

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release

January 27, 1998

STATE OF THE UNION ADDRESS  
BY THE PRESIDENT

Hall of the House  
United States Capitol

9:12 P.M. EST

THE PRESIDENT: Mr. Speaker, Mr. Vice President, members of the 105th Congress, distinguished guests, my fellow Americans:

Since the last time we met in this chamber, America has lost two patriots and fine public servants. Though they sat on opposite sides of the aisle, Representatives Walter Capps and Sonny Bono shared a deep love for this House and an unshakable commitment to improving the lives of all our people. In the past few weeks they've both been eulogized. Tonight, I think we should begin by sending a message to their families and their friends that we celebrate their lives and give thanks for their service to our nation. (Applause.)

For 209 years it has been the President's duty to report to you on the state of the Union. Because of the hard work and high purpose of the American people, these are good times for America. We have more than 14 million new jobs; the lowest unemployment in 24 years; the lowest core inflation in 30 years; incomes are rising; and we have the highest homeownership in history. Crime has dropped for a record five years in a row. And the welfare rolls are at their lowest levels in 27 years. Our leadership in the world is unrivaled. Ladies and gentlemen, the state of our Union is strong. (Applause.)

With barely 700 days left in the 20th century, this is not a time to rest. It is a time to build, to build the America within reach: an America where everybody has a chance to get ahead with hard work; where every citizen can live in a safe community; where families are strong, schools are good and all young people can go to college; an America where scientists find cures for diseases from diabetes to Alzheimer's to AIDS; an America where every child can stretch a hand across a keyboard and reach every book ever

written, every painting ever painted, every symphony ever composed; where government provides opportunity and citizens honor the responsibility to give something back to their communities; an America which leads the world to new heights of peace and prosperity.

This is the America we have begun to build; this is the America we can leave to our children -- if we join together to finish the work at hand. Let us strengthen our nation for the 21st century. (Applause.)

Rarely have Americans lived through so much change, in so many ways, in so short a time. Quietly, but with gathering force, the ground has shifted beneath our feet as we have moved into an Information Age, a global economy, a truly new world.

For five years now we have met the challenge of these changes as Americans have at every turning point -- by renewing the

very idea of America: widening the circle of opportunity, deepening the meaning of our freedom, forging a more perfect union.

We shaped a new kind of government for the Information Age. I thank the Vice President for his leadership and the Congress for its support in building a government that is leaner, more flexible, a catalyst for new ideas -- and most of all, a government that gives the American people the tools they need to make the most of their own lives. (Applause.)

We have moved past the sterile debate between those who say government is the enemy and those who say government is the answer. My fellow Americans, we have found a third way. We have the smallest government in 35 years, but a more progressive one. We have a smaller government, but a stronger nation. (Applause.) We are moving steadily toward an even stronger America in the 21st century: an economy that offers opportunity, a society rooted in responsibility and a nation that lives as a community.

First, Americans in this chamber and across our nation have pursued a new strategy for prosperity: fiscal discipline to cut interest rates and spur growth; investments in education and skills, in science and technology and transportation, to prepare our people for the new economy; new markets for American products and American workers.

When I took office, the deficit for 1998 was projected to be \$357 billion, and heading higher. This year, our deficit is projected to be \$10 billion, and heading lower. (Applause.) For three decades, six Presidents have come before you to warn of the damage deficits pose to our nation. Tonight, I come before you to announce that the federal deficit -- once so incomprehensibly large that it had 11 zeroes -- will be, simply, zero. (Applause.) I will submit to Congress for 1999 the first balanced budget in 30 years. (Applause.) And if we hold fast to fiscal discipline, we may balance

the budget this year -- four years ahead of schedule. (Applause.)

You can all be proud of that, because turning a sea of red ink into black is no miracle. It is the product of hard work by the American people, and of two visionary actions in Congress -- the courageous vote in 1993 that led to a cut in the deficit of 90 percent -- (applause) -- and the truly historic bipartisan balanced budget agreement passed by this Congress. (Applause.) Here's the really good news: If we maintain our resolve, we will produce balanced budgets as far as the eye can see.

We must not go back to unwise spending or untargeted tax cuts that risk reopening the deficit. (Applause.) Last year, together we enacted targeted tax cuts so that the typical middle class family will now have the lowest tax rates in 20 years. (Applause.) My plan to balance the budget next year includes both new investments and new tax cuts targeted to the needs of working families: for education, for child care, for the environment.

But whether the issue is tax cuts or spending, I ask all of you to meet this test: Approve only those priorities that can actually be accomplished without adding a dime to the deficit. (Applause.)

Now, if we balance the budget for next year, it is projected that we'll then have a sizeable surplus in the years that immediately follow. What should we do with this projected surplus? I have a simple four-word answer: Save Social Security first. (Applause.) Thank you.

Tonight, I propose that we reserve 100 percent of the surplus -- that's every penny of any surplus -- until we have taken all the necessary measures to strengthen the Social Security system for the 21st century. (Applause.) Let us say to all Americans watching tonight -- whether you're 70 or 50, or whether you just started paying into the system -- Social Security will be there when you need it. (Applause.) Let us make this commitment: Social Security first. Let's do that together. (Applause.)

I also want to say that all the American people who are watching us tonight should be invited to join in this discussion, in facing these issues squarely, and forming a true consensus on how we should proceed. We'll start by conducting nonpartisan forums in every region of the country -- and I hope that lawmakers of both parties will participate. We'll hold a White House Conference on Social Security in December. And one year from now I will convene the leaders of Congress to craft historic, bipartisan legislation to achieve a landmark for our generation -- a Social Security system that is strong in the 21st century. (Applause.) Thank you.

In an economy that honors opportunity, all Americans must be able to reap the rewards of prosperity. Because these times are good, we can afford to take one simple, sensible step to help millions of workers struggling to provide for their families: We

should raise the minimum wage. (Applause.)

The Information Age is, first and foremost, an education age, in which education must start at birth and continue throughout a lifetime. Last year, from this podium, I said that education has to be our highest priority. I laid out a 10-point plan to move us forward and urged all of us to let politics stop at the schoolhouse door. Since then, this Congress, across party lines, and the American people have responded, in the most important year for education in a generation -- expanding public school choice, opening the way to 3,000 new charter schools, working to connect every classroom in the country to the Information Superhighway, committing to expand Head Start to a million children, launching America Reads, sending literally thousands of college students into our elementary schools to make sure all our 8-year-olds can read.

Last year I proposed, and you passed, 220,000 new Pell Grant scholarships for deserving students. (Applause.) Student loans, already less expensive and easier to repay, now you get to deduct the interest. (Applause.) Families all over America now can put their savings into new tax-free education IRAs. And this year, for the first two years of college, families will get a \$1,500 tax credit -- a HOPE Scholarship that will cover the cost of most community college tuition. And for junior and senior year, graduate school, and job training, there is a lifetime learning credit. You did that and you should be very proud of it. (Applause.)

And because of these actions, I have something to say to every family listening to us tonight: Your children can go on to college. If you know a child from a poor family, tell her not to give up -- she can go on to college. If you know a young couple struggling with bills, worried they won't be able to send their children to college, tell them not to give up -- their children can go on to college. If you know somebody who's caught in a dead-end job and afraid he can't afford the classes necessary to get better jobs for the rest of his life, tell him not to give up -- he can go on to college. Because of the things that have been done, we can make college as universal in the 21st century as high school is today. And, my friends, that will change the face and future of America. (Applause.)

We have opened wide the doors of the world's best system of higher education. Now we must make our public elementary and secondary schools the world's best as well -- (applause) -- by raising standards, raising expectations, and raising accountability.

Thanks to the actions of this Congress last year, we will soon have, for the very first time, a voluntary national test based on national standards in 4th grade reading and 8th grade math. Parents have a right to know whether their children are mastering the basics. And every parent already knows the key: good teachers and small classes.

Tonight, I propose the first ever national effort to

reduce class size in the early grades. (Applause.) Thank you.

My balanced budget will help to hire 100,000 new teachers who have passed a state competency test. Now, with these teachers -- listen -- with these teachers, we will actually be able to reduce class size in the 1st, 2nd, and 3rd grades to an average of 18 students a class, all across America. (Applause.)

If I've got the math right, more teachers teaching smaller classes requires more classrooms. So I also propose a school construction tax cut to help communities modernize or build 5,000 schools. (Applause.)

We must also demand greater accountability. (Applause.) When we promote a child from grade to grade who hasn't mastered the work, we don't do that child any favors. It is time to end social promotion in America's schools. (Applause.)

Last year, in Chicago, they made that decision -- not to hold our children back, but to lift them up. Chicago stopped social promotion, and started mandatory summer school, to help students who are behind to catch up. I propose -- (applause) -- I propose to help other communities follow Chicago's lead. Let's say to them: Stop promoting children who don't learn, and we will give you the tools to make sure they do. (Applause.)

I also ask this Congress to support our efforts to enlist colleges and universities to reach out to disadvantaged children, starting in the 6th grade, so that they can get the guidance and help they need so they can know that they, too, will be able to go on to college. (Applause.)

As we enter the 21st century, the global economy requires us to seek opportunity not just at home, but in all the markets of the world. We must shape this global economy, not shrink from it. In the last five years, we have led the way in opening new markets, with 240 trade agreements that remove foreign barriers to products bearing the proud stamp "Made in the USA." Today, record high exports account for fully one-third of our economic growth. I want to keep them going, because that's the way to keep America growing and to advance a safer, more stable world. (Applause.)

All of you know whatever your views are that I think this a great opportunity for America. I know there is opposition to more comprehensive trade agreements. I have listened carefully and I believe that the opposition is rooted in two fears: first, that our trading partners will have lower environmental and labor standards which will give them an unfair advantage in our market and do their own people no favors, even if there's more business; and, second, that if we have more trade, more of our workers will lose their jobs and have to start over. I think we should seek to advance worker and environmental standards around the world. (Applause.) I have made it abundantly clear that it should be a part of our trade agenda. But we cannot influence other countries' decisions if we send them a

message that we're backing away from trade with them.

This year, I will send legislation to Congress, and ask other nations to join us, to fight the most intolerable labor practice of all -- abusive child labor. (Applause.) We should also offer help and hope to those Americans temporarily left behind by the global marketplace or by the march of technology, which may have nothing to do with trade. That's why we have more than doubled funding for training dislocated workers since 1993 -- and if my new budget is adopted, we will triple funding. That's why we must do more, and more quickly, to help workers who lose their jobs for whatever reason.

You know, we help communities in a special way when their military base closes. We ought to help them in the same way if their factory closes. (Applause.) Again, I ask the Congress to continue its bipartisan work to consolidate the tangle of training programs we have today into one single G.I. Bill for Workers, a simple skills grant so people can, on their own, move quickly to new jobs, to higher incomes and brighter futures. (Applause.)

We all know in every way in life change is not always easy, but we have to decide whether we're going to try to hold it back and hide from it or reap its benefits. And remember the big picture here: While we've been entering into hundreds of new trade agreements, we've been creating millions of new jobs.

So this year we will forge new partnerships with Latin America, Asia, and Europe. And we should pass the new African Trade Act -- it has bipartisan support. (Applause.) I will also renew my request for the fast track negotiating authority necessary to open more new markets, create more new jobs, which every President has had for two decades. (Applause.)

You know, whether we like it or not, in ways that are mostly positive, the world's economies are more and more interconnected and interdependent. Today, an economic crisis anywhere can affect economies everywhere. Recent months have brought serious financial problems to Thailand, Indonesia, South Korea, and beyond.

Now, why should Americans be concerned about this? First, these countries are our customers. If they sink into recession, they won't be able to buy the goods we'd like to sell them. Second, they're also our competitors. So if their currencies lose their value and go down, then the price of their goods will drop, flooding our market and others with much cheaper goods, which makes it a lot tougher for our people to compete. And, finally, they are our strategic partners. Their stability bolsters our security. (Applause.)

The American economy remains sound and strong, and I want to keep it that way. But because the turmoil in Asia will have an impact on all the world's economies, including ours, making that

negative impact as small as possible is the right thing to do for America -- and the right thing to do for a safer world. (Applause.)

Our policy is clear: No nation can recover if it does not reform itself. But when nations are willing to undertake serious economic reform, we should help them do it. So I call on Congress to renew America's commitment to the International Monetary Fund. (Applause.) And I think we should say to all the people we're trying to represent here that preparing for a far-off storm that may reach our shores is far wiser than ignoring the thunder until the clouds are just overhead. (Applause.)

A strong nation rests on the rock of responsibility. (Applause.) A society rooted in responsibility must first promote the value of work, not welfare. We can be proud that after decades of finger-pointing and failure, together we ended the old welfare system. And we're now replacing welfare checks with paychecks. (Applause.)

Last year, after a record four-year decline in welfare rolls, I challenged our nation to move 2 million more Americans off welfare by the year 2000. I'm pleased to report we have also met that goal, two full years ahead of schedule. (Applause.)

This is a grand achievement, the sum of many acts of individual courage, persistence and hope. For 13 years, Elaine Kinslow of Indianapolis, Indiana, was on and off welfare. Today, she's a dispatcher with the a van company. She's saved enough money to move her family into a good neighborhood, and she's helping other welfare recipients go to work. Elaine Kinslow and all those like her are the real heroes of the welfare revolution. There are millions like her all across America. And I'm happy she could join the First Lady tonight. Elaine, we're very proud of you. Please stand up. (Applause.)

We still have a lot more to do, all of us, to make welfare reform a success -- providing child care, helping families move closer to available jobs, challenging more companies to join our welfare-to-work partnership, increasing child support collections from deadbeat parents who have a duty to support their own children. I also want to thank Congress for restoring some of the benefits to immigrants who are here legally and working hard -- and I hope you will finish that job this year. (Applause.)

