HOPE Scholarships and the Lifetime Learning Tax Credits, President Clinton provided tuition assistance to over ten million Americans in 1999 alone.⁹ The HOPE Scholarships provided a tax credit of up to \$1500 for tuition and fees in each of the first two years of college, an amount that in 1999 dollars underwrote the cost of most community colleges. Lifetime Learning Tax Credits in turn provided tax relief on 20% of the first \$5,000 of tuition and fees for each year beyond the first two; after 2003, moreover, the credit will expand to cover \$10,000 of tuition and fees. Combined, these two programs helped to relieve what had become a heavy burden on working families and made it possible for most Americans to afford some postsecondary education. Other forms of financial aid also received a boost during the Clinton years. President Clinton authorized budget increases in Pell Grants, introduced lower interest rates and more flexible repayment arrangements on federal student loans, and expanded the Work Study program to give 1 million students each year the chance to work their way through college. In addition, the Americorps program provided opportunities for 150,000 Americans to earn money for

⁹ White House, Office of the Press Secretary, "The Clinton-Gore Record: Progress By the Numbers," August, 2000.

college by devoting two years to community service. When added together, these programs doubled the federal investment in higher education to \$60 billion annually, the largest increase since President Franklin Roosevelt created the G.I. Bill. In 1944.¹⁰

To make sure that more students not only went on to college, but did well there, President Clinton established a mentoring program called GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs) that provided intensive tutoring and enrichment opportunities to students at high-poverty middle schools. These investments paid off as the percentage of high school students attending college upon graduation rose to 67% in 1998, an all-time high. The percentage of African American high school graduates entering college in 1998 was 59%, up from 42% when President Clinton first took office.

Encouraging a Safe and Disciplined Environment in All Schools

Meaningful investment, strict accountability, and well-trained teachers are necessary conditions for a system of public education to be effective. But even these produce results only when a school offers a safe, orderly, and disciplined learning environment to its students. In hopes of guaranteeing such an environment in all American schools, President Clinton sought to reduce violence and drug use in schools and to empower teachers to be effective disciplinarians. Beginning in 1993 with the Safe and Drug Free Schools Act, he invested over \$3 billion towards his goal of eliminating violence and drugs from schools by 2000. Through that Act, a full 97% of school districts received funding to implement violence and drug prevention programs.¹¹ The Administration passed the Gun Free Schools Act of 1994 which allowed schools to implement a zero tolerance expulsion policy for students caught bringing a gun to school.¹² In his second term,

¹⁰ Ibid.

¹¹ United States, Department of Education, "Challenging the Status Quo: The Education Record, 1993-2000," p. 29.

¹² Ibid.

moreover, President Clinton created the Safe Schools / Healthy Schools Initiative which encouraged communities to develop comprehensive educational, mental health, and law enforcement programs for troubled youth. The independent National Campaign Against Youth Violence, moreover, was established in 1999 under Presidential auspices as a partnership between the federal government and the private sector to develop strategies for addressing this problem. Although all these efforts were not sufficient to prevent a spate of tragic school shootings in the 1990s, they did help to bring about the first steady decline in rates of school violence in decades: between 1992 and 1997 crimes in school declined by 33%.¹³

President Clinton also used the bully pulpit to challenge communities to take action. He passed character education legislation, pushed for curfew and truancy codes, and provided guidelines for religious expression in public schools. In his 1996 State of the Union Address, he called on districts to adopt school uniform policies. Many pundits sneered at what they considered a "small idea," but Clinton saw school uniforms as a way to reduce violence and teach "young people to judge themselves and others based on what's inside them, not what's outside them." He mentioned school uniforms in forty-six public addresses in 1996 alone, and directed the Secretary of Education to create and distribute a manual on school uniform policies to local education agencies. By the next year, an estimated 25% of public schools had adopted school uniforms or dress codes.¹⁴ As Jonathan Alter wrote in Newsweek in 1996 so-called small ideas like school uniforms turn out to make a greater difference in people's lives than many of the fruitless big legislative debates in Washington.¹⁵

¹³ Ibid., p. 29.

¹⁴ Executive Memorandum to the Secretary of Education "School Uniforms Manual Distribution," February 23, 1996; United States Department of Education, Educational Resources Information Center.

¹⁵ Jonathan Alter, "The Stealth Campaign" Newsweek March 11, 1996.

Crime and Gun Safety:

"The first duty of any government is to try to keep its citizens safe, but clearly too many Americans are not safe today. We no longer have the freedom from fear for all our citizens that is essential to security and to prosperity. The past four years have seen 90,000 murders in this country. Last month in this city, our nation's capital, in one week 24 murders were committed. When our children must pass through metal detectors to go to school, or worry that they'll be the victim of random drive-by shootings when they're playing in the swimming pool in the summertime, when parents are imprisoned in their own apartments behind locked doors, when we can't walk the streets of our cities without fear, we have lost an essential element of our civilization ...

It's time we put aside the divisions of party and philosophy and put our best efforts to work on a crime plan that will help all the American people and go beyond the cynicism of mere speeches to clear action."

President William J. Clinton
Remarks in Anti-Crime Initiative Announcement
August 11, 1993

IN THE THREE DECADES BEFORE Bill Clinton took office, the violent crime rate in America had more than tripled. Yet even though crime had been a prominent issue as far back as Richard Nixon's law-and-order campaign in 1968, the political system had done precious little to respond. Most conservatives believed that fighting crime was a local problem, and that the federal government's only response should be to build more prisons and toughen enough penalties to fill them. Some liberals opposed tough punishment, preferring to spend more to address the root causes of crime. While crime went up across America, Washington remained trapped in this stale ideological debate.

Bill Clinton offered a different approach that moved beyond the ideological logjam. With crime at historic highs, he believed we shouldn't make a "false choice" between preventing crime and punishing criminals. We should do both and then some. This was nothing new for Clinton. As Attorney General and then Governor in Arkansas, he had supported tough sentences for criminals, including mandatory life terms for violent felons, led a national effort to create boot camps for

young offenders, and carried out the death penalty in a number of high-profile cases. At the same time, however, he increased civil rights protections for criminals and fortified crime prevention programs in his home state.

In August 1993, Clinton proposed a "tough and smart" bill to fight crime on all fronts: tough punishment for serious offenders, prevention programs to steer young people away from crime, and most important, more police to catch criminals and prevent crime in the first place. Flanked by police officers in the Rose Garden, the President said, "The first responsibility of government is to keep its citizens safe."

Putting More Police on the Street with Community Policing

The 1994 crime bill kept every major crime-fighting promise Bill Clinton had made in 1992 – to ban assault weapons, increase crime prevention, impose a federal death penalty for heinous crimes, crack down on domestic violence, and more. Clinton's most important pledge, and the centerpiece of his new approach to fighting crime, was his plan to help communities put 100,000 more police officers on the beat and engage in community policing.

In the three decades before Clinton took office, the violent crime rate had soared 400%. But the number of police officers in America had gone up only 76%. Clinton proposed 100,000 additional police officers – nearly a 20% increase – to stop criminals from outnumbering the police any longer. Just as important, the program was designed to spur a revolution in policing, by getting police officers out from behind their desks and back into walking a beat, where they could get to know the people they protect and enlist their help in preventing crimes and catching criminals. This new approach not only reduced crime, it made people feel safer, and helped restore a bond of trust between community and police that is essential to effective law enforcement.

