

HEALTH THEMES FOR STATE OF THE UNION

PREPARING FOR AGING OF AMERICAN IN THE 21ST CENTURY

- **Plan to strengthen and modernize Medicare; including a new drug benefit:** Possible changes include: altered drug benefit, distribution of savings and surplus for financing drug benefit and solvency, new trust fund for medical education, expanded prevention initiative.
- **Long-term care initiative:** Includes \$1,000 tax credit for long-term care (\$5.5 billion over 5); a new program for family caregivers (\$625 million over 5); expanding Medicaid community-based options, offering private insurance to Federal employees, etc.

ASSURING AND IMPROVING QUALITY

- **Patients' Bill of Rights:** Encourage Congress to finish the job
- **Eliminating preventable medical errors and assuring safety:** New initiative
- **Privacy protections:** Announce final regulation this spring; challenge Congress to provide more authority for stronger enforcement and broader application

PROMOTING PROMISE OF RESEARCH AND GUARDING AGAINST PERILS

- **Investment in biomedical research:** NIH, etc.
- **Interventions to guard against technological and scientific abuses:** Challenge Congress to pass protections against genetic discrimination in workplace and individual insurance, and possibly announce new gene therapy reporting and patient protections

IMPROVING ACCESS TO AFFORDABLE HEALTH INSURANCE COVERAGE

Adults

- **Family health insurance initiative:** Expanding Medicaid and CHIP to parents
- **Tax credit for individual insurance:** More an equity than coverage proposal
- **Medicare buy-in for certain 55 to 65 year olds**
- **Other possibilities:** Small business purchasing coalition tax credit; COBRA tax credit; Medicaid coverage for certain women with breast cancer; legal immigrants; improving Federal employees health coverage (covering temp workers)

Children (Could be integrated into broader children's initiative)

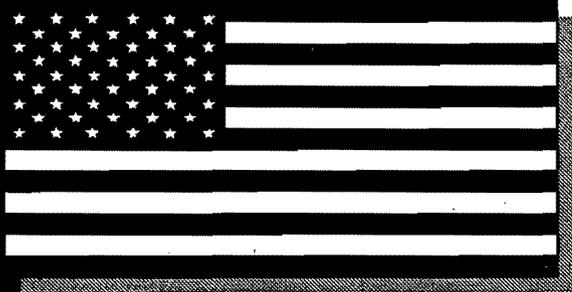
- **Encouraging school-based outreach:** Builds on new studies finding most uninsured kids are in school lunch and other public programs
- **Ensuring seamless health insurance coverage for children:** Conforming Medicaid to CHIP coverage for children / makes Medicaid less of a welfare program

File

State of the
Union

Preparing America For The 21st Century

*Background on President
Clinton's Agenda for the Nation
State of the Union Address
January 27, 1998*



PREPARING AMERICA FOR THE 21st CENTURY

Background on President Clinton's Agenda for the Nation

State of the Union Address

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ECONOMY THAT OFFERS OPPORTUNITY

Entitlement Reform

- Social Security

Education

- Smaller Classes with Qualified Teachers to Improve Reading in Grades 1-3
- Modern School Buildings to Improve Student Learning
- Education Opportunity Zones: Helping Students in Poor Communities Reach High Standards
- Expanding Access to Safe After-School Care
- Mentoring: Early Intervention to Promote College Attendance

Leading the Global Economy

- Community Economic Adjustment Initiative
- Fast Track Trading Authority
- Africa Trade Initiative
- Child Labor

Training

- GI Bill for Workers

A SOCIETY ROOTED IN RESPONSIBILITY

Moving People from Welfare to Work

- Welfare-to-Work Housing Vouchers
- Increasing Child Support Collections
- Falling Welfare Caseloads
- Business Welfare-to-Work Commitments

Health Care

- Consumer Bill of Rights & Genetic Screening Protections
- Providing New Options for Americans Ages 55 to 65 to Access Health Insurance
- 21st Century Research Fund

Tobacco

- Passing Bipartisan Tobacco Legislation

Child Care

- Double the Number of Children Receiving Child Care Subsidies to More than Two Million
- Increase Tax Credits for 3 Million Families
- Provide New Business Tax Credits
- Promote Early Learning
- Provide After-School Care for up to Half a Million Children
- Step Up Enforcement of State Health and Safety Standards

- Facilitate Background Checks on Child Care Providers
- Increase Scholarships for Training for Child Care Providers
- Invest in Research
- Increase Head Start and Double the Number of Children Served by Early Head Start

Crime

- Juvenile Justice Crime Bill
 - Preventing Under 21s from buying guns
 - New Prosecutors and Probation Officers
 - Tough, New Sentences on Drug Dealers
 - Funding to Keep Schools Open Later and Promote Anti-Truancy Initiatives and Curfews

Foreign Policy

- NATO Enlargement
- Securing the Peace in Bosnia
- Nuclear Test Ban Treaty
- Strengthening the Biological Weapons Convention
- U.S. Arrears to the United Nations