We have to make it possible for all hard-working families to meet their most important responsibilities. Two years ago, we helped guarantee that Americans can keep their health insurance when they change jobs. Last year, we extended health care to up to 5 million children. This year, I challenge Congress to take the next historic steps.

One hundred sixty million of our fellow citizens are in managed care plans. These plans save money and they can improve care. But medical decisions ought to be made by medical doctors, not

insurance company accountants. (Applause.) I urge this Congress to reach across the aisle and write into law a Consumer Bill of Rights that says this: You have the right to know all your medical options, not just the cheapest. You have the right to choose the doctor you want for the care you need. (Applause.) You have the right to emergency room care, wherever and whenever you need it. (Applause.) You have the right to keep your medical records confidential. (Applause.) Traditional care or managed care, every American deserves quality care. (Applause.)

Millions of Americans between the ages of 55 and 65 have lost their health insurance. Some are retired; some are laid off; some lose their coverage when their spouses retire. After a lifetime of work, they are left with nowhere to turn. So I ask the Congress: Let these hard-working Americans buy into the Medicare system. It won't add a dime to the deficit -- but the peace of mind it will provide will be priceless. (Applause.)

Next, we must help parents protect their children from the gravest health threat that they face: an epidemic of teen smoking, spread by multimillion-dollar marketing campaigns. I challenge Congress: Let's pass bipartisan, comprehensive legislation that improve public health, protect our tobacco farmers, and change the way tobacco companies do business forever. Let's do what it takes to bring teen smoking down. Let's raise the price of cigarettes by up to \$1.50 a pack over the next 10 years, with penalties on the tobacco industry if it keeps marketing to our children. (Applause.)

Tomorrow, like every day, 3,000 children will start smoking, and 1,000 will die early as a result. Let this Congress be remembered as the Congress that saved their lives. (Applause.)

In the new economy, most parents work harder than ever. They face a constant struggle to balance their obligations to be good workers -- and their even more important obligations to be good parents. The Family and Medical Leave Act was the very first bill I was privileged to sign into law as President in 1993. (Applause.) Since then, about 15 million people have taken advantage of it, and I've met a lot of them all across this country. I ask you to extend that law to cover 10 million more workers, and to give parents time off when they have to go see their children's teachers or take them to the doctor. (Applause.)

Child care is the next frontier we must face to enable people to succeed at home and at work. Last year, I co-hosted the very first White House Conference on Child Care with one of our foremost experts, America's First Lady. (Applause.) From all corners of America, we heard the same message, without regard to region or income or political affiliation: We've got to raise the quality of child care. We've got to make it safer. We've got to make it more affordable.

So here's my plan: Help families to pay for child care

for a million more children. Scholarships and background checks for child care workers, and a new emphasis on early learning. Tax credits for businesses that provide child care for their employees. And a larger child care tax credit for working families. Now, if you pass my plan, what this means is that a family of four with an income of \$35,000 and high child care costs will no longer pay a single penny of federal income tax. (Applause.)

I think this is such a big issue with me because of my own personal experience. I have often wondered how my mother, when she was a young widow, would have been able to go away to school and get an education and come back and support me if my grandparents hadn't been able to take care of me. She and I were really very lucky. How many other families have never had that same opportunity? The truth is, we don't know the answer to that question. But we do know what the answer should be: Not a single American family should ever have to choose between the job they need and the child they love. (Applause.)

A society rooted in responsibility must provide safe streets, safe schools, and safe neighborhoods. We pursued a strategy of more police, tougher punishment, smarter prevention, with crime-fighting partnerships with local law enforcement and citizen groups, where the rubber hits the road. I can report to you tonight that it's working. Violent crime is down, robbery is down, assault is down, burglary is down -- for five years in a row, all across America. (Applause.) We need to finish the job of putting 100,000 more police on our streets. (Applause.)

Again, I ask Congress to pass a juvenile crime bill that provides more prosecutors and probation officers, to crack down on gangs and guns and drugs, and bar violent juveniles from buying guns for life. (Applause.) And I ask you to dramatically expand our support for after-school programs. (Applause.) I think every American should know that most juvenile crime is committed between the hours of 3:00 in the afternoon and 8:00 at night. We can keep so many of our children out of trouble in the first place if we give them someplace to go other than the streets, and we ought to do it. (Applause.)

Drug use is on the decline. I thank General McCaffrey for his leadership. And I thank this Congress for passing the largest antidrug budget in history. (Applause.) I ask you to join me in a ground-breaking effort to hire 1,000 new border patrol agents and to deploy the most sophisticated available new technologies to help close the door on drugs at our borders. (Applause.)

Police, prosecutors, and prevention programs, as good as they are, they can't work if our court system doesn't work. Today there are large number of vacancies in the federal courts. Here is what the Chief Justice of the United States wrote: Judicial vacancies cannot remain at such high levels indefinitely without eroding the quality of justice. I simply ask the United States Senate to heed this plea, and vote on the highly qualified judicial

nominees before you, up or down. (Applause.)

We must exercise responsibility not just at home, but around the world. On the eve of a new century, we have the power and the duty to build a new era of peace and security. But, make no mistake about it, today's possibilities are not tomorrow's guarantees. America must stand against the poisoned appeals of extreme nationalism. We must combat an unholy axis of new threats from terrorists, international criminals and drug traffickers. These 21st century predators feed on technology and the free flow of information and ideas and people. And they will be all the more lethal if weapons of mass destruction fall into their hands.

To meet these challenges, we are helping to write international rules of the road for the 21st century, protecting those who join the family of nations and isolating those who do not. Within days, I will ask the Senate for its advice and consent to make Hungary, Poland, and the Czech Republic the newest members of NATO. (Applause.) For 50 years, NATO contained communism and kept America and Europe secure. Now these three formerly communist countries have said yes to democracy. I ask the Senate to say yes to them -- our new allies. (Applause.)

By taking in new members and working closely with new partners, including Russia and Ukraine, NATO can help to assure that Europe is a stronghold for peace in the 21st century.

Next, I will ask Congress to continue its support for our troops and their mission in Bosnia. (Applause.) This Christmas, Hillary and I traveled to Sarajevo with Senator and Mrs. Dole and a bipartisan congressional delegation. We saw children playing in the streets, where two years ago they were hiding from snipers and shells. The shops are filled with food; the cafes were alive with conversation. The progress there is unmistakable -- but it is not yet irreversible.

To take firm root, Bosnia's fragile peace still needs the support of American and allied troops when the current NATO mission ends in June. I think Senator Dole actually said it best. He said, "This is like being ahead in the 4th quarter of a football game. Now is not the time to walk off the field and forfeit the victory." (Applause.)

I wish all of you could have seen our troops in Tuzla. They're very proud of what they're doing in Bosnia. And we're all very proud of them. (Applause.) One of those brave soldiers is sitting with the First Lady tonight -- Army Sergeant Michael Tolbert. His father was a decorated Vietnam vet. After college in Colorado, he joined the Army. Last year, he led an infantry unit that stopped mob of extremists from taking over a radio station that is a voice of democracy and tolerance in Bosnia. Thank you very much, Sergeant, for what you represent. (Applause.)

In Bosnia and around the world, our men and women in

uniform always do their mission well. Our mission must be to keep them well-trained and ready, to improve their quality of life, and to provide the 21st century weapons they need to defeat any enemy. (Applause.)

I ask Congress to join me in pursuing an ambitious agenda to reduce the serious threat of weapons of mass destruction. This year, four decades after it was first proposed by President Eisenhower, a comprehensive nuclear test ban is within reach. By ending nuclear testing we can help to prevent the development of new and more dangerous weapons and make it more difficult for non-nuclear states to build them.

I'm pleased to announce four former Chairmen of the Joint Chiefs of Staff -- Generals John Shalikashvili, Colin Powell, and David Jones, and Admiral William Crowe -- have endorsed this treaty. And I ask the Senate to approve it this year. (Applause.)

Together, we also must also confront the new hazards of chemical and biological weapons, and the outlaw states, terrorists and organized criminals seeking to acquire them. Saddam Hussein has spent the better part of this decade, and much of his nation's wealth, not on providing for the Iraqi people, but on developing nuclear, chemical, and biological weapons -- and the missiles to deliver them. The United Nations weapons inspectors have done a truly remarkable job, finding and destroying more of Iraq's arsenal than was destroyed during the entire Gulf War. Now Saddam Hussein wants to stop them from completing their mission.

I know I speak for everyone in this chamber, Republicans and Democrats, when I say to Saddam Hussein: You cannot defy the will of the world. (Applause.) And when I say to him: You have used weapons of mass destruction before; we are determined to deny you the capacity to use them again. (Applause.)

Last year, the Senate ratified the Chemical Weapons Convention to protect our soldiers and citizens from poison gas. Now we must act to prevent the use of disease as a weapon of war and terror. The Biological Weapons Convention has been in effect for 23 years now. The rules are good, but the enforcement is weak. We must strengthen it with a new international inspection system to detect and deter cheating.

In the months ahead, I will pursue our security strategy with old allies in Asia and Europe, and new partners from Africa to India and Pakistan, from South America to China. And from Belfast, to Korea to the Middle East, America will continue to stand with those who stand for peace.

Finally, it's long past time to make good on our debt to the United Nations. (Applause.) More and more, we are working with other nations to achieve common goals. If we want America to lead, we've got to set a good example. (Applause.) As we see so clearly in Bosnia, allies who share our goals can also share our burdens. In

this new era, our freedom and independence are actually enriched, not weakened, by our increasing interdependence with other nations. But we have to do our part.

Our founders set America on a permanent course toward "a more perfect union." To all of you I say it is a journey we can only make together -- living as one community. First, we have to continue to reform our government -- the instrument of our national community. Everyone knows elections have become too expensive, fueling a fundraising arms race. This year, by March 6th, at long last the Senate will actually vote on bipartisan campaign finance reform proposed by Senators McCain and Feingold. Let's be clear: A vote against McCain and Feingold is a vote for soft money and for the status quo. I ask you to strengthen our democracy and pass campaign finance reform this year. (Applause.)

At least equally important, we have to address the real reason for the explosion in campaign costs -- the high cost of media advertising. (Applause.) To the folks watching at home, those were the groans of pain in the audience. (Laughter.) I will formally request that the Federal Communications Commission act to provide free or reduced-cost television time for candidates who observe spending limits voluntarily. (Applause.) The airwaves are a public trust, and broadcasters also have to help us in this effort to strengthen our democracy.

Under the leadership of Vice President Gore, we've reduced the federal payroll by 300,000 workers, cut 16,000 pages of regulation, eliminated hundreds of programs and improved the operations of virtually every government agency. But we can do more. Like every taxpayer, I'm outraged by the reports of abuses by the IRS. We need some changes there -- new citizen advocacy panels, a stronger taxpayer advocate, phone lines open 24 hours a day, relief for innocent taxpayers. Last year, by an overwhelming bipartisan margin, the House of Representatives passed sweeping IRS reforms. (Applause.) This bill must not now languish in the Senate. Tonight I ask the Senate: follow the House, pass the bipartisan package as your first order of business. (Applause.)

I hope to goodness before I finish I can think of something to say, "follow the Senate" on, so I'll be out of trouble. (Laughter.)

A nation that lives as a community must value all its communities. For the past five years, we have worked to bring the spark of private enterprise to inner city and poor rural areas --with community development banks, more commercial loans in the poor neighborhoods, cleanup of polluted sites for development. Under the continued leadership of the Vice President, we propose to triple the number of empowerment zones, to give business incentives to invest in those areas. (Applause.)

We should also should give poor families more help to move into homes of their own, and we should use tax cuts to spur the

construction of more low-income housing. (Applause.)

Last year, this Congress took strong action to help the District of Columbia. Let us renew our resolve to make our capital city a great city for all who live and visit here. (Applause.) Our cities are the vibrant hubs of great metropolitan areas. They are still the gateways for new immigrants, from every continent, who come here to work for their own American Dreams. Let's keep our cities going strong into the 21st century. They're a very important part of our future. (Applause.)

Our communities are only as healthy as the air our children breathe, the water they drink, the Earth they will inherit. Last year, we put in place the toughest-ever controls on smog and soot. We moved to protect Yellowstone, the Everglades, Lake Tahoe. We expanded every community's right to know about the toxins that threaten their children. Just yesterday, our food safety plan took effect, using new science to protect consumers from dangers like E. coli and salmonella. (Applause.)

Tonight, I ask you to join me in launching a new Clean Water Initiative, a far-reaching effort to clean our rivers, our lakes, our coastal waters for our children. (Applause.)

Our overriding environmental challenge tonight is the worldwide problem of climate change, global warming, the gathering crisis that requires worldwide action. The vast majority of scientists have concluded unequivocally that if we don't reduce the emission of greenhouse gases, at some point in the next century we'll disrupt our climate and put our children and grandchildren at risk. This past December, America led the world to reach a historic agreement committing our nation to reduce greenhouse gas emissions through market forces, new technologies, energy efficiency. We have it in our power to act right here, right now. I propose \$6 billion in tax cuts and research and development to encourage innovation, renewable energy, fuel-efficient cars, energy-efficient homes.

Every time we have acted to heal our environment, pessimists have told us it would hurt the economy. Well, today our economy is the strongest in a generation, and our environment is the cleanest in a generation. We have always found a way to clean the environment and grow the economy at the same time. And when it comes to global warming, we'll do it again. (Applause.)

Finally, community means living by the defining American value -- the ideal heard round the world that we are all created equal. Throughout our history, we haven't always honored that ideal and we've never fully lived up to it. Often it's easier to believe that our differences matter more than what we have in common. It may be easier, but it's wrong.

What we have to do in our day and generation to make

sure that America becomes truly one nation -- what do we have to do? We're becoming more and more and more diverse. Do you believe we can become one nation? The answer cannot be to dwell on our differences, but to build on our shared values. We all cherish family and faith, freedom and responsibility. We all want our children to grow up in a world where their talents are matched by their opportunities.