The crime bill provided \$8.8 billion for community policing and the Administration moved quickly to provide that money to cities and towns. By May 1999 – over a year ahead of schedule and under-budget – President Clinton announced that his goal of funding 100,000 additional police officers had been met. In his 1999 State of the Union address, moreover, the President called for a “21st Century Crime bill” that would add another 50,000 community police officers to the 100,000 already funded in 1994. Congress provided the first funds for this program by passing his budget for fiscal year 2000.¹

A modernized and invigorated police force was one of Clinton’s priorities which the 1994 crime bill addressed with great success; reform in the criminal justice system was another. When signing the legislation, President Clinton applauded it for “bringing the laws of our land back into line with the values of our people and beginning to restore the line between right and wrong.”² In his words, it “puts Government on the side of those who abide by the law, not those who break it.” The new law encouraged states to get tough on violent criminals by adopting “truth-in-sentencing” provisions that reduced their likelihood of being released before serving the majority of their sentence. For decades, in an effort to conserve scarce resources in prison budgets, states had been granting early parole even to violent offenders. Truth-in-sentencing helped to put an end to this practice by mandating that convicts serve at least 85% of their original sentences. To relieve the overcrowding and remove a major incentive for early parole, the 1994 bill authorized \$10 billion annually for state prison construction. It also imposed mandatory life sentences for certain violent felonies and authorized additional federal aid to accommodate the growth in the prison population that would ensue. Finally, the bill enacted a carefully tailored “three strikes” law that imposed life sentences for any criminal convicted of his or her third serious violent offense.

¹ United States, Office of Management and Budget, Budget of the United States Government Fiscal Year 2000, Historical Tables (Washington: GPO, 1999).

The enhanced punishments embedded in the Violent Crime Control and Law Enforcement Act were part of a balanced approach towards combating crime. A substantial portion of the new money allocated to states went not to prison construction but to community investment: youth employment training, gang prevention initiatives, substance abuse treatment, and urban recreation programs. Penalties for committing crimes increased in the Clinton years, yet so too did the resources available for crime prevention and deterrence. The administration won enormous increases in after-school funding to give young people a safe alternative to the streets. The crime bill funded state efforts to build alternative punishment facilities for youthful offenders, as Clinton himself had done to great effect in Arkansas. It also established an innovative "drug court" initiative to provide judicial supervision and substance abuse treatment for drug offenders at-risk of becoming career criminals. Federal funding from the crime bill helped to dramatically expand the number of drug courts from a dozen in 1994 to over 400 six years later.

Keeping Guns Out of the Wrong Hands

Bill Clinton had a simple formula for reducing crime: more cops, fewer guns. In the years leading up to President Clinton's inauguration, the total number of gun crimes had reached its highest point in two decades: in 1992 gunfire wounded or killed over 100 Americans each day.² Striking as these statistics were, Washington had met this national crisis not with decisive action but with partisan gridlock over gun safety. Led by the National Rifle Association, these opponents of gun safety mounted an aggressive and largely successful public campaign against the numerous gun initiatives that were introduced in the 101st and 102nd sessions of Congress. But one of these

²Remarks by the President on Signing the Violent Crime Control and Law Enforcement Act, September 13, 1994.

³Centers for Disease Control and Prevention's National Center for Health Statistics, National Vital Statistics Reports, Vol. 48, No. 11, July 24, 2000.

measures, nicknamed the Brady bill, caught the eye of the national press and became a major issue in the 1992 campaign.

Named after White House Press Secretary James Brady, who in 1981 had been paralyzed by a gunshot wound during the assassination attempt on President Reagan, the Brady bill was first introduced in February, 1987 by Representative Ed Feighan of Ohio. It proposed a mandatory five-day waiting period for handgun purchases and required criminal background checks for all prospective gun owners. Although the bill was a compromise between the hard-liners on both sides of the gun issue, Congressional Republicans blocked action for five years by painting it as a threat to Second Amendment rights. The issue came to a head in the 1992 campaign when Bill Clinton challenged his opponent, President Bush, to sign it.⁴ After a furious battle, Clinton was able to steer the bill through Congress and sign it into law in November 1993. Seven years later, the benefits of this groundbreaking legislation were clear: the FBI reported in 2000 that the law prevented over 611,000 felons, fugitives, and stalkers from obtaining firearms nationwide. Countless lives had been saved and crimes prevented by keeping these guns out of the wrong hands.

Among the provisions of the 1994 crime bill, its ban on nineteen military-style assault weapons was perhaps the most contentious in Congress. The gun lobby organized formidable opposition to it on the grounds that such a ban would infringe upon the rights of sportsmen and hunters. With overwhelming support from the public and from law enforcement, who were tired of being outgunned by criminals, the President pushed ahead in Congress by arguing that assault weapons were used only to hunt people and that banning them posed no threat to Second Amendment freedoms or sportsmen's rights. In the end, his argument won out when Congress passed the bill in August 1994 with the assault weapons ban intact and four years later President

⁴ "The Campaign, Issue by Issue," The New York Times, November 1, 1992.

Clinton extended it to include dozens of other "modified semiautomatic assault rifles."⁵ To further strengthen the Brady Law, in 1998, President Clinton directed the Attorney General and the Secretary of the Treasury to devise strategies for applying a waiting period and background checks to firearms purchases made at gun shows.⁶ That same year, he announced the launch of the National Instant Criminal Background Check System (NICS). By giving local gun dealers and law enforcement access to a national database of criminal records, the system enhanced the effectiveness of the Brady law by performing fast and accurate background checks on prospective gun buyers. To date, NICS has conducted over 17.5 million background checks and prevented sales to nearly 300,000 fugitives, felons, domestic abusers, and other prohibited buyers.

One of the more disturbing crime patterns during the early 1990s was the rise in gun violence perpetrated by and against youths. According to the Centers for Disease Control, gun-related crimes wounded or killed seventeen young Americans, on average, each day between 1990 and 1995.⁷ To reverse this trend, President Clinton signed the 1994 Youth Handgun Safety Act which banned children under the age of 18 from using or possessing handguns and made selling guns to minors a federal offense. Two years later, he launched the Youth Crime Gun Interdiction Initiative (YCGII) as a pilot program in seventeen cities. The YCGII supported the Youth Handgun Safety Act by providing technology and assistance to local enforcement agencies to facilitate the process of tracing guns used in crimes back to their point of purchase. In so doing, it allowed the authorities to identify, investigate, and prosecute corrupt gun dealers and illegal gun traffickers who supplied weapons used by young people to commit crimes. Since 1996, YCGII has helped increase

⁵Executive Memorandum, "On the Importation of Modified Semiautomatic Assault-type Rifles," for the Secretary of the Treasury, November 15, 1997.

⁶Executive Memorandum "On Preventing Firearms Sales to Prohibited Purchasers," for the Secretary of the Treasury and the Attorney General, November 6, 1998.

⁷ United States, Centers for Disease Control and Prevention, Division of Violence Prevention.

the number of annual crime gun traces conducted by ATF with local police departments to over 200,000, nearly four times the number of traces conducted in 1993.⁸

Because the guns used in youth crime so often belong to their law-abiding parents, as was the case in many of the tragic school shootings of the 1990s, President Clinton acted to make federal law enforcement a model by issuing an executive memorandum in 1997 that required child safety locks to be issued for all guns used by officers of the federal government.⁹ In order to build on the Administration's success in keeping guns out of the wrong hands and a 16% increase in federal gun prosecutions since 1992, President Clinton called at the end of his term for the largest National Gun Enforcement Initiative in history to help crack down on gun criminals. The President's initiative would mean the largest expansion of the Bureau of Alcohol, Tobacco, and Firearms ever and the first state and local gun prosecution program to be administered by the Justice Department.