A NATION THAT LIVES BY COMMUNITY

Political Reform/Reinventing Government

- Free Television Time
- Enact Bipartisan Campaign Finance Reform
- IRS Reform

Community Empowerment

- Low-Income Housing Tax Credit
- Second Round of Empowerment Zones
- "Play-By-the-Rules" Homeownership Proposal
- Homeownership Zones

Environmental Protection

- Climate Change initiative
- Clean Water Initiative
- Food Safety

Civil Rights

- Reforming and Strengthening the EEOC

THE MILLENIUM PROJECT

Technology

- A Family-Friendly Internet
- Making the Internet a Global Free-Trade Zone
- Cloning

Culture

- Save America's Cultural and Historical Treasures

AN ECONOMY THAT OFFERS OPPORTUNITY

ENTITLEMENT REFORM

Reserve Surplus until Social Security is Reformed

Over the next two years, President Clinton is firmly committed to strengthening Social Security for the 21st century. He therefore proposes that we should not spend any of the projected budget surpluses on anything else until we have reformed Social Security. This proposal, which continues the fiscally responsible policies that have been the hallmark of this Administration, is intended to reserve the surpluses in case they are needed for Social Security reform.

EDUCATION

Small Classes with Qualified Teachers to Improve Reading in Grades 1-3

President Clinton is proposing a \$12.4 billion initiative over 7 years (\$7.3 billion over 5 years) to help local schools provide small classes with qualified teachers in the early grades. This initiative will help ensure that every child receives personal attention, learns to read independently, and gets a solid foundation for further learning. The new initiative will reduce class size from a nationwide average of 22 in grades 1-3 to an average of 18, providing funds to help local school districts hire an additional 100,000 well-prepared teachers. The initiative will also provide funds to states and local school districts to test new teachers, develop more rigorous teacher testing and certification requirements, and train teachers in effective reading instruction practices. School districts will be accountable for demonstrating gains in reading achievement. These steps will help ensure that first through third grade students are receiving high-quality reading instruction in smaller classes from competent teachers.

Modern School Buildings to Improve Student Learning

For students to learn, schools must be well-equipped and be able to accommodate smaller class sizes. To address these and other critical needs, President Clinton is proposing federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools. This initiative provides more than double the assistance of the Administration's earlier school construction proposal, which covered half the interest on an estimated \$20 billion in bonds. The tax credits will cost the Treasury \$5 billion over 5 years, and more than \$10 billion over ten years. Of the \$22 billion in bond authority, nearly \$20 billion for a new School Modernization Bonds. Half of this bond authority will be allocated to the 100 school districts with the largest number of low-income children, and the other half will be allocated to the states.

Education Opportunity Zones: Helping Students in Poor Communities Reach High Standards

This initiative will strengthen public schools and help students master the basic and advanced skills where the need is greatest: in high-poverty urban and rural communities where low expectations, too many poorly prepared teachers, and overwhelmed school systems create significant barriers to high achievement. The Education Department will select approximately fifty high-poverty urban and rural school districts with: (1) a demonstrated commitment to use high standards and tests as tools to identify and provide help to students, teachers and schools who need it; (2) a strategy to prevent students from falling behind by ensuring quality teaching, challenging curricula, and extended learning time; (3) programs to end social promotion and turn around failing schools; and (4) evidence of improved student achievement. Added investments in these communities will accelerate their progress and provide models of successful, standards-based reform for the nation. The President's initiative will invest \$200 million in FY99, and \$1.5 billion over 5 years, in raising achievement and sharing lessons learned with school districts around the country.

Early Intervention to Promote College Attendance

President Clinton will soon announce a long-term effort to bring college opportunity to children in high-poverty areas by providing their families with early information about financial aid and appropriate academic preparation, as well as mentoring and other support services to help the children stay on track through high school graduation and into college.

LEADING THE GLOBAL ECONOMY

Fast Track

America needs fast track to continue to create higher-paying jobs for more Americans. Without it, America's role as the largest exporter in the world will be put in jeopardy. And with new markets opening around the world, it is more important than ever to give the President traditional trade authority to break down trade barriers that put American products made by American workers at a disadvantage. Fast track legislation is essentially an agreement between Congress and the president on how Congress will consider United States trade agreements negotiated by the President. As part of that deal, the President agrees to extensively consult and coordinate with Congress throughout trade negotiations. In return, Congress votes on legislation implementing trade deals within a fixed period of time, on a up or down basis, and with no amendments. Every president since 1974 has enjoyed fast track authority.

Africa Trade Initiative

We are working with members from both parties to secure swift passage of legislation that will bring the promise of 21st century prosperity to African nations that are prepared to undertake the hard work of reform. This legislation will introduce a new era of prosperity and partnership between African reformers and the United States, expanding trade opportunities for African and American workers, farmers and companies, and hope and opportunity for our children. This legislation will encourage African nations to undertake sound growth policies by expanding trade and encouraging investment.