I've launched this national initiative on race to help us recognize our common interests and to bridge the opportunity gaps that are keeping us from becoming one America. Let us begin by recognizing what we still must overcome. Discrimination against any American is un-American. (Applause.) We must vigorously enforce the laws that make it illegal. I ask your help to end the backlog at the Equal Employment Opportunity Commission. Sixty thousand of our fellow citizens are waiting in line for justice, and we should act now to end their wait. (Applause.)

We also should recognize that the greatest progress we can make toward building one America lies in the progress we make for all Americans, without regard to race. When we open the doors of college to all Americans, when we rid all our streets of crime, when there are jobs available to people from all our neighborhoods, when we make sure all parents have the child care they need, we're helping to build one nation.

We, in this chamber and in this government, must do all we can to address the continuing American challenge to build one America. But we'll only move forward if all our fellow citizens -- including every one of you at home watching tonight -- is also committed to this cause.

We must work together, learn together, live together, serve together. On the forge of common enterprise Americans of all backgrounds can hammer out a common identity. We see it today in the United States military, in the Peace Corps, in AmeriCorps. Wherever people of all races and backgrounds come together in a shared endeavor and get a fair chance, we do just fine. With shared values and meaningful opportunities and honest communication and citizen service, we can unite a diverse people in freedom and mutual respect. We are many; we must be one. (Applause.)

In that spirit, let us lift our eyes to the new millennium. How will we mark that passage? It just happens once every thousand years. This year, Hillary and I launched the White House Millennium Program to promote America's creativity and innovation, and to preserve our heritage and culture into the 21st century. Our culture lives in every community, and every community has places of historic value that tell our stories as Americans. We should protect them. I am proposing a public-private partnership to advance our arts and humanities, and to celebrate the millennium by saving American's treasures, great and small.

And while we honor the past, let us imagine the future. Think about this -- the entire store of human knowledge now doubles

every five years. In the 1980s, scientists identified the gene causing cystic fibrosis -- it took nine years. Last year, scientists located the gene that causes Parkinson's Disease -- in only nine days. Within a decade, "gene chips" will offer a road map for prevention of illnesses throughout a lifetime. Soon we'll be able to carry all the phone calls on Mother's Day on a single strand of fiber the width of a human hair. A child born in 1998 may well live to see the 22nd century.

Tonight, as part of our gift to the millennium, I propose a 21st Century Research Fund for path-breaking scientific inquiry -- the largest funding increase in history for the National Institutes of Health, the National Science Foundation, the National Cancer Institute. (Applause.)

We have already discovered genes for breast cancer and diabetes. I ask you to support this initiative so ours will be the generation that finally wins the war against cancer, and begins a revolution in our fight against all deadly diseases. (Applause.)

As important as all this scientific progress is, we must continue to see that science serves humanity, not the other way around. We must prevent the misuse of genetic tests to discriminate against any American. (Applause.) And we must ratify the ethical consensus of the scientific and religious communities, and ban the cloning of human beings. (Applause.)

We should enable all the world's people to explore the far reaches of cyberspace. Think of this -- the first time I made a State of the Union speech to you, only a handful of physicists used the World Wide Web. Literally, just a handful of people. Now, in schools, in libraries, homes and businesses, millions and millions of Americans surf the Net every day. We must give parents the tools they need to help protect their children from inappropriate material on the Internet. But we also must make sure that we protect the exploding global commercial potential of the Internet. We can do the kinds of things that we need to do and still protect our kids.

For one thing, I ask Congress to step up support for building the next generation Internet. It's getting kind of clogged, you know. And the next generation Internet will operate at speeds up to a thousand times faster than today.

Even as we explore this inner space in a new millennium we're going to open new frontiers in outer space. Throughout all history, humankind has had only one place to call home -- our planet Earth. Beginning this year, 1998, men and women from 16 countries will build a foothold in the heavens -- the international space station. With its vast expanses, scientists and engineers will actually set sail on an uncharted sea of limitless mystery and unlimited potential. (Applause.)

And this October, a true American hero, a veteran pilot of 149 combat missions and one, five-hour space flight that changed

the world, will return to the heavens. Godspeed, John Glenn.  
(Applause.) John, you will carry with you America's hopes. And on  
your uniform, once again, you will carry America's flag, marking the  
unbroken connection between the deeds of America's past and the  
daring of America's future.

Nearly 200 years ago, a tattered flag, its broad stripes  
and bright stars still gleaming through the smoke of a fierce battle,  
moved Francis Scott Key to scribble a few words on the back of an  
envelope -- the words that became our national anthem. Today, that  
Star Spangled Banner, along with the Declaration of Independence,  
the Constitution and the Bill of Rights, are on display just a short  
walk from here. They are America's treasures and we must also save  
them for the ages.

I ask all Americans to support our project to restore  
all our treasures so that the generations of the 21st century can see  
for themselves the images and the words that are the old and  
continuing glory of America; an America that has continued to rise  
through every age, against every challenge, of people of great works  
and greater possibilities, who have always, always found the wisdom  
and strength to come together as one nation -- to widen the circle of  
opportunity, to deepen the meaning of our freedom, to form that "more  
perfect union." Let that be our gift to the 21st century.

God bless you, and God bless the United States.  
(Applause.)

END

10:26 P.M. EST

## **Welfare Reform and the State of the Union**

### **Falling Welfare Caseloads**

The President announced that we've 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 this 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.

### **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. But in the State of the Union, the President said we must do more, and that all parents must take responsibility for the children they bring into this world. To that end, the President has set a goal of increasing collections to \$20 billion by the year 2000.

### **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. But in many cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

### **A Welfare to Work Success Story**

Sitting with the First Lady in the gallery at the State of the Union was Elaine Kinslow of Indianapolis, Indiana, one of the two million people who left the welfare rolls in the last year. Now a transportation dispatcher making \$18,000 a year, Ms. Kinslow left welfare for good last February after 13 years on and off the rolls. Just 10 days ago, she was able to move her family to a better neighborhood with better schools for her children. Ms. Kinslow, age 37, had her first child as a teenager and is now a divorced mother of four children.

**CHANGE IN WELFARE CASELOADS SINCE THE LAST STATE OF THE UNION**

**Total AFDC/TANF recipients and families**

	<u>Jan 93</u>	<u>Oct 96</u> (millions)	<u>Sept97</u>	<u>percent(93-97)</u>
Recipients	14.115	11.895	9.804	-31%
	<i>2,091,000 fewer recipients since the President's last State of the Union address</i>			
	<i>4,311,000 fewer recipients since President Clinton took office</i>			
Families	4.963	4.301	3.546	-29%
	<i>755,000 fewer families since the President's last State of the Union address</i>			
	<i>1,417,000 fewer families since President Clinton took office</i>			

**Total AFDC/TANF recipients by State**

<u>state</u>	<u>Jan 93</u>	<u>Oct 96</u>	<u>Sept97</u>	<u>percent(93-97)</u>
Alabama	141,746	99,141	67,839	-52%
Alaska	34,951	35,226	32,776	-6%
Arizona	194,119	163,448	138,486	-29%
Arkansas	73,982	56,125	42,834	-42%
California	2,415,121	2,521,255	2,225,893	-8%
Colorado	123,308	91,966	59,065	-52%
Connecticut	160,102	157,877	151,631	-5%
Delaware	27,652	23,313	20,550	-26%
D.C.	65,860	68,892	61,602	-6%
Florida	701,842	521,666	375,819	-46%
Georgia	402,228	321,070	237,191	-41%
Hawaii	54,511	66,109	75,030	+38%
Idaho	21,116	20,513	4,945	-77%
Illinois	685,508	620,716	556,426	-19%
Indiana	209,882	130,930	106,710	-49%
Iowa	100,943	82,228	73,816	-27%
Kansas	87,525	60,561	45,603	-48%
Kentucky	227,879	168,224	145,713	-36%
Louisiana	263,338	224,018	127,752	-51%
Maine	67,836	52,562	44,213	-35%
Maryland	221,338	185,083	145,435	-34%
Massachusetts	332,044	222,711	194,401	-41%
Michigan	686,356	490,662	415,487	-39%
Minnesota	191,526	164,390	145,220	-24%
Mississippi	174,093	116,837	82,426	-53%
Missouri	259,039	216,590	177,695	-31%
Montana	34,848	27,929	23,106	-34%
Nebraska	48,055	37,271	38,111	-21%
Nevada	34,943	32,123	28,157	-19%
New Hampshire	28,972	21,712	16,553	-43%

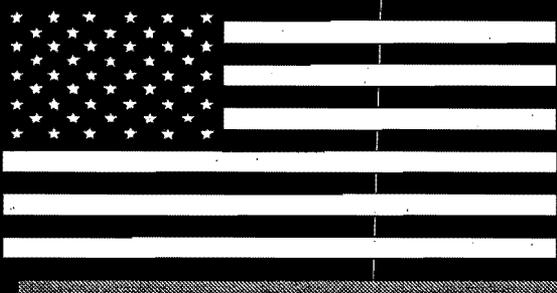
<u>state</u>	<u>Jan_93</u>	<u>Oct_96</u>	<u>Sept97</u>	<u>percent(93-97)</u>
New Jersey	349,902	267,393	247,200	-29%
New Mexico	94,836	96,835	56,520	-40%
New York	1,179,522	1,124,363	973,123	-17%
North Carolina	331,633	264,192	218,863	-34%
North Dakota	18,774	12,503	9,962	-47%
Ohio	720,476	539,195	418,830	-42%
Oklahoma	146,454	93,070	72,393	-51%
Oregon	117,656	71,347	52,364	-55%
Pennsylvania	604,701	503,726	410,363	-32%
Rhode Island	61,116	55,606	54,624	-11%
South Carolina	151,026	113,447	75,624	-50%
South Dakota	20,254	14,702	11,570	-43%
Tennessee	320,709	228,371	157,608	-51%
Texas	785,271	638,859	464,069	-41%
Utah	53,172	37,493	30,996	-42%
Vermont	28,961	23,727	21,817	-25%
Virginia	194,212	145,646	114,450	-41%
Washington	286,258	263,559	236,763	-17%
West Virginia	119,916	78,719	74,093	-38%
Wisconsin	241,098	148,558	88,575	-63%
Wyoming	18,271	10,812	3,824	-79%
Guam	5,087	8,406	7,894	+55%
Puerto Rico	191,261	148,425	138,045	-28%
Virgin Islands	3,763	4,790	4,318	+15%

*Note: as of July 1, 1997, all states changed their reporting system from AFDC (Aid to Families with Dependent Children) to TANF (Temporary Assistance for Needy Families)*

Source:  
U.S. Dept. of Health & Human Services  
Administration for Children and Families  
January 1998

# 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*

*January 27, 1998*

#### **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.

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## **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.

**PRESIDENT WILLIAM JEFFERSON CLINTON  
1998 STATE OF THE UNION ADDRESS**

January 27, 1998

**A UNIQUE MOMENT IN TIME TO  
PREPARE AMERICA FOR THE 21ST CENTURY**

Under President Clinton's leadership, America has achieved an unprecedented period of peace and prosperity:

- the strongest economy in a generation;
- the first balanced budget in a generation;
- crime rates at their lowest levels in 24 years;
- welfare rolls down by more than 4 million people;
- unemployment at its lowest in more than 2 decades;
- deficit cut by more than 90 percent;
- unrivaled world leadership.

**AN OPPORTUNITY FOR ACTION.** The President challenges us to use this unique moment in time as an opportunity to prepare for the next century. At the center of his vision for a stronger America are three goals:

- an economy that honors opportunity;
- a society rooted in responsibility;
- a nation that lives as a community.

**PRESIDENT CLINTON'S VISION OF A  
STRONGER AMERICA IN THE 21ST CENTURY**

**OPPORTUNITY: A NEW ECONOMY FULL OF POTENTIAL.** The President's plan for building a more prosperous America consists of three central strategies:

- **Fiscal discipline to cut interest rates and spur growth.** President Clinton is submitting the first balanced budget in thirty years. It includes new, fiscally responsible tax cuts targeted at working families for education, child care and the environment. The President is reserving any budget surplus until Social Security is reformed.
- **Investing in our people to prepare them for the new economy.** The President's is calling for the tools and opportunities Americans need to make the most of their lives -- from a higher minimum wage to better, more accessible education.
- **Sharing in the prosperity of the global marketplace.** The President's plan helps all Americans share in the prosperity of the global marketplace -- training workers for the future, opening more foreign markets to American goods and services, and working to ensure economic stability.

**A SOCIETY THAT ACTS RESPONSIBLY.** The President's plan helps create a society that acts responsibly by:

- **Calling for action to promote the value of work, not welfare.** From increasing child support collections to helping families move closer to available jobs to creating more welfare-to-work partnerships, the President's plan helps America's working families help themselves.
- **Calling for action to help working families deal with the challenges of the next generation.** By giving American families tools such as safe, affordable child care and improved access to quality health care, the President's plan helps American families meet their most important responsibilities, at home and at work.
- **Fighting juvenile crime and drugs.** With murder, robbery, assault and burglary down across the nation, the President is focusing on juvenile crime -- providing more resources to crack down on gangs and guns, and stronger efforts to protect children from the scourge of drugs.
- **Ensuring our commitment to world leadership.** The President's plan keeps America strong, by maintaining our role as the world's indispensable nation -- building an undivided, peaceful Europe; forging an Asian Pacific community; remaining a force for peace and freedom; moving strongly against new security threats; and maintaining the resources to meet these challenges.