President Clinton capped off his efforts to reduce gun violence in March 2000 when he announced a landmark agreement with Smith and Wesson. As the largest handgun manufacturer in the nation, Smith and Wesson stood in a unique position to affect industry practices. Although the gun lobby and much of the gun industry rebelled against it, the Smith and Wesson Agreement pointed towards a fundamental change in the ways guns are manufactured, marketed, and sold in America to help prevent accidental shootings and to ensure that they do not fall into the hands of children and criminals.

⁸ United States, Bureau of Alcohol, Tobacco, and Firearms, "The Youth Crime Gun Interdiction Initiative in 27 Communities," February, 1999.

Taking Action Against Youth Violence

The tragic shooting in April 1999 that took 15 lives at Columbine High School in Littleton, Colorado shook the nation. In response, the President proposed the most ambitious gun legislation in three decades – to close the gun show loophole, require mandatory child safety locks, and take other steps to keep guns away from criminals and children. The Senate passed key provisions contained in the President's package in May 1999, after Vice President Gore cast a dramatic tie-breaking vote to close the gun show loophole.

But the President recognized that the Columbine tragedy was not just about easy access to guns. Using a signature method of executive leadership that had proven effective for him in the past, President Clinton hosted a White House strategy session on youth violence in May, 1999. With the First Lady, and Vice-President and Mrs. Gore, the President invited teachers, community leaders, law enforcement officials, gun manufacturers, and representatives of the entertainment industry to Washington to develop a unified public-private strategy to combat youth violence.¹⁰ The strategy session represented a culmination of the Administration's effort to reduce violence involving youths, an endeavor that over the years brought executive leadership to a range of domestic policies: alternative sentencing, gun safety, support for school uniforms and juvenile curfews, and the proposed Anti-Gang and Youth Crime Control Act of 1996. With support from community leaders and the private sector, President Clinton sought to use the strategy session to build on progress America had already made: an over 40% decrease between 1993 and 1998 in violence both by and against juveniles aged 12 to 17.¹¹ He challenged gun manufacturers to reform

⁹Executive Memorandum "On Child Safety Lock Devices for the Heads of Executive Departments and Agencies," March 5, 1997.

¹⁰ WH, Office of Press Secretary, "President and Mrs. Clinton, Vice President and Mrs. Gore Host Strategy Session on Children, Violence, and Responsibility," May 10, 1999.

¹¹ Federal Interagency Forum on Child and Family Statistics, "America's Children: Key National Indicators of Well Being 2000," (Washington, 2000).

their business practices, entertainment executives to take responsibility for their products, and Congress to pass legislation to keep firearms away from children.

To advance this wide-ranging, national crusade to end youth violence, the President helped launch two efforts, the National Campaign Against Youth Violence, which organized a \$1 million campaign in fifteen cities to create public-private coalitions for youth violence prevention, and the White House Council on Youth Violence, which for the first time coordinated the efforts of executive agencies across the administration. Clinton also asked the Federal Trade Commission in May 1999 to study whether the movie, music, and video game industries were marketing violence to children. The groundbreaking FTC study, announced in September 2000, revealed conclusive evidence that the entertainment industry had aggressively marketed violent entertainment to children that its own rating systems deemed inappropriate for young audiences. In response to the study, Vice President Gore, Senator Joseph Lieberman, President Clinton, and the First Lady all called on the entertainment industry to cease such marketing immediately.

Conclusion

The best measure of the Clinton-Gore Administration's crime strategy is its results. The overall crime rate declined eight years in a row -- the longest sustained decline ever recorded. The violent crime rate fell 30%, to the lowest level in over two decades. The murder rate hit a 33-year low. In 1999, 8,227 fewer people were murdered than in 1992, a nearly 35% decrease. The number of law enforcement officers feloniously killed in the line of duty in 1999 was the lowest in 35 years. Gun crime declined 40%. The number of juvenile homicide offenders dropped 57%. Domestic violence declined 23%. Even after record declines, those rates were too high. Late in his term, President Clinton proposed additional measures to make America "the safest big country on earth."

Congress did not enact everything he sought, but he succeeded in ensuring, as he had promised in signing the 1994 crime bill, that crime could no longer be used as a partisan issue.

The sharp drop in crime in the 1990s defied all the experts, who had predicted sharp increases as the juvenile population increased. More important, it produced a palpable drop in fear. Cities from New York to New Orleans felt safe again. Businesses sprang up in neighborhoods that had been combat zones when the decade began. In 1982, sociologists George Kelling and James Q. Wilson wrote a famous article called "Broken Windows," describing the downward spiral a community took when crime and disorder reigned.¹² By the end of the 1990s, that phenomenon was working in reverse: in neighborhood after neighborhood, law and order were restored, jobs, businesses, and hope returned, and entire communities that had been written off eight years before had turned into safe, thriving places for families to live.

¹² James Q. Wilson and George L. Kelling, "Broken Windows: The Police and Neighborhood Safety," The Atlantic Monthly, March 1982.

Welfare Reform

"Welfare should be a second chance, not a way of life. In a Clinton administration we're going to put an end to welfare as we know it. I want to erase the stigma of welfare for good by restoring a simple, dignified principle: no one who can work can stay on welfare forever."

William J. Clinton
Remarks at Georgetown University
October 23, 1991

BY THE EARLY 1990s, no program was a greater symbol of government's failure to meet Americans' needs or reflect their values than the old welfare system. When Bill Clinton took office in 1993, the welfare rolls had soared 29% in the past four years, to a record 14 million people. That year, nearly a third of American babies were born outside marriage, a five-fold increase in three decades.¹ Experts watching those rising trends predicted that there was no end in sight. Just as troubling, a welfare system that had begun with the best intentions was undermining the values that had always been central to the promise of American life. Instead of encouraging work, it penalized mothers who went to work. Instead of demanding responsibility, it enabled fathers to walk away from their children. Instead of promoting family and recognizing that every child needs and deserves the love and support of two parents, it discouraged families from staying together. Across racial, class, and party lines, Americans had come to despise the old welfare system – and the people who hated welfare most were the ones trapped on it.

Bill Clinton set out to end the old welfare system, which was based on dependence, and replace it with a system based on work. He believed that we could only make good on our best intentions as a nation if we chose policies that reinforced our values instead of undermining them, and sought to bring all our citizens into the mainstream of American life instead of leaving them

isolated at the margins. As a candidate and as President, he set forth a new social contract that expanded opportunity, but demanded responsibility in return, by rewarding and requiring work. "From now on," he said, "our nation's answer to this great social challenge will no longer be a never-ending cycle of welfare, it will be the dignity, the power, and the ethic of work."²

In 1996, after a long battle with Congress, the President was able to enact a sweeping, bipartisan law that fulfilled his promise to end welfare as we know it. The new law invested more in expanding opportunity to help people leave welfare, with more money for child care, increased requirements and incentives for child support collection, and substantial bonuses for states that succeeded in moving people from welfare to work. But it demanded more responsibility in return, requiring everyone to work within two years. The law guaranteed families food stamps and health care, but said no one can receive federal cash assistance forever. The new law held states to a new standard as well, with significant penalties if they failed to increase the number of people working every year.