Child Labor

This initiative will make the U.S. a world leader in the fight to reduce child labor. The initiative focuses on reducing the most intolerable forms on child labor -- "slavery" through forced or indentured labor, work by very young children, and work in dangerous conditions -- by increasing the nation's contribution to the International Program for the Elimination of Child Labor (IPEC) from \$3 million to \$30 million. The proposal also calls for additional agents for the U.S. Customs Service to enforce the ban on the importation of goods made with forced or indentured child labor, with a particular focus on rugs from South Asia. On the domestic front, the proposal includes a \$50 million increase in migrant education to serve 100,000 more children of migrant farm workers and a \$9 million increase in the Department of Labor budget to enforce U.S. child labor laws -- especially in the agricultural sector.

Community and Economic Adjustment Initiative

To help communities compete in a global economy, the Community and Economic Adjustment Initiative will borrow a page from the Administration's successful adjustment effort for base closure communities. Modeled after the Defense Department's highly respected Office of Economic Adjustment, the Office of Community and Economic Adjustment (OCEA) will provide grants and other assistance to communities to develop an economic adjustment strategy. The President will propose \$50 million in additional community adjustment assistance as part of the Commerce Department's Economic Development Administration's (EDA) budget. This will allow us to do more for communities that have suffered through sudden and severe economic dislocation, such as plant closings. As OEA has done for base closure communities, OCEA will closely work with the Departments of Labor, Housing and Urban Development, Transportation, and other federal agencies to make communities aware of all available federal resources and to provide a coordinated Administration response.

TRAINING

Reform of the Federal Job Training System

The President renewed his call for Congressional action to reform the job training system. In his 1995 G.I. Bill for America's Workers, he called for individual empowerment through skills grants, streamlining through One Stop Career Centers, and better results through tough performance standards. The House has passed legislation based on his vision. The Workforce Investment Partnership Act has bipartisan support and is under consideration in the Senate.

A SOCIETY ROOTED IN RESPONSIBILITY

MOVING PEOPLE FROM WELFARE TO WORK

Welfare to Work Housing Vouchers

The President's budget will provide \$283 million in FY99 for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place. The proposal will complement the President's \$100 million a year welfare to work transportation plan, part of his NEXTEA bill, which will help welfare recipients make their daily commutes.

Increasing Child Support Collections

President Clinton's crackdown on deadbeat parents is paying off: child support collections rose to a record \$13 billion in 1997, an increase of 63 percent since 1992. In the State of the Union, the President set a goal of increasing collections to \$20 billion by the year 2000.

Falling Welfare Caseloads

The President announced that we have met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. New caseload numbers show that welfare caseloads fell by 4.3 million since President Clinton took office, two million more than the 2.25 million decline he announced last year. The new figures, from September 1997, show 9.8 million Americans on welfare, down from 14.1 million in January 1993 -- a drop of 30 percent.

Business Welfare to Work Commitments

In his State of the Union address last year, the President challenged the business community to create jobs so that people can move from welfare to work. Today, nearly 3,000 companies have accepted the President's challenge and joined a new national effort, called the Welfare to Work Partnership, which was launched at the White House in May. Now, the President has challenged thousands more companies to join the Partnership to give even more people a chance to work their way off welfare.

HEALTH CARE

Protecting Patients Through a Consumer Bill of Rights and Genetic Screening Protections

The President called on Congress to pass federally enforceable consumer health care protections before it adjourns this fall. This Health Care Bill of Rights should contain a range of protections, including guaranteed access to needed health care specialists to ensure that patients are provided appropriate high quality care, access to emergency room services when and where the need arises, an assurance that medical records are confidential, and access to a meaningful internal and external appeals process for consumers to resolve their differences with their health plans and health care providers. The nation's health care system has changed dramatically, with more than 100 million Americans now in managed care plans. This legislation will ensure that whether Americans have traditional health insurance or managed care, they are assured quality care. And to ensure that new advances in genetics are used to improve health rather than to discriminate, the President has called for legislation prohibiting the use of genetic screening to discriminate in health insurance and employment.

Creating a Historic "21st Century Research Fund"

With Unprecedented Increases in Biomedical Research at the National Institutes of Health (NIH). Scientists are on the cusp of important new breakthroughs in biomedical research, which could revolutionize the way medical experts understand, treat, and prevent some of our most devastating diseases. To promote this progress, the President's budget contains a historic upfront investment in biomedical research -- a 1.15 billion increase in FY 1999 -- and proposes an increase in NIH funding of more than 50 percent over the next five years. Under the President's proposal, the NIH will devote over \$20 billion to biomedical research in 2003.

Providing New Options for Americans Ages 55 to 65 to Obtain Health Insurance, Including Buying Into Medicare

Americans ages 55 to 65 are one of the most difficult-to-insure populations: they have less access to and a greater risk of losing employer-based health insurance; and they are twice as likely to have health problems as the population generally. The President's proposal gives this vulnerable population three new ways to gain access to health insurance by: (1) allowing Americans ages 62 to 65 to buy into Medicare, through a premium that ensures that this policy is self-financed; (2) assisting vulnerable displaced workers 55 and over by offering those who have involuntarily lost their jobs and health care coverage a similar Medicare buy-in option; and (3) giving Americans 55 and over who have lost their retiree benefits access to their former employers' health insurance.