**STRENGTHENING OUR COMMUNITIES.** The President's plan strengthens America's communities by:

- **Investing in our cities,** giving them tools and opportunities they need to continue an urban renaissance -- bringing private enterprise into the inner city, through empowerment zones, community development banks, more loans from commercial banks, and tax incentives to develop affordable, low-income housing.
- **Protecting the environment,** ensuring a cleaner, healthier planet for our children. Through tax cuts and research and development in emerging technologies, the President's plan finds a way to grow the economy and clean the environment at the same time.
- **Building a stronger One America for the 21st Century,** creating a more just and fair society that underscores our shared strengths, instead of focusing on our differences. President Clinton is committed to building on the strong start of his Initiative on Race, emphasizing that our national diversity is our greatest strength.

**Welfare Caseloads**

	Baseline Recipients (Jan. 93)	Recipients (in month noted)	Percentage Drop	Decline since Jan. 93	Decline since Aug. 96
May 96 (data we had when law was signed)	14.115	12.499	11%	1.616	
Aug. 96* (when law was signed)	14.115	12.202	14%	1.913	
Jan. 97	14.115	11.360	20%	2.755	
Feb. 97	14.115	11.262	20%	2.853	
Mar. 97	14.115	11.156	21%	2.959	
Apr. 97	14.115	10.969	22%	3.146	1.233
May 97	14.115	10.748	24%	3.367	1.454
June 97	14.115	10.494	26%	3.621	1.708
July 97	14.115	10.258	27%	3.857	1.944
Aug. 97	14.115	9.995	29%	4.120	2.207
Sep. 97**	14.115	9.804	31%	4.311	2.398

\*Note that when the welfare law was signed in August 1996, only caseload data through the month of May 1996 was available. Thus, the public statements made at that time were based on that May 1996 data.

\*\* Data released 1/27/98.

Caseloads have dropped by two million people from 1997 State of the Union (10/96 data) to 1998 State of the Union (9/97 data):

	Baseline (Jan. 93)	Recipients (in month noted)	Percentage Drop since 1/93	Decline since 1/93	Percentage Drop since 10/96	Decline since 10/96
Oct. 96	14.1	11.9	16%	2.2		
Sep. 97	14.1	9.8	31%	4.3	17%	<b>2 million</b>

## **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. But in many cases it makes more sense for someone to move closer to work -- and this new proposal will make that move from welfare to work possible.

## **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. But in the State of the Union, the President said we must do more, and that all parents must take responsibility for the children they bring into this world. To that end, the President has set a goal of increasing collections to \$20 billion by the year 2000.

## **Falling Welfare Caseloads**

The President announced that we've 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 this 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.

**CHANGE IN WELFARE CASELOADS SINCE THE LAST STATE OF THE UNION****Total AFDC/TANF recipients and families**

	<u>Jan 93</u>	<u>Oct 96</u> (millions)	<u>Sept97</u>	<u>percent(93-97)</u>
Recipients	14.115	11.895	9.804	-31%
	<i>2,091,000 fewer recipients since the President's last State of the Union address</i>			
	<i>4,311,000 fewer recipients since President Clinton took office</i>			
Families	4.963	4.301	3.546	-29%
	<i>755,000 fewer families since the President's last State of the Union address</i>			
	<i>1,417,000 fewer families since President Clinton took office</i>			

**Total AFDC/TANF recipients by State**

<u>state</u>	<u>Jan 93</u>	<u>Oct 96</u>	<u>Sept97</u>	<u>percent(93-97)</u>
Alabama	141,746	99,141	67,839	-52%
Alaska	34,951	35,226	32,776	-6%
Arizona	194,119	163,448	138,486	-29%
Arkansas	73,982	56,125	42,834	-42%
California	2,415,121	2,521,255	2,225,893	-8%
Colorado	123,308	91,966	59,065	-52%
Connecticut	160,102	157,877	151,631	-5%
Delaware	27,652	23,313	20,550	-26%
D.C.	65,860	68,892	61,602	-6%
Florida	701,842	521,666	375,819	-46%
Georgia	402,228	321,070	237,191	-41%
Hawaii	54,511	66,109	75,030	+38%
Idaho	21,116	20,513	4,945	-77%
Illinois	685,508	620,716	556,426	-19%
Indiana	209,882	130,930	106,710	-49%
Iowa	100,943	82,228	73,816	-27%
Kansas	87,525	60,561	45,603	-48%
Kentucky	227,879	168,224	145,713	-36%
Louisiana	263,338	224,018	127,752	-51%
Maine	67,836	52,562	44,213	-35%
Maryland	221,338	185,083	145,435	-34%
Massachusetts	332,044	222,711	194,401	-41%
Michigan	686,356	490,662	415,487	-39%
Minnesota	191,526	164,390	145,220	-24%
Mississippi	174,093	116,837	82,426	-53%
Missouri	259,039	216,590	177,695	-31%
Montana	34,848	27,929	23,106	-34%
Nebraska	48,055	37,271	38,111	-21%
Nevada	34,943	32,123	28,157	-19%
New Hampshire	28,972	21,712	16,553	-43%

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<u>state</u>	<u>Jan.93</u>	<u>Oct.96</u>	<u>Sept97</u>	<u>percent(93-97)</u>
New Jersey	349,902	267,393	247,200	-29%
New Mexico	94,836	96,835	56,520	-40%
New York	1,179,522	1,124,363	973,123	-17%
North Carolina	331,633	264,192	218,863	-34%
North Dakota	18,774	12,503	9,962	-47%
Ohio	720,476	539,195	418,830	-42%
Oklahoma	146,454	93,070	72,393	-51%
Oregon	117,656	71,347	52,364	-55%
Pennsylvania	604,701	503,726	410,363	-32%
Rhode Island	61,116	55,606	54,624	-11%
South Carolina	151,026	113,447	75,624	-50%
South Dakota	20,254	14,702	11,570	-43%
Tennessee	320,709	228,371	157,608	-51%
Texas	785,271	638,859	464,069	-41%
Utah	53,172	37,493	30,996	-42%
Vermont	28,961	23,727	21,817	-25%
Virginia	194,212	145,646	114,450	-41%
Washington	286,258	263,559	236,763	-17%
West Virginia	119,916	78,719	74,093	-38%
Wisconsin	241,098	148,558	88,575	-63%
Wyoming	18,271	10,812	3,824	-79%
Guam	5,087	8,406	7,894	+55%
Puerto Rico	191,261	148,425	138,045	-28%
Virgin Islands	3,763	4,790	4,318	+15%

*Note: as of July 1, 1997, all states changed their reporting system from AFDC (Aid to Families with Dependent Children) to TANF (Temporary Assistance for Needy Families)*

Source:  
U.S. Dept. of Health & Human Services  
Administration for Children and Families  
January 1998

**Welfare Caseloads as Percent of Population**

Year	Welfare Caseload (millions)	Population (millions)	Percent
1969	6.706	202.677	3.3%
1970	8.466	205.052	4.1%
1971-1992	bet. 8-13	bet. 207-255	bet. 4.1-5.3%
1993	14.142	258.137	5.5%
1994	14.225	260.372	5.5%
1995	13.652	263.034	5.2%
1996	12.648	265.284	4.7%
June 1997	10.494	267.368	3.9%
July 1997	10.258	267.575	3.8%
August 1997	9.995	267.792	3.7%
September 1997*	9.804	268.014	3.7%

\* Data released 1/27/98

Note: annual figures reflect Census Bureau estimate for U.S. resident population as of July 1st of each year. Monthly figures are Census estimates for U.S. resident population as of July 1st of each month.

**FACSIMILE TRANSMISSION**  
**Office of the Assistant Secretary**  
***The Administration for Children and Families***

*cc: Cynthia*

DATE:

TO:

Andrea Kane  
DPC  
Telephone: 456-5573  
Fax: 456-7431  
Number of Pages (excluding cover): 2

**FROM:** **Samara Weinstein**  
*Special Assistant to the*  
*Assistant Secretary for Children and Families*

Telephone: (202)401-6953  
Fax: (202)401-4678

**MESSAGE:**

*See attached.*



## ANSWERS FOR CYNTHIA RICE

2. Question: Amount of child support collected in 1997.

Answer: In FY 1997, child support collections amounted to \$13 billion. This was an increase of 63 percent from FY 1992 collections of \$8 billion.

3. Question: Number of licenses suspended under the new child support rules.

Answer: State child support agencies do not report this information to the Federal government. In addition, based on anecdotal information, the threat of license suspension often induces a child support payment to avoid an actual license suspension.

4. Question: Amount of unpaid child support owed to children in the U.S.

Answer: State reports to the Office of Child Support Enforcement indicate that for FY 1996, total collections due for cases being enforced under title IV-D of the Social Security Act amounted to \$57 billion and collections received were 21 percent or almost \$12 billion. (Not all states report accounts receivable information, hence the shortfall from the \$13 billion in collections mentioned earlier.) The attributes of this information: it is from public records; it pertains only to cases in the title IV-D program with an established support order; it reflects current support due for the fiscal year plus the cumulative amount of arrearages or past due support owed; in some states, the data reflects what may be a debt under state law (i.e., the full amount of AFDC paid to a custodial family) and not just the amount set for child support; and, OCSE audits indicate that state-reported accounts receivable information is of questionable reliability.

As part of the Census Bureau's Child Support and Alimony Supplement to the Current Population Survey, a sample of custodial parents are asked how much child support was owed for the prior calendar year and how much was received. The most recent, published Census Bureau report, for 1992 covering calendar year 1991, indicates that \$17.7 billion in child support was due and 67 percent or \$11.9 billion was paid. The attributes of this information: it is national in scope and pertains to all child support cases, not just those in the public or title IV-D system; it refers to just a single calendar year and presumably encompasses only current support and whatever arrearages or past due support were

"scheduled" for payment in that year; and it's subject to sampling error.

In 1994, Elaine Sorenson of the Urban Institute estimated that \$34 billion in additional child support could be paid annually "if all noncustodial fathers had child support orders and those orders were fully paid." This information was incorporated in material released by the Working Group on Welfare Reform, Family Support and Independence co-chaired by Bruce Reed, David Ellwood, and Mary Jo Bane.

Data for the Sorenson analysis came from the 1990 Survey of Income and Program Participation (SIPP), a nationally representative longitudinal survey conducted by the Census Bureau. The attributes of this information: it incorporates "potential collections" where no child support order has been established; it does not differentiate between public and private cases; and for purposes of calculating child support owed, it employs Wisconsin's guidelines for setting the support order amount as a proxy for a national child support guideline.

5. Question: Hasn't ACF already committed to increasing child support collections to \$20.8 billion by the year 2000? Has this been made public?

Answer: Yes to both questions.

6. Question: Please investigate the viability of an idea from ACES for an "executive order requiring military to provide DNA records of servicemen for paternity determination upon receipt of an administrative or judicial order."

Answer: The use of DNA information which may be part of military personnel records for paternity testing purposes is neither desirable nor necessary. Such an approach could certainly be considered an invasion of personal privacy, with all its attendant ramifications. And there is no need to gather a storehouse of DNA information since a serviceman or former serviceman who is a putative father can be tested at any time after the child is born; DNA test results are consistent over time and extensive location resources are available to support enforcement agencies.

01/06/96 10E 09-00 FAX 2020903073 DHHS/ASFA

CR

# HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

December 31, 1997

Contact: HHS Press Office  
(202) 690-6343

## 1997: HHS CONTINUES PROGRESS TOWARD KEY GOALS

*In 1997, HHS made significant strides toward ensuring that Americans have the tools they need to lead healthy and productive lives. Through targeted investments, we helped continue the important progress we've made since 1993 toward creating a stronger and healthier nation. And through better management, we streamlined and strengthened our services.*

*In particular, we took important steps toward improving health care access and quality. Under the Balanced Budget Act of 1997, we launched an historic expansion of health care for our nation's children. We also strengthened the Medicare and Medicaid programs, adding important new benefits and extending the life of the Medicare Trust Fund without raising premiums.*

*President Clinton also appointed a new advisory commission to improve health care quality, which proposed a new Consumer Bill of Rights. And we began implementation of the landmark Health Insurance Portability and Accountability Act of 1996, which includes important new protections for an estimated 25 million Americans who move from one job to another, who are self-employed, or who have pre-existing medical conditions. We also initiated a new effort to ensure privacy of personal health records, and achieved unprecedented levels of recoveries and prosecutions under our expanded effort to fight health care fraud and abuse.*

*In addition, HHS again reported significant gains in key indicators of our nation's health. AIDS deaths declined for the first time in the history of the epidemic, and teen birth rates declined for the fifth straight year. Infant mortality rates reached a new record low, and more women than ever before received prenatal care. Childhood immunization rates reached a record high, meeting the goals we set in 1993, and rates of vaccine preventable childhood disease fell to all-time lows.*

*HHS also announced new signs of progress in combating teen drug use with two comprehensive studies showing the first leveling off of drug use among young teens since 1992. And we achieved the largest decline in welfare caseloads in history.*

*In the coming year, we will continue to build on these accomplishments and prepare HHS -- and the nation -- for the 21<sup>st</sup> century. As part of this effort, we will work with Congress to craft bipartisan legislation to enact the Consumer Bill of Rights for health care, protect the privacy of health records, and dramatically reduce youth tobacco use.*

Donna E. Shalala

## MOVING FORWARD ON THE PROMISE OF WELFARE REFORM

**Largest Caseload Decline in History.** In 1997, HHS announced that the welfare caseload fell by 3.4 million recipients, from 14.1 million in January 1993 to 10.7 million in May 1997, a drop of 24 percent since the Clinton Administration took office. Forty-eight out of fifty states have seen their caseloads decline, with ten states reducing their rolls by 40 percent or more in the last four years. This is the largest welfare caseload decline in history and represents the lowest percentage of the population on welfare since 1970. According to an analysis released in 1997 by the Council of Economic Advisors (CEA), the reduction in the welfare rolls can be attributed to the strong economic growth during the Clinton Administration, the waivers granted to states to test innovative strategies to move people from welfare to work, and other factors, such as the Administration's expansion of the Earned Income Tax Credit.