These changes were controversial, to say the least. Three Administration staffers resigned in protest; one sold the Atlantic Monthly a cover story on welfare reform entitled "The Worst Thing Bill Clinton Has Done."³ One national columnist wrote that giving the President a second term to restore the bill's cuts in immigrant benefits was like giving Jack the Ripper a scholarship to medical school.⁴

But in 2000 the law seemed to have done a lot more for people on welfare than for those critics. The welfare rolls had been cut by more than half, in the longest, sharpest decline in welfare dependency in history. More important, those still on welfare were five times more likely to be

¹ Centers for Disease Control and Prevention, "Nonmarital Childbearing in the United States, 1940-1999," National Vital Statistics Reports 48 no. 16 (Washington, October 18, 2000).

² Remarks on Signing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, August 22, 1996.

³ Peter Edelman, "The Worst Thing Bill Clinton Has Done," The Atlantic Monthly (March, 1997).

⁴ David Broder, "The Convention vs. the Reality," Washington Post August 29, 1996.

working than when President Clinton took office in 1993. Teen birth rates went down eight years in a row. Out-of-wedlock births leveled off for the first time in decades. The abortion rate was the lowest ever recorded. At Clinton's insistence, significant immigrant benefits were restored. At the end of the President's term, therefore, there remained much more to do, but the most ambitious social policy experiment of our time had already proven a success.

The New Bargain: Rewarding and Requiring Work

In the 1970s and '80s, welfare reform efforts fell short either because they relied on cutting benefits instead of helping people go to work, or because they provided benefits without insisting that people go to work in return. Clinton offered a new approach designed to get the incentives and the values right: rewarding work by making a job pay better than welfare, but at the same time requiring all who can work to do so. He believed that neither approach could work without the other. To break the cycle of welfare dependency, America had to do both.

In his 1993 economic plan, Clinton proposed a dramatic increase in the Earned Income Tax Credit (EITC) to make work pay. He had promised in 1992 to make sure that no one who works full-time with a child at home should have to raise that child in poverty. In August 1993, he signed into law an expansion of the EITC that would provide significant tax relief to 15 million working families, many of them former welfare recipients. The EITC increase effectively turned a \$4.25 per hour minimum wage job into one worth \$6 per hour. A study conducted by the Council of Economic Advisers reported that in 1998, the EITC lifted 4.1 million Americans out of poverty – double the number in 1993 – and played an important role in increasing labor force participation among single mothers.⁵ In 1995, Clinton proposed another step to reward work over welfare, by raising the minimum wage, which had slipped to a 40-year-low in real terms. A year later,

Congress went along, and sent him legislation to raise the minimum wage to \$5.15 per hour. He proposed an additional increase of \$1 over two years in 1999, and nearly reached bipartisan agreement for it in 2000.⁵

At the same time, Clinton sought the most sweeping overhaul in the 60-year history of welfare, to get the system out of the business of writing people checks and into the business of finding people jobs. Soon after taking office he appointed an administration task force to draft welfare reform legislation based on what he had proposed in the campaign. In June 1994, Clinton sent Congress a bill that included time limits, work requirements, and tough child support enforcement provisions. But the 103rd Congress, mired in a bitter battle over health care, never took up the measure.

When Republicans swept the 1994 elections, welfare reform was a central plank in their "Contract with America." The conservative agenda borrowed some aspects from Clinton's proposal – such as work requirements and time limits – but included many extremist measures as well: cutting off benefits to unwed teen mothers, putting poor children in orphanages, block granting the food stamp program, and repealing increases in the EITC. Instead of sticking to the central challenge of welfare reform – rewarding and requiring work – the Contract With America swapped the outmoded mandates of the old welfare system for a new set of heavy-handed conservative mandates even more certain to fail.

From the outset, Clinton adopted a two-part strategy to steer the welfare reform debate back to the center. First, he reached out to Republicans whose interest in welfare reform was not about ideology but about what would work. In January 1995, he invited governors and members of Congress from both parties to a welfare reform summit at Blair House. Republican governors such

⁵ Council of Economic Advisers, "Good News for Working Families: Expansions in the Earned Income Tax Credit and the Minimum Wage" (Washington, 1998).

⁶ Letter by the President to Congressional Leaders on Minimum Wage Legislation, November 4, 1999.

as Tommy Thompson of Wisconsin – like his Democratic counterparts Tom Carper of Delaware and Lawton Chiles of Florida – believed state flexibility, not new federal mandates, was the key to reform. Moderate Republicans in Congress like Clay Shaw of Florida and Mike Castle of Delaware wanted a welfare reform bill that would work and that the President would sign into law. Over the next 18 months, Clinton would make the most of those divisions in Republican ranks to fashion an acceptable bipartisan compromise.

The second part of the President's strategy was to use every available executive power to reform welfare. After Republicans took over the Congress, Clinton stepped up his use of executive action on several fronts as a way to make progress with or without Congressional help. The executive actions he took on welfare served the additional purpose of shaping the welfare reform debate and increasing pressure on Congress to act.

As a former governor, Clinton knew that with the help of waivers from the federal government, states could launch ambitious welfare reform experiments. Shortly after he took office, he encouraged the nation's governors to ask for waivers, even for experiments with which he might not necessarily agree. Bold, persistent experimentation is "the real genius of the federal system," he told the nation's governors in 1993.⁷ From 1993 to 1996, at the President's insistence, the Administration granted over 80 welfare reform waivers to 43 states – more welfare waivers than had been granted under all previous administrations combined. Many of those experiments provided lessons that proved valuable in shaping the 1996 welfare reform law. Indeed, several states with far-reaching waivers achieved the most dramatic early success in carrying out the 1996 law.

Early in 1995, Clinton also began making use of executive orders to accelerate the pace of welfare reform and child support enforcement. In February 1995, he signed an executive order to

⁷ Remarks to the National Governors Association, February 2, 1993.

increase child support collections from federal employees.⁸ Over the next 18 months, he would issue half a dozen more executive orders and presidential memoranda on welfare reform and child support. In May 1996, he directed the Secretary of Health and Human Services to require mothers under the age of 18 to stay in school or lose their welfare benefits.⁹ In June of that year, he issued another directive to the Secretaries of HHS and Labor on child support.¹⁰ A month later, he directed HHS to require certain welfare recipients to go to work within two years as a condition of public assistance.¹¹ In each of these areas – underage mothers, child support enforcement, work requirements – the President was able to achieve through executive action a significant amount of what he wanted Congress to enact in legislation. As Republicans debated whether to send the President a bill he could sign, his actions sent a powerful signal to Congressional leaders that the Administration was determined to reform welfare with or without their help.

Both prongs of the strategy worked. Almost immediately, divisions surfaced in the Republican ranks. In deference to Republican governors and state flexibility, the first bill House Republicans offered in subcommittee in early 1995 was a block grant with virtually no work requirements. The Administration criticized it as “weak on work.” House Republicans strengthened the nominal requirements, but failed to include funds for child care or job placement, and left in conservative mandates to punish unwed teen mothers. The Administration dismissed that bill as “weak on work and tough on children.” House Democrats showed unprecedented unity behind a bill with tough work requirements but ample work funding. Even though welfare reform was the most prominent and popular of the ten planks in the Contract with America, it was the last one House Republicans were able to pass, just barely meeting their deadline of the first 100 days.

⁸ Executive Order 12953, Actions Required of All Executive Agencies to Facilitate Child Support Payment Collections, February 2, 1995.

⁹ Executive Memorandum, On the Welfare Initiative for Teen Parents, for the Secretary of Health and Human Services, May 10, 1996.

¹⁰ Executive Memorandum, On the Child Support Initiative, June 18, 1996.