TOBACCO

Passing Comprehensive Bipartisan Tobacco Legislation That Reduces Teen Smoking and Changes the Way Tobacco Companies Do Business

Every day 3,000 young people start smoking and 1,000 of them will die prematurely from a tobacco-related disease. The President called on Congress to pass comprehensive national bipartisan legislation that includes five key principles: (1) it must mandate the development of a comprehensive plan to reduce teen smoking, including raising the cost of cigarettes by \$1.50 per pack over the next 10 years as necessary to meet youth smoking targets; (2) it must affirm the FDA's full authority to regulate tobacco products; (3) it must include measures to hold tobacco companies accountable, especially for marketing products to children; (4) it must include concrete measures to improve public health, from investing in research to reducing second-hand smoke to expanding smoking cessation; and (5) it must protect the financial well-being of tobacco farmers and their communities from the loss of income caused by our efforts to reduce smoking.

CHILD CARE INITIATIVE

Double the Number of Children Receiving Child Care Subsidies to More than Two Million

The President proposed to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). The President's budget will increase funding for the block grant by \$7.5 billion (plus a state match) over five years, which will enable states to provide subsidies for more than two million children by 2003.

Increase Tax Credits for Child Care for Three Million Working Families

The Child and Dependent Care Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that claim the maximum allowable child care expenses. The President's budget will include \$5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.

Provide New Business Tax Credits

The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, or providing child care resources and referral services. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

Promote Early Learning

Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed Early Learning Fund provides challenge grants to communities (distributed by states) to improve early learning and the quality and safety of child care for children ages zero to five. Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals, and supporting the inclusion of young children with special needs in quality child care settings; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed. The President's budget will include \$3 billion over five years for this fund.

Increase Head Start and Double the Number of Children Served by Early Head Start

Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. The President's budget will invest an additional \$3.8 billion over five years to reach his goal of serving one million children by 2002, and doubling the number of infants and toddlers in Early Head Start to 80,000.

Step Up Enforcement of State Health and Safety Standards

Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include \$500 million over five years for this program.

Facilitate Background Checks on Child Care Providers

On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many. Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increase Scholarships and Training for Child Care Providers

At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of \$250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invest in Research

Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay home to care for their newborns or newly adopted children. The President's budget will include \$150 million over five years for this fund.

Provides After-School Care for up to Half a Million Children a Year

The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner by directing most funds to programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set-aside to fund programs run by community organizations. The President's budget will request \$800 million of new money for this program, for a total of \$1 billion over five years.

CRIME

Juvenile Crime Strategy

This initiative recognizes the threat juvenile crime poses to our communities and calls on Congress to pass a comprehensive anti-gang and youth violence strategy. The President's proposed legislation targets gangs and violent juveniles by (1) funding for new prosecutors (\$100 million) and probation officers (\$60 million); (2) helping our kids to stay gun- and drug-free by preventing violent juveniles from buying guns when they turn 21; (3) enacting tough new sentences to punish adults who sell drugs to kids and use kids to sell drugs; (4) helping kids to stay in school, off drugs, and out of trouble with new funding to keep schools open later and to promote anti-truancy initiatives and curfews (\$95 million). In addition, the President's Child Care Initiative increases five-fold current funding for Department of Education-sponsored after school programs.

AMERICAN LEADERSHIP IN THE WORLD

NATO Enlargement

Europe's stability and America's security are closely linked. The President's call for enlarging the NATO alliance strengthens the alliance's core mission of collective defense and helps meet new threats such as regional instability. Enlargement furthers other US objectives including: Encouraging states in the region to settle border and ethnic disputes with neighbors; strengthen civilian control of their militaries; and increase tolerance for ethnic and religious minorities. NATO's enlargement, combined with the Partnership for Peace program, the NATO-Russia Founding Act and the NATO-Ukraine partnership will help erase the outdated Cold War divisions and build, for the first time, an undivided, democratic, and peaceful Europe.

Securing the Peace in Bosnia

The United States has an abiding interest in peace and stability in Bosnia and a compelling interest in the implementation of the Dayton peace accords. After 46 months of the worst war in Europe since WWII, 24 months of implementing peace have helped put Bosnia on the path to lasting peace and stability. Progress on implementation was made possible because of prudent military support. We can now see the point where civil implementation and peace can be self-sustaining -- but Bosnia's fragile peace still needs the support of American and allied troops when the current NATO mission ends in June. The President still must approve a detailed action plan being prepared by NATO military authorities after a full review of all options. The President will insist that this action plan have the following elements: an achievable mission tied to clear benchmarks, not a deadline; force must be able to protect itself; the U.S. must retain command; European allies must shoulder their full share of responsibility; costs must be manageable; and the plan must have substantial support of the Congress and the American people.

Iraq Weapons of Mass Destruction Program (WMD)

President Clinton made clear that Iraq's efforts to develop nuclear, chemical and biological weapons are unacceptable. U.N. inspectors have done a remarkable job -- destroying more of Iraq's WMD potential than was destroyed during the Gulf War itself. But Saddam is now refusing to allow inspectors to complete their mission. All options are on the table to make sure Iraq does not pursue their WMD program with impunity and threaten the international community.