**Overhauling the Welfare System Nationwide.** On July 1, 1997, the historic welfare law that the President signed last August went in to effect in every state, making work and responsibility the law of the land. HHS has certified welfare plans for each state. In accordance with the welfare law, all plans require and reward work, impose time limits, and demand personal responsibility. The balanced budget that the President signed on August 5, 1997 delivered on the President's pledge to fulfill the promise of welfare reform by investing in moving people from welfare to work and fixing the provisions in the law that had nothing to do with welfare reform, including restoring disability and health benefits to legal immigrants who are currently receiving benefits or become disabled in the future, and continuing Medicaid coverage for currently disabled children receiving SSI. On November 17, 1997, HHS proposed regulations under the new law which are intended to help all welfare recipients who can work go to work, and to encourage states to work with all families.

**Record Child Support Enforcement.** Due to the President's unprecedented and sustained campaign to make noncustodial parents pay the child support they owe, HHS announced in 1997 that it had collected a record \$12 billion in child support in 1996, an increase of 50 percent since 1992. In addition, HHS announced that paternity establishment almost doubled to nearly 1 million cases in FY 1996, from 516,000 in 1992. And the number of families actually receiving child support rose to 4 million cases with collections, an increase of 43 percent over 1992. To build on this progress, the new welfare law includes tough child support measures long-supported by the President, including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These measures are projected to increase child support collections to more than \$24 billion in the next ten years.

**New Proposal to Improve State Child Support State Incentive Payments.** On March 13, 1997, Secretary Shalala submitted to Congress a proposal designed to further improve the performance of state child support enforcement programs by linking federal incentive payments to states to their performance in five key areas: establishment of paternity, establishment of child support orders, collections on current child support owed, collections on previously or past due child support owed, and cost-effectiveness. The five areas are intended to better measure the performance of states in fostering parental support for children and family self-sufficiency. Current law provides for HHS to make incentive payments to states for their child support enforcement systems, but these payments are based only on cost-effectiveness. Under the new welfare reform law, HHS was authorized to prepare an

alternative plan. On September 16, 1997, Secretary Shalala joined Reps. Clay Shaw and Sandy Levin in announcing bipartisan legislation drawn from the HHS proposal. The legislation would provide incentive funds to states which deliver real results for children who need child support payments from non-custodial parents. To reinforce the goal of achieving self-sufficiency, states will be rewarded for collection in all child support cases; but with a stronger emphasis on welfare and former welfare cases. The House passed this legislation in 1997, and action on the bill is pending in the Senate.

## **OTHER SIGNIFICANT ACCOMPLISHMENTS**

**Ensuring Food Safety.** In 1997, HHS dramatically increased attention on food safety. In January, President Clinton announced a comprehensive new food safety initiative to help detect and respond to outbreaks of foodborne illness earlier, and to give us the data we need to prevent future outbreaks. The CDC and the FDA play a key role in this new initiative. Key components of the new initiative include: building a national Early Warning System to identify infectious agents and their sources and rapidly communicate these findings nationwide; developing new methods for monitoring the food supply; strengthening intergovernmental coordination to reduce and improve responses to outbreaks of foodborne illnesses; and improving awareness of food safety practices. Building on the President's initiative, the FDA in August 1997 announced new measures to reduce the risk of illness from disease-causing microbes in unpasteurized fruit and vegetable juices, and in October announced an initiative to upgrade domestic food safety standards and to ensure that fruits and vegetables coming from overseas are as safe as those produced in the United States. In addition, the FDA in December 1997 approved the irradiation of meat products to control disease-causing micro-organisms.

**Improving Guidance on Mammography.** In March 1997, NIH issued a recommendation that women age 40 and over be screened with mammography every one to two years. In addition, NIH recommended that women at higher risk of breast cancer get expert medical advice even before the age of 40 about when to begin screening and about the frequency of their screening. To support this new recommendation, President Clinton proposed and Congress adopted an expansion of Medicare coverage which will help pay for annual mammograms for all Medicare beneficiaries age 40 and over. The new benefit will be available starting January 1, 1998. In addition, the FDA in October 1997 announced final regulations that significantly improve the quality and performance of equipment and personnel at all U.S. mammography facilities. The regulations implement the Mammography Quality Standards Act (MQSA) passed by Congress in 1992. The MQSA requires that all mammography facilities meet stringent quality standards, be accredited by an FDA-approved accreditation body, and be inspected annually.

**First Biotechnology Product to Treat Cancer.** On November 26, FDA approved Rituxan, the first biotechnology product to treat cancer. The drug is used to treat a type of non-Hodgkin's lymphoma. Rituxan targets and destroys white blood cells involved in the disease. Because specific cells are targeted, rather than all fast-growing cells, as is the case for most chemotherapy, tumor shrinkage is accomplished with fewer toxic side effects than other cancer treatments.

MEMORANDUM

TO: Bruce Reed; Melanne Verveer  
FROM: Eli Segal **ES**  
CC: Tom Freedman  
DATE: January 13, 1998  
RE: State of the Union Address

---

One year ago, the President used the State of the Union to challenge the business community to hire and retain those on welfare. What was then only an idea is today The Welfare to Work Partnership -- a vibrant organization of almost 3,000 companies from all industries and regions committed to moving people from welfare rolls to payrolls.

After much internal discussion we believe we are in a position to accept a new challenge from the President to get to 10,000 companies by the next State of the Union. My guess is that if we achieved this goal -- and we will -- we would be in partnership with companies who represent at least 25% of the American labor force.

I recommend the inclusion of such a challenge in this year's Address. It would have the following benefits:

- (a) it re-enforces the President's commitment to welfare reform;
- (b) it re-enforces other messages: the strength of the economy; bi-partisan problem solving; the key role of the private sector in ameliorating the country's problems; successful initiatives rather than empty rhetoric; and
- (c) it would be a shot in the arm to the efforts of The Welfare to Work Partnership itself.

By itself, challenging the business community to redouble its efforts would be good. But coupling it with something visual would be even better. I strongly recommend that the President tie his new challenge to actual business "heroes," who have already taken the challenge. There are several CEO's whose presence with the First Lady would drive the message of momentum and success. Out of hundreds of candidates, I guarantee we could come up with two or three who would be ideal.

Please let me know if you need more detail or rationale for these proposals.

#####

EJS/amrb



Cynthia A. Rice

12/18/97 01:54:24 PM

Record Type: Record

To: mkharfen @ acf.dhhs.gov @ INET @ LNGTWY  
cc:  
bcc:  
Subject: Re: Today's caseload question

*Under 10?*

That's great! I look forward to getting all the September numbers.

Here's why I want them.

*Below 10 million*

In the 1997 State of the Union, the President said "Over the last four years, we moved a record 2.25 million people off the welfare rolls.....We must act to meet a new goal: 2 million more off the welfare rolls by the year 2000."

He was using the October 1996 numbers because

Jan '93	14.115	✓	2.25
Oct. '96	11.864	✓	

*12.2 Aug '96  
10-0*

-----  
2.25 drop the President referred to in '97 State of the Union

Goal 2.00 million more

-----  
9.864 goal for '98 State of the Union

In July '97 we were at 10.255 -- 361,000 away. But another two months of data should get us there. That's why I want to get the September '97 data.

mkharfen @ acf.dhhs.gov



mkharfen @ acf.dhhs.gov

12/18/97 11:08:00 AM

Record Type: Record

To: Cynthia A. Rice  
cc:  
Subject: Re: Today's caseload question

Cynthia:



Cynthia A. Rice

01/13/98 05:26:15 PM

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Record Type: Record

To: See the distribution list at the bottom of this message  
cc:  
bcc: Records Management  
Subject: Re: Suggested State of the Union edits

The Partnership is comfortable with a challenge to grow from 3,000 to 10,000 companies in the next year (but not 10,000 more). They also made a pitch for praise of 'the 22 governors of both parties who have joined them in this effort...' which might be a nice bipartisan note. Not sure if we have room.

Also, the Partnership has four fully vetted welfare to work success stories they would recommend for the gallery -- they are profiled in the new edition of their Business Blueprint. I'm getting their bios faxed.

Cynthia A. Rice



Cynthia A. Rice

01/13/98 02:38:12 PM

---

Record Type: Record

To: Thomas L. Freedman/OPD/EOP  
cc: See the distribution list at the bottom of this message  
bcc: Records Management  
Subject: Re: Suggested State of the Union edits

I was originally thinking a total of 10,000, but "10,000 more" was easier to write --- not that that's a good reason to pick that as a goal. How about something like:

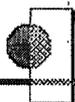
~~And above all~~ A year ago I challenged the business community to create jobs so that people can move from welfare to work and already nearly 3,000 have come forward. Tonight I challenge ~~more businesses must join the [x,000] companies in~~ our welfare-to-work partnership to grow to 10,000 strong to give more people a chance to ~~someone who is willing to work~~ their way off welfare.

Bruce -- here's my document with this and the child support edits if you need it.



sou0113.wp

Thomas L. Freedman



Cynthia A. Rice

01/13/98 02:38:12 PM

Record Type: Record

To: Thomas L. Freedman/OPD/EOP  
cc: See the distribution list at the bottom of this message  
bcc: Records Management  
Subject: Re: Suggested State of the Union edits 

I was originally thinking a total of 10,000, but "10,000 more" was easier to write --- not that that's a good reason to pick that as a goal. How about something like:

And above all A year ago I challenged the business community to create jobs so that people can move from welfare to work and already ~~nearly~~ 3,000 have come forward. Tonight I challenge more businesses must join the [x,000] companies in our welfare-to-work partnership to grow to 10,000 strong to give more people a chance to ~~someone who is willing to work~~ their way off welfare.

Bruce -- here's my document with this and the child support edits if you need it.



sou0113.wp

Thomas L. Freedman



Thomas L. Freedman  
01/13/98 02:00:09 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Mary L. Smith/OPD/EOP  
Subject: Re: Suggested State of the Union edits 

I think it is a goal of a **total** of 10,000 WTW companies, not 10,000 above 3,000. What about saying "a year ago I challenged the business community, and they are coming forward..."

Message Copied To: \_\_\_\_\_



Cynthia A. Rice

01/13/98 02:01:07 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP  
cc: Elena Kagan/OPD/EOP, Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP  
bcc: Records Management  
Subject: Child Support in State of the Union

We should know by mid-week next week if we can endorse the Shaw child support bill in the State of the Union.

The good news is that Haskins' timing works perfectly for the State of the Union: He's planning to introduce what will hopefully be a Shaw-Levin bill on Jan. 27th and hold a hearing with Judge Ross testifying on the 29th. We will see the draft bill this Thursday the 15th and will have a chance to make suggestions before it is introduced.

The bad news is that Haskins is planning to include a provision related to computer system, statewideness about which HHS is likely to have serious concerns. California and some other states would like some exceptions written into current law so they can link together current county computer systems and have it count as a statewide system. The technical question is whether such linked systems can in the real world be as effective. HHS and GAO are looking at these issues now, but Haskins has made clear that he needs to satisfy the Californians on Ways and Means.

It's also interesting that Haskins is now planning to fold the incentives legislation into the penalty bill -- thus, what we say in the State of the Union could have a "carrot and stick" angle, such as:

To create more success stories like [Name] we must do even more to promote work and personal responsibility. -- increasing child support collections even further, We' ve increased child support collections by 63 percent, but we must ensure that all parents take responsibility for the children they bring into this world. We should start by passing the Shaw-Levin child support bill, which establishes tough new penalties for states that have failed to put systems in place to crack down on deadbeat parents and creates new incentives for states to increase child support collections. ~~providing vouchers to help families move closer to where the jobs are~~

It's a bit of a mouthful, but I'm sure Waldman could rescue it.

As you may recall, we now distribute over \$400 million a year to states based only on their child support system's cost effectiveness (ratio of collections to costs). We proposed early last year and there is now bipartisan consensus to distribute these incentive funds based on five more meaningful performance measures: 1) establishment of paternities 2) establishment of child support orders 3) collections on current child support due 4) collections on past child support due and 5) cost effectiveness.

Bruce N. Reed



Record Type: Record

To: See the distribution list at the bottom of this message  
cc: Laura Emmett/WHO/EOP  
Subject: Suggested State of the Union edits

A speechwriter I'm not, but Bruce, I took a shot at making edits as you suggested. Tom/Jose -- I took the liberty of creating a proposed sex offender/statutory rape/domestic violence paragraph -- any comments or additions? As usual, underline denotes additions, etc.

Suggested Changes to State of the Union

Page 8-9

Now we must press on. For there is still far too much crime. Drug use among young people is still too high. Far too many children are raising themselves on the streets. We cannot go strong into the 21st Century in children are killing children...if children are selling drugs to children...if children are having children. We have a moral obligation to take the guns out of their hands and teach them right from wrong.

Here's what we must do next.

Congress should finally pass the juvenile justice crime bill. [description to come]

We also must do more to protect juveniles from crime. Protecting our children is our most sacred calling -- and, we now know, is one of the best ways to prevent innocent young people from becoming hardened criminals. First, we should abolish parole and establish lifetime criminal penalties for child sex offenders. [more on sex offender policy] To protect teenagers from adults who prey upon them, we should establish tough, uniform criminal penalties for statutory rape -- and tonight I direct Attorney General Reno to develop model legislation for every state to adopt. And we must do all that we can to protect children and their mothers from domestic violence [more on domestic violence policy.]

...[graph on crime and drugs and alcohol-- keep the same]...

...[graph on judicial vacancies-- keep the same]...

And we have acted to apply our ~~oldest~~ most fundamental values to perhaps our most stubborn social problem. In 1996, we ended a welfare system that had trapped generations of Americans in a cycle of dependency, and replaced it with a new system based on work and personal responsibility. Last year, from this podium, I challenged our nation to take the next step, and move two million more Americans off of welfare by the year 2000. Well I am

pleased to report that we've met that goal ~~has been met~~ -- not in three years, but in one year two years ahead of schedule.