¹¹ Executive Memorandum, On the Work Requirements Initiative, July 16, 1996.

In the Senate, moderate Republicans wanted no part of the House-passed bill. Senate Majority Leader Bob Dole failed in several attempts to unite his caucus, and was unable to bring a bill to the Senate floor until September 1995. By overwhelming bipartisan majorities, Senate Democrats and Republican moderates voted down conservative mandates that had been pillars of the House bill, including the cutoff of benefits to unwed teen mothers and a mandatory family cap denying additional benefits to children born to mothers on welfare. As the President had insisted, the Senate added more money for child care, a maintenance-of-effort requirement for state funding, and a work-bonus fund for states that did the most to place people in jobs. The President said he would be willing to sign the Senate bill, which then passed by a vote of 78-21.¹²

Once Congress and the Administration became mired in a bitter budget battle that led to Congress shutting down the government, however, it would take almost another year to reconcile differences between the House and Senate welfare bills in a form the President could accept. Congress sent Clinton an unacceptable version of welfare reform as part of a larger reconciliation bill that ended the guarantee of Medicaid and food stamps for poor children and made deep cuts in Medicare to pay for a tax cut for the wealthy. After Clinton vetoed that bill, Republicans sent him a stand-alone bill with exactly the same welfare provisions, including the food stamp block grant, deep cuts in help for disabled children, and insufficient funds to move people from welfare to work. Clinton vetoed it again in January 1996.

Throughout the spring, the Administration worked with governors and moderates in both parties to produce a bipartisan bill that could be signed into law. Republican leaders tried to force a third Presidential veto by proposing a bill that would have block granted Medicaid as well as AFDC. But in June, a large group of House Republican freshmen and Republican governors forced the leadership to drop the Medicaid "poison pill." House and Senate conferees produced a new bill

¹² U.S. Senate, 104th Congress 2nd Session, Roll Call Vote 262, August 1, 1996.

in late July 1996, which included most of the improvements the President had sought on welfare reform, but contained deep, extraneous cuts in legal immigrant benefits that had nothing to do with welfare reform. After a vigorous internal debate, the President decided to sign the bill. "The legislation . . . is far from perfect," he said. "But on balance, this bill is a real step forward for our country, our values and for people who are on welfare."¹³

The final bill was a far cry from the vicious measures House conservatives had called for in early 1995, and from the mean-spirited welfare provisions President Clinton vetoed twice in the midst of the government shutdown. It lived up to his bold campaign promise to end welfare as we know it through work requirements and time limits to make sure those who get help must go to work within two years. At the same time, it gave states strong new incentives, flexibility, and resources to move people from welfare to work. As the President had insisted, the bill included an additional \$4 billion for child care -- a 70% increase. It included a \$1 billion work performance bonus to reward states for meeting the goals of the law by helping people find and keep jobs. It put in place tough new child support enforcement provisions to hold absent parents, mostly fathers, responsible for their children. It dropped deep cuts Republicans had sought in foster care and help for disabled children. Most important, it guaranteed health care for people making the transition from welfare to work, and kept in place the nutritional safety net of food stamps and school lunches for poor children.

The President signed the bill into law on August 22, 1996. "Today, we are ending welfare as we know it," he said. "But I hope this day will be remembered not for what it ended, but for what it began -- a new day that offers hope, honors responsibility, rewards work, and

¹³ Remarks on Signing the Personal Responsibility and Work Opportunity Reconciliation Act, August 22, 1996.

changes the terms of the debate so that no one in America ever feels again the need to criticize people who are poor on welfare."¹⁴

Moving Millions from Welfare to Work

When he signed the bill, the President challenged all who supported welfare reform to live up to their responsibility to make it work. He began with the private sector. "Every employer in this country that ever made a disparaging remark about the welfare system needs to think about whether he or she should now hire somebody from welfare and help them go to work," he said. In his 1997 State of the Union Address, Clinton announced the Welfare-to-Work Partnership, an unprecedented public-private effort led by Eli Segal to encourage companies to hire people off welfare. The Partnership grew from five companies in January 1997 to over 20,000 at the end of the Administration. By August 2000, businesses in the Partnership had hired an estimated 1.1 million people off welfare – and reported higher retention rates for former welfare recipients than for other new hires. In May 1997, Vice President Gore created another successful partnership, the Welfare-to-Work Coalition to Sustain Success, a coalition of national civic, service, and faith-based groups committed to helping former welfare recipients succeed in the workforce.

The President challenged the federal government, as the nation's largest employer, to meet its responsibilities as well, and set a goal of hiring 10,000 people off welfare by the year 2000. Under the Vice President's leadership, federal agencies met that goal five times over, hiring nearly 50,000 welfare recipients.

In 1997, the President was also determined to make sure Congress lived up to its responsibility to restore benefits to legal immigrants and take other measures to ensure that welfare reform would work. The Balanced Budget Act of 1997 and the Noncitizen Benefit Clarification and

¹⁴ Ibid.

Other Technical Amendments Act of 1998 invested \$11.5 billion to restore disability and health benefits to 380,000 legal immigrants who were in this country before welfare reform became law.¹⁵ The Agricultural Research Act of 1998 restored Food Stamps for 225,000 legal immigrant children, senior citizens, and people with disabilities.¹⁶

The Administration pressed several initiatives to help recipients make it in the workplace. The Balanced Budget Act enacted the central welfare reform pledge of the President's 1996 campaign, a \$3 billion program to help states and local communities move long-term welfare recipients and certain non-custodial parents into jobs. It also put in place the President's Welfare-to-Work Tax Credit to give businesses a new incentive to hire and retain people off welfare. Many welfare recipients and other hard-pressed families lived in neighborhoods with few jobs. So the Administration secured nearly 200,000 housing vouchers to help them move where jobs were, and a \$750 million, five-year program in the 1997 highway bill to fund van pools and other transportation measures to help former welfare recipients and other low-income families get to work.

At the same time, the Administration pursued an aggressive "empowerment" agenda to expand public and private investment in depressed inner-city and rural areas. In 1993, the President proposed and Congress adopted a plan to create 105 Empowerment Zones and Enterprise Communities that qualified for tax incentives for private sector job creation in return for developing a comprehensive plan to attract business. The President also kept his campaign pledge to create a nationwide network of 100 community development banks, and signed reforms in the Community Reinvestment Act that steered over \$1 trillion in new investment to poor areas.¹⁷ The Administration helped cities clean up abandoned urban areas called "brownfields" to make more

¹⁵ H.R. 4558, P.L. 105-306, The Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998, October 28, 1996.

¹⁶ S.1150, P.L. 105-185, The Agricultural Research and Education Extension Act of 1998, June 23, 1998.

¹⁷ White House Office of the Press Secretary, "President Clinton's FY2001 Budget and New Opportunity Agenda Expands the Administration's Commitment to New Markets and Bringing People into the Economic Mainstream," January 13, 2000.

room for economic development. In 1998, the President kept another campaign promise by signing legislation to establish Individual Development Accounts (IDAs), which empower low-income families to save for a first home, post-secondary education, or a new business.

America's cities enjoyed a remarkable turnaround in the '90s. In May 1992, the nation had watched South Central Los Angeles erupt in riots over the Rodney King verdict and widespread economic despair. Eight years later, cities were better off than they had ever been, with crime down, employment and work participation up, and a flood of new investment.