Biological Weapons

President Clinton announced tonight that the United States would lead the effort to erect stronger international barriers against the proliferation and use of biological weapons. Under this new initiative, the United States will seek to strengthen the Biological Weapons Convention (BWC) by requiring nations that have joined the BWC to submit annual declarations about facilities and activities that could be used for Biological weapon purposes and agree to a tough international inspection system including both voluntary and mandatory inspections.

Comprehensive Test Ban Treaty (CTBT)

The President's call for Senate ratification of the CTBT will allow America to maintain a safe and reliable nuclear deterrent while constraining the proliferation of nuclear material and technology to rogue states' weapons programs. CTBT will improve America's ability to detect and deter nuclear explosive testing. CTBT's global network of sensors will strengthen America's ability to monitor nuclear explosive testing across the globe, as well as deter any nation from believing it can conduct a nuclear explosive test undetected by the international community.

U.S. Arrears to the United Nations

The President also highlighted the need for prompt action on the payment of U.S. arrears to the United Nations. The failure to pay undermines our ability to reform the U.N. and hinders our leadership of that organization at very time the U.N. is working to prevent Iraq from threatening neighbors and the world with weapons of mass destruction. We also need to give the International Monetary Fund the capacity to help prevent global financial crises. Now, more than ever, our security at home and our interests abroad demand that America meet our international obligations, sharpen the tools to improve the stability of the world economy, and increase our leverage in international organizations.

A NATION THAT LIVES BY COMMUNITY

POLITICAL REFORM/REINVENTING GOVERNMENT

Free Television Time

Spending on congressional campaigns has increased more than three times the rate of inflation in the last decades and spending on television is the primary reason. In 1972, candidates spent \$25 million for political ads; in 1996, they spent \$400 million. In his State of the Union, President Clinton announced that will request that the Federal Communications Commission (FCC) require broadcasters to give candidates for Federal office free time as a condition of receiving a new, lucrative license for digital television. It is time to update broadcasters' public interest obligations to meet new political and technological realities.

Enact Bipartisan Campaign Finance Reform

The President remains committed to the enactment of bipartisan campaign finance reform. He is pleased that the leadership in Congress has agreed to schedule a vote this Spring on the McCain-Feingold and Shays-Meehan reform bills. But a vote on these bills is not enough. In his State of the Union the President challenged Congress to enact real reform this year. Acceptable campaign finance reform legislation must meet five criteria: 1) it must be bipartisan; 2) it must be comprehensive; 3) it must reduce the amount of money that is raised and spent on federal elections; 4) it must help level the playing field between challengers and incumbents; and 5) it cannot favor one party over the other.

IRS Reform

President Clinton is strongly committed to reforming the IRS. This spring the Administration will launch the first of 33 Citizen Advocacy Panels. These new panels will be locally-based, independent boards of citizens established to monitor how local IRS offices treat taxpayers and help taxpayers get their problems solved. These new panels are part of the new era of customer service underway at the IRS. The successful new IRS problem solving days, which have helped thousands of taxpayers get relief, will continue around the country on a monthly basis. Additionally, as of the first of the year, IRS phones are now operating 16 hours a day, six days a week. For the first time, IRS offices will be open Saturday mornings during the tax filing season -- March through mid-April -- to provide taxpayers a convenient opportunity to walk-in and get any questions answered. Also, the IRS expects this year to expand its award-winning Telefile program. This innovative program allowed 4.7 million taxpayers to file their returns with a quick average 10 minute phone call last year.

COMMUNITY EMPOWERMENT

Low-Income Housing Tax Credit

Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of \$1.25 per capita to allocate to developers of affordable housing. Even though building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice-President Gore propose to increase the cap on the LIHTC from \$1.25 per capita to \$1.75 per capita — restoring the value of the credit to its 1986 level. Estimates suggest that the LIHTC currently helps build 80,000-90,000 affordable housing units each year. The President and Vice President's proposal to increase the cap by 40 percent will create an additional 160,000-180,000 new rental housing units for low-income American families over the next five years. This proposal will cost \$1.6 billion over five years.

Empowerment Zones

Building on the Administration's successful first round of Empowerment Zones which has helped spur the creation of jobs and private investment in America's distressed communities, the President's budget includes a request for \$1.7 billion to support flexible grants to 20 new Empowerment Zone designations. The funding will be made available to the designated communities over a 10 year period. The 15 urban designations will be funded at \$100 million each; and the five rural designations will be funded at \$40 million each. The Departments of Housing and Urban Development and Agriculture will announce a competition this Spring that will lead to the designation of the 20 new Empowerment Zones by December 1998.

“Play-by-the-Rules” Homeownership Proposal

The President's FY99 budget provides funds for the Neighborhood Reinvestment Corporation to start a new initiative to help provide the opportunity of homeownership to responsible families with a perfect rental history. Under this initiative, we will help 10,000 lower-income -- and often minority -- families become homeowners. While the method of helping each family buy their own home will differ, responsible families we will be provided homeownership counseling, flexible assistance for downpayment or closing costs, second mortgage loans for debt reduction, or rehabilitation loans.