Think about what that means. Think of ~~those~~ the children who now have working role models, ~~whose mothers now go to work~~, and the families who now have the dignity of a paycheck instead of the indignity of a welfare check. We are joined here tonight by one family who last year made this momentous journey from welfare to work. [Name] represents millions of others like her who are now connected to mainstream America ~~and the world of work~~. We salute them all. [Name] could you please stand? ~~Think of the neighborhoods where hope is replacing despair.~~

To create more success stories like [Name] we must do even more to promote work and personal responsibility. ~~increasing child support collections even further~~. We've increased child support collections by 63 percent, but we must ensure that all parents take responsibility for the children they bring into this world. We should start by establishing new penalties for states that have failed to put in place systems to crack down on deadbeat parents. ~~providing vouchers to help families move closer to where the jobs are~~. We've already re-written the welfare rules so that young mothers must live at home and finish school, but we must do more to stop the alarming increase in children born outside of marriage. Tonight I am pleased to announce a nationwide competition that will reward state efforts to reduce out of wedlock births.

We must help those on welfare get to where the jobs are -- through new funds for welfare to work transportation and new portable housing vouchers. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or eliminate housing emergencies that interfere with getting to work every day on time. And the private sector must do its part. -- ~~And above all~~ Tonight I challenge 10,000 more businesses ~~must to join the~~ ~~[x,000] companies in~~ our welfare-to-work partnership, now nearly 3,000 strong, to give a chance to someone who is willing to work their way off welfare.

Message Sent To:

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Bruce N. Reed/OPD/EOP  
Elena Kagan/OPD/EOP  
Thomas L. Freedman/OPD/EOP  
Jose Cerda III/OPD/EOP  
Diana Fortuna/OPD/EOP  
Andrea Kane/OPD/EOP

1/12/98

poet Langston Hughes wrote: "O, yes, /I say it plain, /America never was America to me. /And yet I swear this oath -- /America will be!" In this new century, we have the greatest opportunity ever to be America. Here is how we can do it.

**NEW OPPORTUNITY IN THE NEW ECONOMY**

We begin with the economy – for economic growth has always been our engine of opportunity. And while once the wealth of our nation came mainly from the gold in the ground, the abundance of our farmland, the output of our factories. Now it will come from the skills of our people and the power of our imagination.

Today, more Americans work in the computer industry than worked in the auto industry at its height in the 1950s. In Silicon Valley, 11 companies are created every week. The American auto industry is once again the strongest in the world for the first time since the 1970s. And in the cutting edge industries that the global economy -- from semiconductors and supercomputers to aerospace and biotechnology, America leads the world.

Americans have been the pioneers of this new economy. Its flexibility, its creativity, and its enterprise are qualities at the core of the American character. And we have brought it into being with a comprehensive economic strategy of fiscal discipline, world economic leadership, and investment in our people.

Fiscal responsibility

First and foremost, economic growth demands fiscal discipline. Yet in the twelve years before I took office, deficits exploded and our nation quadrupled its national debt. \$2 trillion dollars, wasted. High interest rates that kept our economy down.

In 1993, the deficit for this year was projected to be \$357 billion. That year, we acted to set this nation on a new fiscal course. Today, our deficit is virtually gone. And next year, we will bring the deficit to zero. I will submit to Congress for 1999 the first balanced budget in 30 years.

Turning a sea of red ink into black is no miracle. It is the product of hard work and sacrifice by the American people. This is an accomplishment of which both parties can be proud.

Now, the question we face is not one of fiscal policy but fundamental direction. As we enter the new century, will we move forward with a new economic strategy that has brought new prosperity -- or move backward to the failed policies of the past?

You know, it seemed as if the prospect of a surplus was only minutes old before some old, bad habits began to reappear. We must not go back to shortsighted spending, or shortsighted tax cuts, that risk reopening the deficit.

[*Social Security decision, to come*]

### Leading the global economy

[*To come: Discussion of globalization, Asian markets, and trade, possibly incl. fast track*]

### Investing in people

By imposing fiscal discipline and embracing the world economy, we have created the conditions for sustained growth. But America has never been defined merely by the growth of its economy, but by expanding horizons of opportunity for our people. Today, high skill jobs are growing at four times the rate of lower skilled jobs. The income gap is in reality an opportunity gap. That is a gap we can and must close.

In the 21st Century, there are five keys to opportunity for all.

Education that continues through a lifetime.

Health care that doesn't disappear when you need it the most.

Child care so parents can take responsibility at home and at work.

Training and assistance so working people know that they will be the winners of economic change.

Retirement security so a lifetime of hard work will be rewarded with dignity.

These are the things a strong nation can do to give meaning to opportunity for all. They are the elements of the American Dream. We found a way to promote them in this century, and we must find a way to promote them the next century.

First and foremost, every American must have access to the best education in the world. In so many ways, this is not an information age. It is an education age, in which skills determined how much you earn and a diploma is only as valuable as the skills behind it.

Our mission has been to make the 13th and 14th years of education — the first two years of college -- as universal today as a high school degree is today. In the 19th Century opportunity came from a land grant. In the 21st Century opportunity will come from a Pell Grant.

On January 1 of this year, broad new tax cuts took effect to help families pay for college: the \$1500 Hope Scholarship for the first two years of college; new IRAs for education; tax cuts for learning throughout a lifetime. Over the past five years, we have doubled scholarships,

expanded work study, and given 100,000 young people the chance to earn money for education by serving their country through AmeriCorps. Today, for the first time in our history, we can say to every young American: if you work hard, you can go to college — and money will not bar the door.

Our universities and colleges are the best in the world. But you know, and I know, that our elementary schools and high schools are ailing. To keep opportunity alive, we need a new ethic of education based on high standards, real competition, strict accountability in our nation's public schools.

We know that smaller classes matter — and they matter most for children who need help the most. So tonight I propose a national effort to reduce class size in the earliest years. My balanced budget will hire an additional 50,000 first and second grade teachers to reduce class size to an average of 19. And we will insist that these new teachers pass rigorous state competency tests before they are hired. Every parent of a child starting school should have confidence that their child's class is small enough to learn -- and the teacher is skilled enough to teach.

We must do even more. My balanced budget will help connect every classroom to the information superhighway, help repair or build thousands of new schools, teach millions of children to read by the 3rd grade.

But the most important thing we can do is to make sure our children master the basics. America is moving toward national standards, with a test that will be ready next September. Too many children are passed from grade to grade without ever learning the skills they need to move on. Too many young people graduate without being able to read their diploma. In an economy as demanding of skills as this one, it is simply wrong to move a child from grade to grade if he or she has not mastered the basics. It is time to stop social promotion in America's schools.

Let's be clear: Our purpose is not to hold anyone down, but to lift everyone up. Let us say to failing schools: If you stop promoting children who don't learn, we will give you the resources you need to make sure they do.

[Public school choice/charters] [Mentoring]

The second key to expanding opportunity is health care, and protecting families in changing times.

We have made health care portable through the Kennedy Kassebaum law. Last year, we extended health care to up to 5 million children. And working together across party lines, we secured Medicare for a decade. Soon we will strengthen the program for the long run.

Today I challenge Congress to take two more steps that respond to the rapidly changing world of health care.

Millions of Americans now receive health care through managed care plans that can cut costs and improve service. Patients should be treated as people, not as dollar signs on a ledger. I challenge Congress to enact a Health Care Consumer Bill of Rights that says: You have the right to be informed about your health plan in plain English. You have the right to know all your medical options -- not just the cheapest. Traditional care or managed care, no American should receive inferior care.

And millions of Americans between 55 and 65 have fallen through the cracks of the health care system and have lost their insurance after a lifetime of work. I challenge Congress to enact legislation giving these millions of hardworking Americans the chance to buy into the Medicare system.

Third, we must help all our people meet their responsibilities at work and at home. The new economy imposes new demands on working families. Most parents work; and more parents are working harder than ever. They need more time with their children. And they need to know that their children are receiving quality care.

The Family and Medical Leave Act has given [15] million Americans time off from work to care for a child or a family member. But newborns need more. I ask you to extend Family Leave so that new mothers and fathers can take six months off from work.

*choose to* ~~improve health~~

Child care is the next frontier for the American community. [*acknowledge First Lady*] I call upon Congress to pass a comprehensive and fiscally-responsible plan to make child care more affordable and accessible, doubling the number of children we help and giving incentives to businesses and tax cuts to millions of working families. We should offer scholarships for good caregivers, and insist on tough background checks to find bad ones. And we must expand before-and after-school programs. Most juvenile crimes are committed between the hours of 3 and 6. We must give our children somewhere to go other than the streets.

Fourth, [*training and adjustment to come*][*possibly minimum wage*] *No - shd be part of education* (?)

Fifth, [*retirement; brief declaration of principle to come*]

### Climate change

The economy of the 21st Century must be an economy that protects the environment and promotes prosperity. Today, our economy is the strongest in a generation -- and our air and water are the cleanest in a generation. We must continue this approach, with dramatic new efforts to clean our rivers.

The greatest environmental challenge we will face in the decades ahead is to stop the coming crisis of global warming. The vast majority of the world's scientists have emphatically concluded that if we do not reduce emissions of greenhouse gases, we will alter our climate, undermine our economy, and harm our society. The verdict is in. It is time to act.

In December, we signed an historic treaty that unleashes the full force of the free market to cut greenhouse gases, rather than imposing new taxes or government regulation. The Kyoto Treaty limits emissions by developed countries; next, we must secure meaningful participation from developing countries, because this global problem requires a global solution.

But we should not wait; we must take the steps within our power to address global warming here at home. I propose \$6 Billion in tax cuts to spur innovation and help Americans create and use more energy-efficient technologies. We must also restructure the energy industry, reducing greenhouse gases and saving American consumers an estimated \$20 Billion a year.

The economic imperative is clear. We can do better. Earlier this month, Ford, GM, and Chrysler unveiled high-performance cars that get three times the gas mileage of the typical models today. We can do this in every industry in America.

On this date in 1880, January 27, the first patent for a light bulb was awarded to Thomas Edison. I am confident that the nation that invented that created the light bulb and the telephone, the airplane and the semiconductor, can create an economy that uses less energy.

But more important by far, the moral imperative is clear: we must pass on the Earth that God gave us to future generations.

## **NEW RESPONSIBILITY IN A NEW ERA**

As our economy must be based on opportunity, our society must be based on responsibility.

It's hard enough for parents to pass on their values, to protect their children from harm. And it's harder still when the mass media and the market send our children messages that can undo all the good done in church or at the kitchen table.

We need to help parents take responsibility to protect their children from the single greatest health threat young people face, smoking -- an epidemic spread by ~~billion~~<sup>and trillion</sup> dollar marketing campaigns. Already, my administration has moved forward, restricting the advertising that can seduce our children.

Now, this year, we have an historic opportunity to pass bipartisan, landmark legislation to curb teen smoking. This will change the way tobacco companies do business, and will raise the price of a pack of cigarettes by up to \$1.50 over the next ten years. I challenge the Congress to

*if youth smoking does not go down.*

work together across party lines and make this tobacco legislation the law of the land.

For five years, we have worked to put these values of responsibility and family, work and respect for law, at the center of our social policy. And after decades in which it seemed as if the crime rate would rise forever, we have begun to make remarkable progress.

With 100,000 new community police on the streets, tougher punishment, and more prevention, we have spread throughout the nation a community based crime fighting strategy that works. For five years in a row, crime is down, all across America.

Now we must press on. For there is still far too much crime. Drug use among young people is still too high. Far too many children are raising themselves on the streets. We cannot go strong into the 21st Century if children are killing children ... if children are selling drugs to children .. if children are having children. We have a moral responsibility to take the guns out of their hands and to teach them right from wrong.

Here's what we must do next.

Congress should finally pass the juvenile crime bill. [description to come]

- prosecutors?

And we should recognize that 80% of crime is linked to drugs or alcohol. Too often our prisons are training academies for a life of crime. I ask you to give the states added ability to expand drug testing and drug treatment throughout our criminal justice system. Nothing will do more to prevent crime.

And the law must be enforced -- strongly, effectively, swiftly. Every criminal knows that trial and punishment can drag on for years due to clogged courts. Yet the refusal of the Senate even to vote on dozens of judges has left one in ten of the nation's judgeships vacant. Chief Justice Rehnquist was right when he wrote, and I quote, "[These] vacancies cannot remain at such high levels indefinitely without eroding the quality of justice." I ask this Congress to heed Justice Rehnquist's plea, and vote on these judges, up or down.

And we have acted to apply our ~~oldest~~ <sup>most fundamental</sup> values to perhaps our most stubborn social problem. In 1996, we ended a welfare system that had trapped generations of Americans in a cycle of dependency, and replaced it with a new system based on work and responsibility. Last year, from this podium, I challenged our nation to take the next step, and move two million more Americans off of welfare by the year 2000. Well, I am pleased to report that goal has been met -- not in three years, but in one year. <sup>two years ahead of schedule,</sup> we've met

Think about what that means. Think of those children whose mothers now go to work, who have the dignity of a paycheck instead of the indignity of a welfare check, who are now connected to mainstream America and the world of work. Think of the neighborhoods where hope is replacing despair.

and ensure that all parents fulfill their responsibilities to their children. And we must help those on welfare get to where the jobs are, through portable housing vouchers and new funds for welfare to work transportation.

And we must do more. <sup>We must</sup> increasing child support collections even further, providing vouchers to help families move closer to where the jobs are. And above all, thousands more businesses must join the [5,000] companies in our welfare-to-work partnership, to give a chance to someone who is willing to work their way off welfare.

[cities/empowerment -- tell story of South Bronx revival]

**FOREIGN POLICY**

[To come -- NATO, Bosnia, new threats (incl. Biological Weapons Convention, Comprehensive Test Ban Treaty, Terrorism, UN and IFI arrears, and other issues)]

**BUILDING A MORE PERFECT UNION**

Two centuries ago, we the people of the United States of America proclaimed to the world that we had come together to form not just a new nation, but "a more perfect union."