The all-out national effort to move people from welfare to work produced staggering results. In the first year after the welfare law was signed, the welfare rolls dropped almost as much as they had over the 60-year history of AFDC combined. By 2000, the welfare rolls had fallen to 5.8 million people – nearly a 60 percent drop since Clinton took office, and the fewest people on welfare since 1968. The percentage of Americans on welfare reached the lowest level since 1963 – 2.1 percent.¹⁸ A 1999 study by the Council of Economic Advisers concluded that welfare reform was the single most important factor contributing to this historic decline. Of the caseload reduction from 1996 to 1998, the CEA found that approximately one-third was due to federal and state policy changes resulting from welfare reform and about 10 percent due to the strong economy.

People were not just leaving welfare; they were going to work. More than 1.2 million welfare recipients nationwide went to work in the one-year period between October 1998 and September 1999. States reported that nearly 80 percent of those who got jobs were still working three months later, with an average earnings increase of 31 percent. Every state subject to them met the welfare law's overall work requirements. By 1999, the percentage of welfare recipients working had increased to nearly five times its 1993 level, from 7 percent to 33 percent. Census Bureau data showed that between 1992 and 2000, the employment rate of people who had been on

¹⁸ U.S. Department of Health and Human Services, Administration for Children and Families, 2000.

welfare the previous year doubled.¹⁹ A study in Minnesota even found that welfare reform had increased marriage rates and marital stability among low-income families.

In the process, welfare reform shattered several stereotypes about people on welfare. For years, the old system had written off millions of recipients as unwilling or unable to work. Welfare reform showed that that the system was broken, not the people. Under a new regime that rewarded and required work, welfare recipients rushed to work in record numbers. Employers who had long shunned those with welfare backgrounds took a second look, hiring people off welfare and giving them extra help on the job. In the process, many businesses discovered that former welfare recipients who received mentoring and training turned out to be even better workers than new hires who had not been on welfare. Two thirds of employers in the Welfare-to-Work Partnership reported that people hired off welfare stayed on the job as long or longer than their other workers. Many of those businesses then decided to provide the same extra help to all employees.

Making Responsibility the Law of the Land

In Clinton's view, welfare reform wasn't just about asking mothers to go to work. It was also about demanding that absent fathers live up to their responsibilities to their children. "Governments don't raise children, people do," he said in 1993. "And even people who aren't around ought to do their part to raise the children they bring into this world."²⁰ As President, he proposed the most sweeping child support enforcement measures ever enacted.

When Bill Clinton took office, only 18% of children who were owed support were actually getting it. Fathers failed to acknowledge paternity for 56% of the babies born outside marriage.²¹ Millions of absent parents, mostly fathers, were able to escape paying child support by simply

¹⁹ Office of Management and Budget, Census Current Population Survey Data (Washington, 2000).

²⁰ Remarks to the National Governors Association, February 2, 1993.

changing jobs or moving across state lines. "If we value responsibility, we can't ignore the \$34 billion in child support absent parents ought to be paying," the President declared in his 1994 State of the Union Address. "People who bring children into this world cannot and must not walk away from them."

The President's 1993 economic plan included a little-noticed provision to require hospitals to give new fathers the opportunity to acknowledge paternity when their child was born. In its 1994 welfare reform bill, the Administration proposed a comprehensive, nationwide crackdown on child support collections. Over the next two years, the President signed a series of executive orders to increase child support collections and keep pressure on Congress to do the same. At the President's insistence, Congress adopted the Administration's entire child support package as part of the 1996 welfare reform law. The law strengthened the collection system by ensuring that parents who owe child support have their wages garnished, their bank accounts seized, their federal loans denied, and their tax refunds withheld. The law also required states to make it possible to deny drivers' and professional licenses to deadbeat parents.

Over the course of Clinton's tenure, child support collections doubled from \$8 billion in 1992 to nearly \$16 billion in 1999. Not only did collections rise, but the number of families that were actually receiving child support also increased. In 1999, the number of child support cases with collections rose to 6.1 million, more than double the 2.8 million in 1992. The new collection system enacted in 1996 has already located over 3.5 million delinquent parents. Over \$1.3 billion was collected from federal income tax refunds in 1998, double the amount since 1992. In addition, a new program established in 1999 that matches records of parents who owe child support with multi-state financial institutions has already identified nearly 900,000 delinquent parents with accounts valued at \$3 billion. In June 1998, the President signed into law tougher penalties for

²¹ U.S. Department of Health and Human Services, Child Support Enforcement FY 1999 Preliminary Data Report

parents who repeatedly fail to support children living in another state or who flee across state lines. The number of fathers taking responsibility for their children by establishing paternity tripled in the six years following 1992, to a record 1.5 million in 1999.²²

The Administration took other steps to encourage parental responsibility as well. In his 1995 State of the Union, the President called for a national campaign to reduce teen pregnancy. This led to the creation of a non-profit organization called the National Campaign to Prevent Teen Pregnancy that worked with state and local governments, the media, faith-based groups, parents, and teens themselves towards the goal of reducing teen pregnancy by one-third before 2005. The new welfare law required unwed minor mothers to stay in school and live either with a parent or in an adult-supervised "second-chance home" with other young mothers, and provided \$50 million a year for abstinence education.

Teen birth rates declined nationwide by 20 percent from 1991 to 1999, to the lowest level on record since tracking began 60 years ago. Younger and older teens, married and unmarried teens, all states and all ethnic and racial groups made progress. In addition, teen pregnancy rates reached the lowest rate since 1976, the year such data was first collected. Nationwide, the 1999 birthrate for unmarried women was 6 percent lower than its high in 1994, and 3 percent lower than in 1992. Abortions also declined, to the lowest rate ever recorded.

In 1960, about one baby in 20 was born outside marriage. By 1992, the illegitimacy ratio had grown to 30% -- and many experts predicted that it would keep rising to as high as 50%. But after going up for more than three decades, births outside marriage leveled off in the mid-1990s. In 1995, the out-of-wedlock birth rate declined for the first time in 19 years.

(Washington, 2000).

²² Ibid.

A New Beginning

Right down to the end of his term, President Clinton kept fighting for more measures to help poor families lift themselves into the economic mainstream and to strengthen the new social contract he helped forge over his eight years. He left an ambitious agenda for future, more productive Congresses to enact: dramatic expansions in child care and health care for working families; another increase in the Earned Income Tax Credit and the minimum wage; additional steps to help ensure fairness for legal immigrants and hold states accountable for providing health and nutritional assistance; a plan to require low-income fathers to go to work to pay child support, and help them become more involved in their children's lives; increased funding for transportation to work – including a proposal to help families save for a car; and more.

The results of what he did accomplish speak for themselves. On Clinton's watch, poverty fell to a 20-year low. The welfare rolls were cut in half, millions of parents moved into the workforce, and those still on welfare were five times more likely to work. Teen births and abortions went down, while a record number of single mothers were able to enter the workforce.

The success of welfare reform changed the politics of fighting poverty. "After I sign my name to this bill, welfare will no longer be a political issue," he said in 1996. "The two parties cannot attack each other over it. Politicians cannot attack poor people over it. There are no encrusted habits, systems and failures that can be laid at the foot of someone else."²³ In state after state, even many conservatives stopped resenting the welfare system and joined in support of child care and other measures to help those leaving welfare to succeed.