Homeownership Zones

The FY99 budget includes funds for Homeownership Zones to be used by communities to reclaim abandoned and distressed neighborhoods through the creation of large-scale developments of owner-occupied single-family homes. Funds could be used for property acquisition, housing construction, housing rehabilitation, demolition, site preparation, homeownership counseling, relocation, housing marketing, activities to ensure fair housing, and other activities essential to homeownership.

ENVIRONMENT

Climate Change Initiative

Following the historic agreement reached in Kyoto in December 1997, and as part of the President's and Vice President's ongoing efforts to address climate change, the President is proposing a dramatic new program of tax cuts and R&D aimed at cutting greenhouse gas emissions. The proposed package contains tax cuts to promote energy efficiency and additional research and development spending covering the four major carbon-emitting sectors of the economy (buildings, industry, transportation, and electricity), plus carbon removal and sequestration, Federal facilities, and cross-cutting analyses and research. This package complements the other elements of the Administration's climate change plan, which include working with industry to develop sector-by-sector initiatives to cut emissions, incorporating energy efficiency goals into Federal procurement and energy use, and restructuring the electricity industry. These efforts strive to reduce greenhouse gas emissions by improving efficiency and reducing costs to the consumer. They provide a solid step on the way to meeting the goals of the Kyoto Agreement.

Clean Water Initiative

This initiative will ease threats to the environment and public health by helping states and communities curb polluted runoff from farms and city streets, reducing exposure to harmful organisms and toxic contaminants in drinking water and fish, and promoting community-based watershed management in partnership with landowners and affected industries. The initiative targets the 40 percent of the nation's waterways still unsafe for fishing and swimming. It provides substantial new resources to assist states in implementing these programs and to create incentives for farmers to adopt practices that protect water quality.

Food Safety Initiative

The Clinton Administration launched a new food safety initiative last year to put in place new science-based preventive systems to improve the safety of seafood, meat, and poultry and begin work on a new early warning system to help detect and respond to outbreaks of food borne illness. Our budget will seek an even more substantial increase in funding to further enhance food safety. The resources will go to a variety of initiatives, including: giving FDA authority to prevent the importation of produce from countries without safety precautions equivalent to our own; hiring FDA inspectors to improve the safety of fruits and vegetables, both domestic and imported; developing new ways for federal inspectors to detect foodborne illnesses in meat and poultry and determine the source of contamination; improving educational outreach on proper food handling; and further expanding our early warning system and strengthening state surveillance activities for foodborne illnesses.

CIVIL RIGHTS

Reforming and Strengthening the Equal Employment Opportunity Commission (EEOC)

This initiative expands the EEOC's ADR program over three years to allow as many as 70 percent of all complainants to choose mediation, rather than the lengthy process of investigation and litigation. In the first year, the EEOC will provide ADR in a projected 16,000 cases -- 20 percent of all incoming cases and double the number currently sent to mediation. In addition, through a combination of increased use of mediation, improved information technology, and an expanded investigative staff, the EEOC will reduce the average time it takes to resolve a private sector complaint from over 9 months to 6 months, and reduce the backlog of cases from 64,000 to 28,000 by the year 2000. The proposal provides \$279 million for the EEOC for FY99 -- \$37 million or 15 percent more than the enacted 1998 budget.

THE MILLENIUM PROJECT

TECHNOLOGY

A Family-Friendly Internet

President Clinton and Vice President Gore support a strategy to protect children and create a safe, educational environment on the Internet that is consistent with our First Amendment values. This strategy includes cracking down on obscenity, child pornography, and online stalking, and encouraging the private sector to develop filtering and blocking technology for parents and teachers that is widely available and effective. This fall, the Administration will join the private sector and non-profit groups to support "Internet Teach-Ins" at schools and libraries, which are designed to increase awareness of safe on-line behavior for children and access to good content

Making the Internet a Global Free-Trade Zone

The Administration is committed to creating an environment in which global electronic commerce can flourish, so that every computer will be a window open to every business, large and small. Over the next several years, Internet commerce could increase to hundreds of billions of dollars per year, boosting U.S. exports and creating new opportunities for small start-up companies. President Clinton has directed the U.S. Trade Representative to work with foreign governments to secure agreement that all products and services delivered across the Internet and all equipment from which the Internet is built -- be free from tariffs.

Cloning

President Clinton has proposed legislation banning the cloning of human beings. The President's legislative proposal prohibits for five years the use of somatic cell nuclear technology to create a human being. The legislation directs the National Bioethics Advisory Commission to report to the President in four and half years on whether to continue the ban. The proposal is carefully worded to ensure that it will not interfere with beneficial biomedical and agricultural activities. In March 1997, the President imposed a ban on the use of federal money for cloning human beings.