[ campaign finance reform/free TV time challenge to FCC  
[ "democracy agenda" of 2 day voting, voting by mail ]  
[ success of reinventing government ]

Our mission remains to form a more perfect union, to become One America in the 21st Century. The face of America is changing. And we must make our growing diversity our greatest strength in the 21st century.

We must begin by <sup>and obligations</sup> recognizing that for all our differences, we are united by the same aspirations and principles. Education, health care, child care, jobs -- these are the issues that weigh heavily on the minds of families everywhere. So when we extend opportunity to all Americans and demand responsibility from all Americans, we build a community of all Americans united by values that transcend skin color, religion or heritage.

Let us be honest with ourselves: It is a plain fact that discrimination still exists. We must continue to vigorously enforce the laws that make it illegal.

But we must remember this: We have torn down the walls in our laws -- but not the walls in our hearts. In so many ways, we still hold ourselves back. We retreat into comfortable enclaves of ethnic isolation. Far too many communities -- too many schools -- too many cafeteria lunch tables -- are all white, all black, all Latino, all Asian. Too many Americans of all races have begun to give up on the idea of integration and the search for common ground. Segregation is no longer the law, but too often, separation is still the rule. Any nation that indulges in destructive separatism will not be able to meet and master the challenges of the 21st century.

I have asked the American people to join in a great national dialogue on these issues. I believe it is vitally important that we move past stereotypes and face these issues with stark honesty.

But tonight I say: As we talk together, we must work together -- toward goals that have nothing to do with race, but everything to do with America. For only on the forge of common enterprise have Americans of all backgrounds ever hammered out a common identity.

That is why the United States military, the world's strongest and most skilled fighting force, has become a proving ground for racial progress and unity. That is the lesson learned every day by thousands of AmeriCorps members of all races and backgrounds. They learn that what matters is not the color of your skin, but whether you get the job done. Tonight I challenge every religious organization in America to take up the standard of service. I ask you to join with other of different races through their churches and synagogues and mosques, in common endeavor. [possible race & service announcement]

EEOC?

mentoring \$ +  
challenge to students  
\$ - but kids won't unless  
role model.

| = ?

### TOWARD THE MILLENNIUM

Tonight, let us look forward to our future -- toward the millennium ahead. We see today that this new era will be shaped by science, driven by knowledge, and powered by technology. It will be a time of bold exploration and extraordinary promise -- and it will carry grave new responsibilities as well.

In the new millennium, we will explore inner space, unlocking the mysteries of the human body.

If the past century was the age of physics, the next century will be the age of biology. In the early years of the new century, we will finish mapping the structure of human genes. We will build on discoveries of genes for breast cancer and diabetes. We will continue to bring down the death rate for cancer.

Even these breakthroughs will be just the beginning -- but only if we maintain our sustained commitment to research and development. Tonight, I propose a 21st Century Fund -- a substantial new initiative to support pathbreaking research at our nation's premiere scientific institutions. Let this year be remembered as the year that in the war against cancer, waged for so many decades, we began to win.

Research

make the sound bigger

But as we go forward, technological development divorced from values will not bring us one step closer toward meeting the challenges or reaping the benefits of the 21st Century. I ask the Congress to ratify the overwhelming consensus of the scientific and religious community, and ban human cloning. And I ask the Congress to prevent the use of genetic

tests to discriminate against any American.

In the new millennium, we will continue to explore cyberspace. It seems hard to believe, but five years ago, there was no such thing as a web page on the Internet. Today 50 million people in 150 countries are connected to the Information Superhighway.

Within a matter of years, it will be the largest international marketplace in history -- not only of products and services, but ideas. I call on all the nations of the world to make the Internet a global free-trade zone: no discriminatory taxes, no unfair tariffs.

We must understand that in the future, access to technology will define access to democracy. Within a generation, the Web can bring every book ever written, every painting ever painted, and every symphony ever composed within reach of our children with the click of a mouse. We are only beginning to understand its potential. And we should never forget that it was created in America.

And with daring and wonder, in the new millennium, we will continue the great mission of exploring outer space.

Throughout the course of human history, mankind has had only one place to call home -- Earth. Beginning this year, 1998, for the first time in the history of the world, men and women will build a new home -- a permanent space station, big as a football field, with as much electrical power as a small city. (ck) Inside its vast compartments, scientists, engineers, and entrepreneurs from 15 nations will build our future. On [date], the first construction ship will be launched from Cape Canaveral, Florida -- piloted by a Russian. On [date], the second ship will be launched from [site], Russia -- piloted by an American.

We are joined tonight by the leader of America's science lab, the National Institutes of Health -- Nobel Prize winner Dr. Harold Varmus. We are joined by the Gutenberg of cyberspace: Tim Berner-Lee, who invented the World Wide Web -- and whose work has done more to shape and create the world our children will inherit than any invention since the printing press. And we are joined by Commander [name] -- the first American pilot to the permanent international space station.

They are the pathfinders, the American pioneers of the new century. We salute them. And I ask them to stand.

*[Transition into Millennium]* Our nation was founded by men and women who believed deeply in the power of science to transform their lives -- and in the values that bound them together as a people. As the Year 2000 draws near, we must ask ourselves how we will keep those values alive in new times -- in a new century and a new millennium. And what gifts will we give to the future.

# Charges

? Training → need policy a drop

College / school partnerships → need in one sentence

Crime - northern comm prosecutors

welfare OK

EDUC - need sentence

Respect has size biggest announcement  
of speech

**Summary**  
**Child Support Incentive Reform Legislation**  
**September 4, 1997**

**Collections Bases.** The amount of incentive payments available to each State is based on its child support collections. The collection base includes collections made in both TANF cases and non-TANF cases. Collection in TANF and former-TANF cases are doubled in the collections base.

**Performance Measures.** The incentive system is based on five measures of each State's child support performance:

1. establishment of paternitys,
2. establishment of child support orders,
3. collections on current child support due,
4. collections on past child support due, and
5. cost effectiveness.

**General Calculations.** The amount of incentive money States receive each year is based on up to 1% of the collections base for their performance on three of the measures (paternity establishment, order establishment, and collections on current support) and up to 0.75% of the collections base for performance on two of the measures (collections on arrears and cost effectiveness).

**Phase In.** The new incentive system will be phased in over several years.

**Reinvestment.** Incentive payments received by a State must be reinvested in the State child support program, broadly defined.

**Review.** By March 2002 the General Accounting Office must conduct a study of the new system and report to Congress.

**Regulations.** The Secretary must publish regulations on the new incentive system within 9 months of enactment of this legislation.



Office of the Attorney General  
Washington, D. C. 20530

**SPECIAL**

**SPECIAL**

**FACSIMILE TRANSMITTAL COVER SHEET**

DATE: 12/10/97

TO: Jon Jennings / Cabinet Affairs  
White House

FACSIMILE NO. 456-2525

TELEPHONE NO. \_\_\_\_\_

FROM: Kent Markus / Deputy  
Chief of Staff

FACSIMILE NO. (202) 514-1724

TELEPHONE NO. (202) 514-2107

NUMBER OF PAGES INCLUDING COVER SHEET: 17

COMMENTS: \_\_\_\_\_

- BJS reported that about 50% of all convicted violent offenders in local jails where the victim was an intimate, a restraining order or protective order was present.
- Four out of five female rape victims know their attacker.
- Nearly 30 % of all female homicides were known to have been killed by their current or former husband or boyfriend. Approximately 3% of male homicides were committed by a wife, girlfriend, ex-wife or ex-girlfriend.
- Approximately 1 million women are stalked each year.
- Over 1 million women are victims of domestic violence each year.
- Female victims of domestic violence are more often injured than females victimized by a stranger.
- More than one-third of women seeking emergency room treatment for injuries were beaten by their partner. Seventeen percent of the total seeking hospital treatment for violent-related injuries in hospitals were victims of a spouse, ex-spouse, boyfriend, girlfriend or former intimate.

13) Initiative: Memorandum for the Attorney General on Criminal Child Support Enforcement (July 21, 1996)

Information Requested: What has DOJ done to draft legislation to amend the Child Support Recovery Act (CSRA) to establish a felony offense for a person who willfully fails to pay child support for a child in another state where there has been an egregious failure to meet child support obligations? What success has the Department had in getting this draft legislation passed by Congress? What has the Department done to place on the Internet the names of persons charged under the CSRA who have fled prosecution.

Response: The Department of Justice's proposal to amend the Child Support Recovery Act (CSRA) was first submitted to Congress in September 1996. Our proposed legislation would create two new felony offenses, subject to a two-year maximum prison term, for

10/97 WED 18:31 FAX 013  
egregious failure to pay legal child support obligations. Though introduced in the House in October 1996 by Representatives Charles Schumer and John Conyers, it was not taken up in the 104th Congress.

In June 1997, the Justice Department again transmitted to Congress proposed legislation to strengthen federal criminal child support enforcement -- with two new provisions, involving venue and tribal courts, not included in our 1996 proposal. Both the House and Senate introduced child support legislation this term. The Senate version passed unanimously in the final days of the first session; the House version is still pending.

The Senate Bill (S.1371), identical to our 1997 proposal and introduced by Senators Kohl and DeWine, creates a felony offense for 1) traveling in interstate or foreign commerce with the intent to evade a support obligation that is greater than \$5000.00 or has remained unpaid for longer than one year; and 2) wilfully failing to pay a support obligation regarding a child residing in another state if the obligation has remained unpaid for 2 years or is greater than \$10,000.00. The bill also includes the provisions in the Department's most recent proposal. The bill makes it clear that it covers amounts determined by tribal courts and tribal administrative processes to insure coverage of Indian nations. Second, it includes a new venue provision to clarify that prosecutions can be brought either where the child or the obligor resided during the period of nonpayment.

The House Bill (H.R. 2503), co-sponsored by Chairman Hyde and Congressman Hoyer, does not include the two provisions in our 1997 proposal. The Department sent a letter to the House in November 1997 recommending that H.R. 2503 be modified to incorporate the refinements in our most recent proposal.

The Department has developed a program to place on the Internet, through our DOJ homepage, information regarding "deadbeats" evading prosecution. The website currently displays the photos of several individuals listed as "wanted" and directs anyone with information to contact the FBI. The website will be expanded to include a "ten most wanted" section with photos and other information about the "wanted" parents.

#### 14) Initiative: Curfews

Information Requested: How many cities have curfews? How many school districts? How have these numbers changed since the President's speech on this subject in New Orleans? Are there other relevant statistics in this area (like the findings of the recent U.S. Conf. of Mayors study on this subject)? Are there any statistics that show a decrease in crime after the imposition



Cynthia A. Rice

01/08/98 02:55:42 PM

Record Type: Record

To: Andrea Kane/OPD/EOP, Diana Fortuna/OPD/EOP, Thomas L. Freedman/OPD/EOP, Mary L. Smith/OPD/EOP

cc:

Subject: Values ideas

Here's a summary of some of the better ideas we've dug up over the last two days....I'm still not thrilled by any of them...what do you think?

Service and Teen Pregnancy Prevention: Have President: praise the importance of service, laud accomplishments, call for reauthorization of AmeriCorps, and state the benefits of service -- teens who serve their communities are more likely to graduate from high school and are less likely to get pregnant (a rigorous 10-year study of Teen Outreach Program released in August shows 60 percent lower school dropout rate and 33 percent lower teen pregnancy rate). Have Teen Outreach Program founder [or right individual] in gallery for President to thank and urge every community in America to adopt this successful model and work through service to ensure every child has an opportunity to perform service and a caring adult in their lives. Make moral statement we must all tell teens -- both boys and girls -- that having children before they finish school and get married is wrong.

Teen Pregnancy and the Media: Since I took office, we've sent the message to teens that they shouldn't have a child until they've finished school and have a paycheck to support them. Through welfare reform, we've told teens they must stay in school and live at home and we've launched the toughest ever crackdown on deadbeat parents, increasing child support collections by 63 percent (from \$8 to \$13 billion). We launched a national campaign to prevent teen pregnancy, mobilizing parents and community leaders all across America. I'm proud to say that as a result of these efforts, the teen birth rate has gone down every year of my Administration (by 10 percent since 1992). But we must do more -- we still have the highest teen pregnancy rate of the western democracies. Everyone of us must tell teens -- both boys and girls -- that having children before they finish school and get married is wrong. The entertainment industry can and must play a critical role in this effort. Tonight I invite every network and movie studio to come to the White House to develop a plan to decrease the number of teen parents even more. [The National Campaign is already working with NBC, Warner Brothers television, People Magazine, ABC Daytime, and others, but we need to push to get specific commitments and actions.]

Out of Wedlock Births: We must also do more to stop the alarming increase in the number of children born out of wedlock. Last year with the Congress we enacted a new effort to reward efforts made on the state and local level. Tonight I am pleased to announce a nationwide competition that will provide bonuses to those states that reduce their out-of-wedlock births the

most.

Statutory rape: It is wrong for adults to prey on teenagers. About 8 percent of teen births are the result of statutory rape -- but even when the teenager doesn't get pregnant, statutory rape is just plain wrong. Tonight, I call upon every state to provide tough criminal penalties for any adult having sex with a teenager who under age 16 and I direct the Attorney General to draft model legislation.



16

01/08/98  
03:56:49 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP  
cc:  
bcc:  
Subject: Re: Values ideas 

I see what you mean. One thought: in your teen pregnancy bullet, your sentence "Tonight I invite every network and movie studio to come to the White House to develop a plan to decrease the number of teen parents even more" should say "develop a plan to change their programming" or something like that, so it's clear what they would focus on.

Cynthia A. Rice



Cynthia A. Rice

01/08/98 02:55:42 PM

Record Type: Record

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**State of the Union Ideas on Welfare Reform**

Success Story: [Highlight success story of former welfare recipient in gallery.]