But the most lasting impact of Clinton's reforms will be the new bargain he put in place for the nation's poor: more opportunity for those willing to take more responsibility. Government will no longer write off entire communities and generations as unwilling or unable to work. Children

will no longer grow up in poor neighborhoods where no one works, and no work is expected. Fewer children will grow up without financial and emotional support from their fathers. "We're going to take this historic chance to try to recreate the nation's social bargain with the poor," he said when he signed the welfare law. "We're going to try to change the parameters of the debate. We're going to make it all new again and see if we can't create a system of incentives which reinforce work and family and independence."

In the process, Clinton helped restore confidence that we as a nation could solve our most enduring social problems. When he took office, experts across the spectrum considered welfare dependency, illegitimacy, and urban decay to be permanent, growing parts of the social landscape. The American people had lost faith in the liberal answers of the '60s and the conservative answers of the '80s alike. The welfare system itself had become a powerful symbol of government's inability to solve problems or reflect basic values.

Clinton's new synthesis proved that government initiative can help solve problems so long as it promotes the core values that most Americans share. That new synthesis provides a philosophical basis for activist government – to help people help themselves – that could prove as enduring in this century as the New Deal was in the last.

²⁴Remarks on Signing the Personal Responsibility and Work Opportunity Reconciliation Act, August 22, 1996.

Health Care

To 21st Century America, let us pledge these things: Every child will begin school ready to learn and graduate ready to succeed. Every family will be able to succeed at home and at work, and no child will be raised in poverty. We will meet the challenge of the aging of America. We will assure quality, affordable health care, at last, for all Americans...

These are great goals, worthy of a great nation. We will not reach them all this year. Not even in this decade. But we will reach them.

President William J. Clinton
State of the Union Address
January 27, 2000

THE GOAL BILL CLINTON articulated in the fall of 1992 was simple: to assure that Americans had a better, more accessible, more affordable system of insurance and health care. Despite learning – the hard way – that accomplishing this all at once would not possible, he strove in each and every year of his Administration to move towards this vision, with numerous, significant accomplishments to his credit. America emerged from the Clinton years with the number of uninsured citizens declining, health status and longevity at record levels, a more efficient and financially strong Medicare program, a new emphasis on patients' rights and quality improvements, and a renewed faith in public and private programs to provide for basic health care needs.

The Health Security Act of 1993

From the first month of his administration, President Clinton honored his campaign pledge to develop a comprehensive proposal to reform the inequitable, expensive, and too often inaccessible health care system. He requested that First Lady Hillary Rodham Clinton lead this historic effort. In a September 1993 address to Congress, the President unveiled the Health Security

Act, a detailed plan to retain the "personal choice, private care, private insurance, and private management" of the current system but "put a lid on costs, require insurance reforms, [and] to facilitate partnerships between business, government, and health care providers," to improve quality, and constrain cost growth in the public and private sectors.¹

The Health Security Act would have guaranteed access to private health insurance through employers. Small employers would have access to lower insurance costs, more choices, and higher quality services by joining purchasing coalitions. To ensure affordability, the plan would have provided billions of dollars in subsidies to small businesses and low-income workers. In addition, the Health Security Act proposed improvements to Medicare, the nation's long-term care system, as well as public health programs.

The initial reception to the Health Security Act, bolstered by the compelling testimony on its behalf by the First Lady, was positive. Many members of Congress and a diverse variety of consumer, provider, and business groups indicated that it created a strong foundation for long-overdue reform. However, the magnitude of the reform and the necessary complexity to achieve it made it extremely vulnerable to criticism. This came from well-funded opponents, a growing public skepticism of the government, and an increasingly partisan Congress which had only recently emerged from bitter, divisive battles over budget and trade bills. In the end, this opposition doomed the Health Security Act. Notwithstanding this outcome, the legislation served to frame debates about the reforms needed to improve the nation's health delivery system for Clinton's entire Administration and after.

¹ Remarks by the President to a Joint Session of Congress, September 19, 1993.

Expanding Health Coverage, Step by Step

The failure to enact the Health Security Act diminished neither the problem of the uninsured nor the President's commitment to addressing it. At the end of 1994, President Clinton sent a letter to Speaker of the House Newt Gingrich stating, "I remain firmly committed to providing insurance coverage for every American and containing health care costs for families, businesses, and Federal, State, and local governments. In the upcoming session of Congress, we can and should work together to take the first steps toward achieving these goals."² Beginning with his successful opposition to Republican efforts in 1995 to reduce Medicaid spending and coverage, the President set a course to expanding access to health care step by step, beginning with those who most needed assistance: children, the poor, people between jobs, people with disabilities, and the near-elderly. Weaving a web of protection for those most likely to go without it would accomplish one of the major priorities within the Health Security Act.

When the Administration sat down with Congressional leaders to negotiate a balanced budget in 1997, the President made children's health insurance a top priority. At his insistence, the Balanced Budget Act of 1997 established the State Children's Health Insurance Program (CHIP) which provided states with \$48 billion over 10 years to subsidize affordable, meaningful health insurance for children whose families had too much income to qualify for Medicaid but too little to afford private insurance. After 1997, the President focused on legislation and administrative actions to expand CHIP: he directed all federal agencies with programs for children to help identify and enroll uninsured children; helped finance a national hotline for parents interested in insuring their children; developed private partnerships to promote the program on shopping bags and in schools; and enacted legislation to allow uninsured children to be enrolled at schools and other sites.³ By

² Letter to the Honorable Newt Gingrich from President Clinton, December 27, 1994.

³ Executive Memorandum on Children's Health Insurance Outreach, February 18, 1998; Executive Memorandum on School-Based Health Insurance Outreach for Children, October 12, 1999.

2000, all fifty states had implemented CHIP and extended coverage to 2.5 million children.⁴ Due in no small part to these and other efforts, the number of uninsured children in America began to decline during President Clinton's tenure.⁵

The Administration also worked with Congress to create new Medicaid options for other vulnerable populations. In 1999, working with Senators Kennedy of Massachusetts and Jeffords of Vermont, the President allowed people with disabilities to retain their Medicaid and Medicare coverage when they return to work, eliminating the unfair choice between a job and health care. This good health policy was also good economic policy since it unleashed the potential of people with severe disabilities, three-fourths of whom were unemployed prior to passage of this legislation. The Administration also extended Medicaid coverage options to: uninsured women screened for breast cancer through Centers for Disease Control programs; foster children; two-parent low-income working families; people leaving welfare for work; and other low-income populations through Medicaid demonstration waivers. Finally, the Administration launched aggressive efforts to ensure that welfare reform would not have an unintended effect on people still eligible for Medicaid.

These initiatives were not nearly as comprehensive as the Health Security Act, but did accomplish two goals. First, they helped reverse—for the first time since 1987—the rising number of uninsured. Millions of children and other vulnerable people benefited from these policies, enabling them to lead healthier, more productive lives. Second, the Administration proved that expanding health insurance was not a new “third rail” of politics that some claimed it was after the Health Security Act. These accomplishments lay the groundwork for bipartisan support for other incremental proposals such as a Medicare buy-in for people ages 55 to 65; extending CHIP to parents; and creating new options for affordable health insurance for workers in small businesses.

⁴ Remarks by the President on Children's Health Insurance, September 29, 2000.

Reforming the Insurance Market and Assuring Patient Protections

Expanding health insurance coverage was one objective within the Health Security Act that came to guide later policy initiatives in the Clinton Administration; reforming the insurance market to protect patients better was another. The Health Security Act had proposed statutory protections against all discriminatory practices, from limiting access to insurance to violations of the privacy of medical records by insurance companies. Its immediate aim was to end insurance underwriting discrimination based on age, gender, occupation or "preexisting conditions." As health care costs soared in the 1980s and 1990s, more and more insurance companies began explicitly or implicitly – through excessive premiums – denying coverage to applicants with medical conditions that preexisted their enrollment. In his 1995 State of the Union Address, shortly after Congress failed to enact on the Health Security Act, the President stated, "Let us at least pass meaningful insurance reform so that no American risks losing coverage for facing skyrocketing prices. That nobody loses their coverage because they face high prices or unavailable insurance, when they change jobs and lose a job, or a family member gets sick."