Save America's Treasures

Many of our most important cultural treasures -- such as the Star Spangled Banner, the Declaration of Independence, and the Bill of Rights -- are seriously at risk. "Save America's Treasures" is a three year, \$150 million initiative that will help stimulate support for the Nation's most important preservation priorities. The funds will be administered by the Department of Interior under the authority of the National Historic Preservation Act. Half of the money will support preservation projects identified at the national level -- the other half will go to support state and local priorities.

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STATE OF THE UNION
October 27, 1997

Solomon
Aug 9

Environmental changes affecting health care include, changes in the health care delivery system, a new revolution in biology and genetics, demographic changes, and new challenges in providing a healthy future for our children.

Challenge Congress to Pass National Tobacco Legislation. In so doing, make a compelling case of the human and financial cost of doing nothing.

Announce Commitment to Establish New Research Trust Fund. Challenge Congress to use revenue from the tobacco legislation as a new funding source for biomedical research that would help us understand and treat some of our most devastating diseases, such as cancer, and heart disease.



Call for National Effort to Enroll the Millions of Uninsured Children Eligible for the New Children's Program. Challenge Congress, governors, foundations, states, providers, schools child care centers to reach out to enroll the eligible kids for the new children's health program or Medicaid so more children get the health care they need to grow strong and healthy. Highlight innovative public/private partnerships in various states and recognize the First Lady's leadership in this initiative. By then her involvement hopefully will have been illustrated in a public event highlighting outreach efforts.

Call for 'Consumer Bill of Rights' and Other New Consumer Protections. Charge Congress to pass comprehensive consumer protections to ensure high quality care as we undergo rapid changes in the health care delivery system as well as a whole new revolution in biology and genetics. Bipartisan legislation should:

Consumer
Admin

Eliminate Genetic Discrimination. New protections should ensure important advances in genetics are used only to improve how we treat and understand diseases, not to discriminate against or stigmatize individuals.

Protect Confidentiality of Medical Records. New protections should ensure strong federal standards that ensures the confidentiality of medical records. These protections would assure that changes which have given entire networks of insurers and health care professionals access to this now computerized private and personal information, does not leave patients vulnerable.

Ensure That Every Plan Abides by a Consumer Bill of Rights. New protections would guarantee, for example, that consumers get necessary information about all of their treatment options, are assured open discussions with their physicians unencumbered by financial pressures, and are granted access to necessary emergency room care.

Propose New Initiatives to Improve Medicare. While the Medicare Commission will just be underway, establish the President as the leader of long-term entitlement reform by calling for immediate action to improve and strengthen Medicare.

Propose an Income-Related Premium. Ask Congress and the American public to support the first ever income-related premium, which asks high-income seniors to contribute more for Medicare benefits.

Call for New Efforts to Combat Fraud and Abuse. Challenge physicians and hospitals to self-police and throw out bad apple providers. Announce a new legislative agenda to build on unprecedented record of fraud enforcement.

The Income-Related Premium and Efforts to Combat Fraud and Abuse Could Produce Savings That Could Be Used to Strengthen and Improve Medicare. Such reforms could:

Establish New Medicare Coverage for Beneficiaries in Approved Clinical Trials. Urge Congress to pass bipartisan legislation that provides for Medicare coverage of clinical trials, giving many vulnerable Americans access to cutting edge treatments while vastly enhancing research efforts.

Establish New Demo to Extend Coverage to the Uninsured Elderly. Create a demo which would assess the feasibility and advisability of providing coverage to Americans ages 60-65, the most difficult to insure population.

Create Long-term Care Medicare Demo. In preparation for unprecedented demographic changes which create significant health care and long-term care challenges facing the nation, announce a new Medicare demonstration which will examine how Medicare can begin to address the issues of long-term care.

Volunteer Analysis Corporation

1997 STATE OF THE UNION -- POLICIES ANNOUNCED
Tuesday, February 4, 1997

Unfinished business:

Balanced budget:

- Balance budget by 2002;

Campaign finance reform:

- Pass McCain-Feingold by 7/4;

Welfare reform:

- Finish reforming welfare -- move 2 million people from welfare to work by 2000.

Education:

Standards:

- Every state should adopt high national standards, and by 1999, every state should test every 4th grader in reading and every 8th grader in math;
- Teacher standards -- enable 100,000 more teachers to seek national certification as master teachers;

Literacy:

- America Reads -- at least 100,000 college students to volunteer as reading tutors;

Early learning:

- HRC conference on Early Learning and the Brain (spring);
- VP family conference on parents' involvement in learning (June);

Public school choice:

- Create 3,000 charter schools by the next century;

School construction:

- Pass \$5 billion to help communities finance \$20 billion in school construction over the next four years;

College opportunity:

- HOPE Scholarships;
- \$10,000 tax deduction;
- Expanded IRA's;
- Largest increase in Pell Grants in 20 years;

Training:

- Pass G.I. Bill for America's Workers;

Education technology:

- Finish connecting every classroom and library to the Internet by the year 2000.

Science and technology:

Hospitals:

- Connect every hospital to Internet;
- Challenge private sector to connect every children's hospital to Internet;

Internet:

- Build the second generation of the Internet;

Medical research:

- Reinforce commitment to medical science (AIDS vaccine).