Caseload Numbers: We are so proud of [name of welfare recipient] for her success in getting off welfare -- and she is not alone. A year ago, I said we must act to meet a new goal: 2 million more people off the welfare rolls by the year 2000. Tonight I am proud to say we've met that goal -- two years ahead of schedule. [still getting final numbers, but we should make it]

Business Accomplishments: I am also proud to say that over \_\_\_\_\_ companies have accepted the challenge I made in this chamber a year ago to join in a new national effort to create jobs so that people can move from welfare to work.

New Challenge to Business: But we must do more to help more welfare recipients go to work, retain their jobs, and succeed in the workplace. Tonight I call upon companies across American to join this effort so by next year we will have at least 10,000 companies hiring new workers from the welfare rolls.

Helping Business Hiring from the Welfare Rolls: We will do our part to help. Thanks to the tax cuts we passed in 1993 and again last year as part of the balanced budget, companies who hire long term welfare recipients get a tax break -- and entry level workers can receive a substantial tax cut in every paycheck. Now, we'll make it even easier for companies to take advantage of these benefits, so they can hire and retain more workers from the welfare rolls, through a new 1-800 number to help them cut through the IRS' red tape and get the help they need. [need to talk to Treasury]

Transportation: To get to work every day, people need reliable transportation. That's why I've proposed, and I call upon Congress to adopt, a transportation bill which includes funds for welfare to work transportation.

Housing Vouchers: Some welfare recipients need to move closer to where the jobs are, or need more stable housing in order to go to work each day. To ensure these welfare recipients go to work, my budget will call for 50,000 new housing vouchers targeted to welfare to work.

Child Support Challenge: Finally, we know that child support can be the difference between welfare and self-sufficiency. Every child has two parents and they are entitled to the support of two parents. We have made remarkable progress in this area -- increasing child support collections from \$8 to \$ \_\_\_\_\_ billion since I took office. About a year ago, we enacted sweeping reform of our nation's child support laws, that include tough new measures to help states track deadbeat parents across state lines. We must all make sure these tough measures are enacted to the fullest. Tonight I pledge my Administration will work with every state and every parent to help collect the money owed their children, and commit to increase child support collections to \$20 billion a year by the year 2000. *Crack down on computer systems*

DNA Paternity Testing for Military: And tonight, I will ensure our military is doing its fair share to help collect support, by making available all relevant personnel records, including DNA records, needed to establish paternity and collect support from the members of the armed services. [need to vet idea -- recommended by ACES].

**Welfare Reform and the 1997 State of the Union; Promises Made, Promises Kept**

*What the President said*

What the President did

We must act to meet a new goal: 2 million more people off the welfare rolls by the year 2000.  
Welfare caseloads have dropped 2 million in the last year [if dropped 240,000 in 8/97 & 9/97]

Here is my plan: Tax credits and other incentives for businesses that move people off welfare;...  
Because of President Clinton, employers who hire long term welfare recipients can now get a tax credit of up to \$3,500 in the first year of employment and \$5,000 in the second year.

...incentives for job placement firms and states to create more jobs for welfare recipients;...  
Because of President Clinton's leadership, a new \$3 billion welfare to work fund will help move welfare recipients in high poverty areas to work.

...training, transportation, and child care to help people go to work....

The President's welfare to work transportation proposal has been adopted by Congressional committees and is we hope on the road to becoming law. In 1997, the Administration spent nearly \$3 billion on child care subsidies for working parents.

Now I challenge every state: Turn those welfare checks into private sector paychecks.  
36 states [need update] now use welfare dollars to subsidize jobs for welfare recipients.

I challenge every religious congregation, every community nonprofit, every business to hire someone off of welfare...I am pleased to announce that five major corporations -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- will be the first to join in a new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work.

To date, 2,500 companies, representing over 5 million employees in all 50 states, have pledged to hire workers from the welfare rolls [need update]. The federal government is doing its fair share -- hiring over 2,000 welfare recipients so far and pledging to hire 10,000 by the year 2000. And over religious and civic organizations, representing local chapters around the country, are now mentoring individuals moving from welfare to work to help them retain their jobs and succeed in the work place.

And we must join together to do something else, too -- something both Republican and Democratic governors have asked us to do -- to restore basic health and disability benefits when misfortune strikes immigrants who came to this country legally, who work hard, pay taxes and obey the law.

During the Balanced Budget negotiations, the President fought for and won \$12 billion in SSI and Medicaid for legal immigrants.

In the last four years, we have increased child support collections by 50 percent. Now we should go further and do better by making it a felony for any parent to cross a state line in an attempt to flee from this, his or her most sacred obligation.

An Administration proposal has passed the Senate but not the House of Representatives [check].

**Welfare Facts to Get for 1998 State of the Union**

1. State by state caseload numbers from August and September 1997.
2. State by state caseload numbers from October 1996 (data cited in 1997 SOU);
3. Number of states turning welfare checks into paychecks;
4. Number of companies that have joined the Partnership; number of employees in those companies; percent of those companies with fewer than 250 employees; number of welfare recipients those companies have hired;
5. Number of legal immigrants who have had basic health and disability payments restored;
6. Amount of child support collected in 1997 (was \$12 billion in 1996);
7. Number of licenses (drivers, professional, hunting) have been suspended under the new child support rules;
8. Number of welfare recipients and how many long-term welfare recipients has the Work Opportunity Tax Credit been used;
9. Number of low wage workers get a pay raise each year through the Earned Income Tax Credit and number who get advanced EITC in every paycheck;
10. Basic facts about EITC -- examples of how much it helps family with two kids and certain income, how much yearly, how much each paycheck, etc.
11. Data illustrating how difficult is it for employers, in this economy, to find workers;
12. Number of organization, and local chapters they represent, that are members of the Vice President's Coalition to Sustain Success;
13. Amount of unpaid child support owed to children in U.S. (There are several ways to do this calculation -- i.e., if all families had updated child support orders; if all existing orders were current, etc. We need all versions.)
14. Viability of executive order requiring military to provide DNA records of servicemen to paternity determination upon receipt of an administrative or judicial order.
15. Viability of 1-800 number or other ways to increase use of advance EITC.
16. Viability of challenging Partnership to have 10,000 members by next year.
17. Check to see if the Senate passed S. 1371 before adjournment, the Deadbeat Parents Punishment Act of 1997, which makes it a felony to cross state lines in an attempt to avoid child support, and whether the House took any action on similar legislation.



**United States  
Office of  
Personnel  
Management**

**FAX  
TRANSMITTAL  
SHEET**

*COI*

**OFFICE OF THE DIRECTOR  
1900 E STREET, NW., ROOM 5H09  
WASHINGTON, DC 20415-0001**

Date:	1/8/98
Number of Pages	3

**Please  
Deliver  
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**Remarks**

Here are the latest welfare to work numbers. (174 more hires this past month).

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**Welfare-to-Work**  
**Commitments and Hires through December 22, 1997**  
 as Reported by the U.S. Office of Personnel Management

Agency	Total Commitment Thru 2000	1997 Hires Reported Thru December 22	% of Total Year 2000 Commitment Hired since 3/8/97
Commodity Futures Trading Commission	--	2	--
Department of Agriculture	375	205	55%
Department of Commerce	4180	87	2%
Department of Defense	1600	377	24%
Department of Education	21	8	38%
Department of Energy	55	15	27%
Department of Health & Human Services	300	155	52%
Department of Housing & Urban Development	200	45	23%
Department of the Interior	325	74	23%
Department of Justice	450	74	16%
Department of Labor	120	54	45%
Department of State	220	10	5%
Department of Transportation	400	106	27%
Department of the Treasury	405	62	15%
Department of Veterans Affairs	800	666	83%
Environmental Protection Agency	120	32	27%
Equal Employment Opportunity Commission	--	6	--
Executive Office of the President	6	6	100%
Federal Emergency Management Agency	125	27	22%
General Services Administration	121	57	47%
National Aeronautics & Space Administration	40	8	20%
National Archives & Records Administration	--	10	--
National Credit Union Administration	--	4	--
National Labor Relations Board	--	1	--
Office of Personnel Management	25	33	132%
Railroad Retirement Board	--	1	--
Securities & Exchange Commission	10	6	60%
Small Business Administration	120	34	28%
Social Security Administration	600	222	37%
U.S. Information Agency	20	15	75%
U.S. Nuclear Regulatory Commission	--	1	--
<b>TOTAL</b>	<b>10638</b>	<b>2403</b>	<b>23%</b>

- States are delineating a lower age of the minor that increases the seriousness of the charge or the penalty for the conduct. (Almost all states currently do so.)
- States continue to be split on whether the mistake-of-age defense is available. The availability of the defense is sometimes limited to minors above a certain age.

In addition to these trends, a concurrent ABA study (funded by the Office for Victims of Crime, U.S. Department of Justice) identified issues in recently enacted and proposed statutory rape legislation. As noted in that study, recently passed amendments to the laws have included provisions to target defendants who are much older (three states); raise the age of the minor subject to protection and impose age differentials between the minor and the defendant (two states); authorize civil penalties (one state); make impregnation of a minor a separate offense (one state); and encourage reporting of statutory rape involving minors aged 13 and over (one state).

In general, the laws criminally proscribe sexual intercourse between 10- to 15-year-old girls and men age 20 and older. There are some exceptions; a few states do not protect minors under the criminal laws beyond 14 or 15.

Laws requiring certain professionals to report child abuse are often unclear as to whether statutory rape is included and must be reported. A brief review of summaries of these laws reveals that states are fairly evenly split on mandating the reporting of

statutory rape. Further study on this issue is called for.

## Recommendations

**1. Minimum Ages and Age Gaps.** All girls ages 10 to 15 should be protected from "consensual" sexual intercourse with older men (e.g., those age 20 and older). Laws that do not provide criminal penalties for men age 20 and over who have sexual intercourse albeit consensual, with girls under the age of 16 should be amended to provide legal protection for these girls. The few laws that set an absolute "age of consent" for girls their 14th or 15th birthday, no matter how old their male "sexual partner" is, should also be amended accordingly. These laws can utilize absolute ages (e.g., specify defendant be age 20 or older), or specify that the defendant must be a certain number of years — 4 or 5 — older than the minor.

**2. Increased Penalties Under Certain Circumstances.** Repeat offenders and men who are 10 or more years older than girls aged 10-15 should receive harsher penalties.

**3. Focus on Repeated Sexual Relationships.** Men who are found to have repeatedly moved from one unlawful sexual relationship to another should be the special focus of prosecutorial attention.

**4. Prosecution Without Regard to Class, Social Status, or Race.** Prosecution for unlawful sexual intercourse based on the sexual involvement of an adult man with a young teen girl — when such a prosecution is appropriate — should be brought without regard to the man or girl's class, social status, or race.

**5. Prosecution Regardless of Pregnancy.**

Prosecution of these offenses should not be based on a girl's impregnation or child-bearing resulting from a relationship with an older man. Young girls in sexual relationships with adult men are in need of legal protection regardless of whether they were impregnated.

**6. Remove Mistake-of-Age Defense.**

Although a very few state constitutions may require otherwise, state unlawful sexual intercourse statutes that make consensual sex between men age 20 or older and girls age 15 and under criminal should not include a mistake-of-age defense.

**7. Actions Against Parents.** Child protective service agencies should consider juvenile court child neglect actions when the parents of young teen girls encourage, facilitate, or fail to intervene in these relationships. Criminal prosecutions for aiding and abetting the crime of unlawful sexual intercourse should be considered in egregious cases.

**8. Further Research on Age Differential.**

As noted, many states have provisions that essentially do not criminalize sex between peers. The variety in the state statutes (from no age differential to 5, 6 or 7 years) illustrates the tremendous difference of opinion on this issue. On what basis are legislators making decisions about appropriate age differentials: on media reports? Anecdotal evidence? research on developmental psychology? Further research that would assist states in setting this age differential is sorely needed.

**9. Further Research on Mandated**

**Reporting.** The issue of mandated reporting of a young teen girl's relationship with an older man to child protective services or the police raises serious, previously unaddressed, public policy problems and needs further, careful study. Awareness by girls that their relationships may be reported to authorities may deter girls from seeking medical or social services attention related to contraception, sexually transmitted diseases, prenatal care, or domestic violence. Child protective services agencies need clear protocols for responding to this type of report, and health care providers need guidance as to their legal obligations related to reporting when these sexual relationships are disclosed.

**10. Specialized Training.** Police, prosecutors, crime victim assistance programs, crime victim advocates, children's advocacy centers, rape crisis centers, and others working with victims of sexual assault should receive special training and technical assistance in how to more sensitively respond to adolescent girls who have been reported to authorities based on their sexual relationship with an older man.

**11. Child Support Protocols.** In those cases where the unlawful sexual relationship has produced a child, prosecutors and child support enforcement personnel need clear protocols to help assure that, where appropriate, the goals of establishing and enforcing support obligations, and helping the father be a more responsible parent, are realized.

**12. Interdisciplinary Task Force.** Police and prosecutors should join with child sexual abuse, adolescent health, teen pregnancy, and other youth experts in their communities to form a special interdisciplinary task force, committee, or working group that explores how to best respond to disclosures of young teen girls' sexual relationships with adult men.

**13. Publicity About the Laws.** The fact that consensual sexual relations between a young teen girl and an adult man is against the law, and that a man can be criminally prosecuted for the crime based on such a relationship, labeled as a felon, face incarceration, and be stigmatized as a sex offender, should be publicized both by the media and in educational settings. Programs focusing on males or educating men and young girls about these laws could be vehicles for informing these populations about these laws. In addition, it is important to communicate this information to people who have come to the U.S. from other countries where such sexual relations are not legally prohibited.

Announcements      -500

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- 2) Teen preg \$  
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- 4) cse
- 5) statutory rape