The Health Insurance Portability and Accountability Act of 1996 (HIPAA), sponsored by Senators Kennedy of Massachusetts and Kassebaum of Kansas achieved President Clinton's goal. It prevented insurance companies from denying coverage to individuals on the basis of a preexisting condition and required them to sell coverage without regard to a customer's health risk status or genetic information.⁶ In addition, it allowed most workers with insurance to switch jobs without fear of being discriminated against by the new insurer at the new job. It also required insurance companies to sell policies to small businesses, and thus provided easier access to health coverage

⁵ Remarks by the President on Children's Health Insurance, September 29, 2000.

⁶ S. 9735, P.L. 104-191, Health Insurance Portability and Accountability Act of 1996, September 3 1996.

for the nearly 10 million Americans who worked in family-owned businesses.⁷ Complemented by many state-based rating reforms, HIPAA assured greater access to more affordable insurance to countless Americans, including many who could not previously access insurance at any price. It also gave the Administration authority to develop national standards for electronic record-keeping, reducing waste and inefficiency within the insurance industry. Finally, it provided new authority to the President to issue and finalize landmark privacy regulations that strictly limited the use and release of medical records.

Later that same year the President, with the strong support from his mental health advisor Tipper Gore, enacted the Mental Health Parity Act.⁸ This legislation prohibited differential benefits for mental and physical health services. The President later directed the Office of Personnel Management to ensure that all benefits for employees in the Federal Employee Health Benefits Program meet a pure mental health parity standard.

Also in 1996, Clinton created by executive order the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry.⁹ Composed of a broad array of health care practitioners, experts, and public officials, the bipartisan Commission gathered to advise the President on "measures necessary to promote and assure health care quality and value, and protect consumers and workers in the health care system."¹⁰ After deliberating for thirteen months, the Quality Commission issued recommendations that would come to frame the health care debate for three subsequent years. The patients' bill of rights it proposed required insurance companies to guarantee the following: treatment by medical specialists rather than general practitioners when needed, expanded access to emergency services, continuity of care protections, and an unbiased,

⁷ Ibid.

⁸ H.R. 3666, P.L. 104-204, September 26, 1996.

⁹ Executive Order 13017, Advisory Commission on Consumer Protection and Quality in the Health Care Industry, September 5, 1996.

¹⁰ Ibid.

expeditious appeals process for complaints.¹¹ From its release in October 1997, President Clinton became an enthusiastic advocate of the Commission's report and its recommendations on both assuring and improving quality. Shortly after receiving it, he issued an executive memorandum that amended health plans for all federal employees to include a patients' bill of rights.¹² Through this act alone, the President extended patient protections to the 85 million people covered by federal health care plans.¹³

The Commission's consumer rights recommendations surfaced again two years later in an Administration-backed bill in Congress. The bipartisan Norwood-Dingell Patient's Bill of Rights Act of 1999 proposed a national guarantee of health care patient protection as developed by the President's Advisory Commission along with greater accountability provisions. Buoyed by wide popular support, the measure eventually passed the House by an overwhelming bipartisan margin. The Senate Republican leadership bowed to industry pressure and refused to even allow the measure, which had majority support, to receive an up-or-down vote. But the President's efforts were not in vain: the Patients' Bill of Rights became a major issue in the 2000 election and public support for it continued to grow; as the 107th Congress began its work, it appeared likely that a new version of the Norwood-Dingell bill would be proposed and eventually passed.

Strengthening and Modernizing Medicare

As President Clinton said at the commemoration of its 30th anniversary, Medicare has become "a part of the fabric of our daily lives."¹⁴ Since its creation, Medicare has contributed to reduced poverty among the elderly, longer life spans, and greater access to health services.

¹¹ Domestic Policy Council, "The Impact of the Health Security Act on Subsequent Health Care Achievements," November 6, 2000.

¹² Executive Memorandum, "The Health Care Consumers Bill of Rights and Responsibilities," November 20, 1997.

¹³ Domestic Policy Council, "Health Care Accomplishments," November, 2000.

¹⁴ Remarks by the President on the 30th Anniversary of Medicare, July 25, 1995.

Protecting, preserving and strengthening Medicare was a centerpiece of Clinton's Presidency.

When he took office in 1993, Medicare's trust fund was projected to expire in 1999. When he left office eight years later, Medicare's trust fund was expected to stay solvent through 2025 – the best prognosis it had in decades. This transformation resulted from dramatic payment system reforms, a crackdown on fraud, program management improvements, and the strong economy inspired by President Clinton's fiscal discipline.

In addition to strengthening its financial status, the Administration improved Medicare's preventive benefits, managed care options, and cost sharing. In 1997, 1999, and 2000, the President worked with Congress to add a battery of preventive tests to Medicare to help detect and treat disease earlier, which in turn improved people's health and reduced health care costs. He also worked to increase the number and types of managed care plans participating in Medicare.

This success in improving Medicare was complemented by the President's focus on an impending challenge: the retirement of the baby boom generation. Medicare enrollment was expected to double by 2035, placing a great strain on future workers to support this program. In 1997, the President supported the creation of a Medicare Commission to develop a plan to address its long-term challenge. When the Commission failed to report out recommendations in 1999, the President developed a plan of his own. Clinton's plan would have made Medicare more competitive and efficient, add resources to address its future financial shortfall, and add a long-overdue, voluntary prescription drug benefit. His prescription drug benefit was modeled on the best private sector plan, delivered through pharmaceutical benefit managers, while covering all needed drugs prescribed by physicians. The President also endorsed Vice President Gore's proposal to protect Medicare's trust fund by putting it in a "lock box" that would prevent its surplus from being used for tax cuts or other programs. Although only certain elements of the plan were enacted during the Clinton Administration, many of the President's ideas on making Medicare more

Clinton Administration, many of the President's ideas on making Medicare more competitive and efficient gained broad bipartisan support, making it likely that some would get enacted in subsequent years.

Improving Long-Term Care

At the end of Clinton's term, an additional challenge resulting from the retirement of the baby boom generation was the strain it will put on long-term care systems. Recognizing this, the President crafted a multi-faceted initiative in 1998 to strengthen both formal and informal long-term care providers. Several of its elements were enacted during the Administration: the Long-term Care Security Act which allowed Federal employees to purchase private long-term care insurance; a new state "Caregivers" program in the Older Americans Act to provide respite, educational and other support services for families caring for elderly relatives; and significant funding to improve the quality of care for nursing home residents.¹⁵ The long-term care initiative also included a \$3,000 tax credit for people with long-term care needs or their family caregivers which, while not enacted during the Clinton Administration, gained strong bipartisan support.

The Clinton-Gore Administration took additional strides to promote long-term care in home and community settings. In addition to supporting a revision to the Americans with Disabilities Act to promote health services in alternative settings, the Administration created, through regulation and legislation, new Medicaid options for people with disabilities; won grants to promote community-based care; and approved over 200 home and community-based waivers nationwide. Together, these efforts helped hundreds of thousands of people receive critical health care services at home rather than requiring them to enter nursing homes.