Stronger families:

Helping parents succeed at home and at work:

- Expand Family and Medical Leave;
- Pass flextime;

Health care:

- Extend health coverage to up to 5 million uninsured children;
- Reform Medicare; expand Medicare to cover respite care for Alzheimer's, annual mammograms;
- Guarantee woman can stay in hospital 48 hours after mastectomy;

Responsibility:

- Make it a felony for parent to cross state line to flee from child support;

Protecting children:

- Stand firm in determination to ban advertising/marketing of cigarettes aimed at kids.

Stronger communities:**Crime/drugs:**

- Finish hiring 100,000 police;
- Pass Victims Rights Amendment;
- Pass Juvenile Justice bill;
- Largest anti-drug effort ever;

Urban agenda:

- Empower urban communities through investment and loans (double number of empowerment zones, restore contaminated urban land and buildings, expand community development banks);
- Use empowerment approach to renew DC;

Environment:

- Clean up 500 more toxic waste sites;
- Make polluters pay;
- Designate 10 American Heritage Rivers this year;
- Ban worst toxic chemicals and reduce greenhouse gases;

Service:

- Mobilize millions of Americans to national service;

Culture:

- America 2000 celebration of culture and the arts.

World leadership:

Undivided democratic Europe:

- Expand NATO by 1999, strengthen NATO's Partnership for Peace;

Asian Pacific community:

- Together with South Korea, advance peace talks with North Korea;
- Call on Congress to fund our share of agreement under which North Korea must freeze and dismantle nuclear weapons program;
- Pursue deeper dialogue with China (invited China's President to come here);

Global economy/trade:

- Expand exports, especially to Asia and Latin America (need authority to conclude new trade agreements);
- Will visit Latin America in the spring;

New security threats:

- Ratify Chemical Weapons Convention;

Military strength/tools:

- Increase funding for weapons modernization by year 2000, take care of men and women in uniform;
- Pay our debts and dues to international financial institutions like the World Bank, and to a reforming United Nations.

One America:

- ~~No specifics.~~ Race Initiative

MEMORANDUM

TO: Bruce R.

FR: Chris J.

RE: Upcoming Health Speech Opportunities

Attached are some additional language suggestions for the inserts we were talking about. I have bolded the parts that are new.

On the worker transition initiative, I have slightly modified what I gave you yesterday and added an additional detail section if you think the POTUS wants to flesh out the proposal a bit more.

On the managed care issue, I believe we should pump this issue hard. However, I am concerned that our current language broad-brushes a bit too much. I have attempted to use "bad apple" type language to protect us a bit, but you will see that it is still very strong. I have also added an insert for the 48 hour rule.

On the FEHBP/purchasing coop front, I have slightly modified the paragraph to perhaps more accurately reflect our policy. However, I am more than willing to work on this a bit more if you want.

Re the Kids initiative, I want to talk to Jen a bit more on this one. If you think it is still in play, we would like to suggest appropriate language.

On all the (except the kid's) initiatives, I have attached draft backgrounders for your use. Hope you find useful. Please call me with any questions. I will be leaving for Chicago on Sunday morning and will be staying at the famous Sheraton. You can reach me at home at [REDACTED] until late Saturday night. Otherwise, track me down in Chicago -- somehow...

File Start of Mission Report

P6/(b)(6)

HEALTH CARE INSERTS:

We should press on with our mission of giving Americans access to affordable, quality health care. Tonight I propose the next steps.

First, to respond to a new economy in which American workers are frequently switching jobs and changing careers, we should extend up to 6 months of health insurance to all those who are transitioning from one job to another. If you lose your job, an illness at the wrong time should not wipe out your life's savings.

[ADDITIONAL LANGUAGE IF YOU WANT: Tonight, I call on the Congress to pass a proposal, which is included in my balanced budget, that would provide premium assistance for temporary unemployed workers and their families. This proposal would help about 3 million Americans a year, including 700,000 children, to maintain their health insurance and their peace of mind].

Second, we must make sure that the quality of health care Americans have come to expect is not threatened by highly suspect practices used by some HMOs and other forms of managed care. Today, too many health plans "gag" their doctors from even telling patients all their treatment options. And too many health plans are telling mothers of newborn children that they won't pay for the cost of hospitalization beyond 8-24 hours after birth.

These practices must stop. Patients have a right to know they are getting the right treatment, not just the cheapest. And mothers of newborns should not have to worry about being prematurely forced out of a hospital bed just to meet some arbitrarily-imposed timetable. It is time to pass legislation, which has already received bipartisan support in the Congress, to assure Americans that the bottom line is their health and not some health plan's profit margin.

Third, I want to let you in on a little secret in Washington. Presidents, Members of Congress, public servants all get to buy into the same quality and inexpensive health insurance plan. Yet, too often, the taxpayers who pay our way can't get the same type of deal. We should open up the doors to small business. We should pass a law that says to the health plans: If you want to sell health insurance to the federal government, you also have to make your plans available to small business purchasing coalitions that are seeking to buy affordable insurance for their employees.

And last, kids initiative....??? (I want to talk to Jen about this.)