

DPC Prog staff
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March 18, 1996

MEMORANDUM FOR WHITE HOUSE SENIOR STAFF

FROM: Harold Ickes

SUBJECT: Talking points on product liability bill

Attached are the above referenced talking points prepared by White House Counsels office.
Please distribute to the appropriate people in your department.

3/18/96

TALKING POINTS ON PRODUCT LIABILITY BILL

If H.R. 956 becomes law in its present form:

- Injured victims of defective products may not receive the full measure of their damages.

A victim of a defective product who incurs noneconomic damage -- such as pain and suffering -- will have to sue every person or business that contributed to the injury. If one of the wrongdoers has died or gone bankrupt or otherwise become unavailable to suit, the victim will not receive the portion of noneconomic damages for which that wrongdoer is responsible. Under current law, the other wrongdoers pick up this portion of the damages award; under this bill, the innocent victim suffers.

Remember that companies that manufacture and sell defective products stand a much higher than usual chance of going bankrupt; consider, for example, manufacturers of asbestos or breast implants or intra-uterine devices. For this reason, the situation described above is very likely to occur in products liability cases.

- The incentive for companies to engage in egregious misconduct, such as knowingly manufacturing and selling defective products, will dramatically increase.

The bill's cap on punitive damages invites wealthy potential defendants, deciding whether to manufacture or sell a defective product, to weigh the costs of wrongdoing against the potential gains or profits. Punitive awards prevent sellers and manufacturers from engaging in such coldblooded analysis by making deliberate wrongdoers pay more than the harm they have caused. Under this bill, there is no such deterrence of wrongful conduct.

The provision of the bill allowing judges to exceed the cap in certain circumstances does not cure this problem, given the clear intent of Congress that "the occasions for additional awards will be very limited."

- Injured victims of defective products may not even be able to bring suit.

A victim of a defective product manufactured by a company that has gone bankrupt may not even be able to bring suit under this bill. This is because the bill, unlike the prior Senate version, does not stop the statute of limitations from running when a bankruptcy court (as often happens) issues an order preventing new lawsuits from being brought.

Again, remember that companies that manufacture and sell defective products stand a much higher than usual chance of

going bankrupt. For this reason, the change in the bill's statute of limitations provision matters greatly.

10 July 1995

MEMORANDUM FOR DPC STAFF *Jen*

2AFL/WW

FROM: Molly Brostrom
Jeremy Ben-Ami

RE: Review of Attached

In an attempt to avert future "blindsiding" by controversial issues, in May Leon Panetta asked agencies to identify major issues and policy decisions facing the Departments and the Administration over the next 12-18 months. He asked that the Departments pay particular attention to decisions with significant political implications. He also asked NEC to take the lead in coordinating analysis and raising issues at the appropriate levels.

We are working with NEC to move the project forward. Part of the end product will be a timeline identifying dates of possible developments in top issue areas, as well as contacts and the managing process for each area.

Please review the lists developed by agencies and answer the following questions for issues in your purview:

- Are there any potential "hot button" issues that were not identified by Departments?
- For each potential "hot button" issue, is there a process or group responsible that is actively/effectively managing the situation? Who is the lead (or should be, if a process does not exist)?
- For each potential "hot button" issue, are there any dates of potential developments (e.g. announcements, releases) of which we should be aware?
- Which of the issues identified by Departments are potentially the most controversial (i.e. should any of these issues be on a Top 20 list)?

NEC would like to bring Carol, Laura, etc. together by the end of the week to discuss top issues, so we need input from you by noon Wednesday. Please e-mail comments to Molly.

This is not the project that Jeremy mentioned this morning -- that entails looking back at our record and promises -- but as you can see, there is overlap. You may want to keep a future request for assistance with that project in mind when reviewing.

cc: Carol Rasco, Bruce Reed

DRAFT

UPCOMING POLICY DECISIONS
Department of Health and Human Services
May 9, 1995

Diana
Chris
Jen ✓
BW

ADMINISTRATION INITIATIVES

o Medicaid Waivers

The Department continues to work on Statewide health care reform by assisting States in the development of section 1115 Medicaid demonstration proposals, reviewing these proposals, assisting in implementation, and evaluating the outcomes of the demonstrations.

States are increasingly seeking waivers of Medicaid law, primarily to implement various types of Medicaid managed care, but also to increase program efficiencies or expand Medicaid eligibility. Each waiver involves negotiations over the allowable budget of the program, with a specific focus on minimizing the federal financial exposure. In addition to the effect on beneficiaries, these waivers have significant implications for many interests groups, including unions, hospitals, public health clinics, and other provider groups. The demonstrations also have implications for the future of the Medicaid program, in terms of the flexibility allowed states under current law, the entitlement nature of Medicaid, and future growth in program spending.

o Health Care Reform

Key reform issues are the future of Medicare, Medicaid, and insurance reform and their effects upon coverage. Specifics of Republican proposals in each area are likely to change and evolve in response to budget projections and public reaction. The Administration will need constantly to examine: how changing proposals fit together and interact with one another; the public's perception of and reaction to these proposals; and the "bottom line" impact proposals would have on access to health care for the American population. Controversy will surround each of these; for example:

Regarding Medicare -- Outside the context of comprehensive health reform, should the Administration fight Medicare cuts designed to balance the budget and continue to argue savings must be reserved for reform? Given projections that the Trust Fund will be insolvent by 2002, should the Administration take the lead at some point in proposing reform? If the Administration is willing to accept cuts, how deep can they go?

Regarding Medicaid -- Block grants are being proposed to balance the budget and grant states "flexibility," not to expand coverage. Moreover, block grants would end individual entitlement and reduce significantly spending on health care for children, elderly and disabled recipients. Will the Administration defend against Medicaid block grants? Are there conditions under which the Administration could accept block grants? If so, what are they? Is there a role for expanded coverage or maintaining beneficiary choice?

o Rego Proposal on Management of NIH's Clinical Center

As a part of the activities related to reinvention of government, the Department has been studying a number of its functions. One of these is the operation of the Clinical Center, the research hospital at the National Institutes of Health (NIH). This hospital has high unit costs when compared to private teaching hospitals. Since excess costs can reduce the capacity of NIH to carry out its research mission, effective management of the Clinical Center is essential to the future of the entire intramural program.

A feasibility study is being undertaken to analyze the cost structure of the Center with emphasis on the barriers to cost-effective management, to evaluate the range of possible means for overcoming these barriers, and to recommend next steps. The option of contracting out all or part of the Clinical Center activities will be considered. In addition, the possible approaches to financing of construction for a new hospital of more than 250 beds will be analyzed. In order to ensure objectivity, an internal options team will make extensive use of private sector technical advisors and will employ a consultant to conduct cost comparisons.

The impact of NIH employees could be significant if the option selected is one of contracting. Approximately 2000 FTE's are now assigned to the Clinical Center. It should be expected that the NIH constituency will oppose contracting vigorously since the Clinical Center is viewed as the heart of the intramural program.

o Financial Situation of the District of Columbia

The District of Columbia's Medicaid program is suffering severe financial problems because of the District's general financial situation. The Department continues to assist the District in identifying options to improve its Medicaid situation. However, certain crisis situations in providing care to the Medicaid population may occur. Also, certain

hospitals that provide large amounts of care to Medicaid beneficiaries (e.g., Howard University Hospital), may also encounter critical financial flow problems.

- o Enforcement of Limits on Physician Charges

During the next year, HCFA is likely to institute administrative proceedings to sanction physicians who have repeatedly and willfully charged Medicare beneficiaries more than they are allowed by law. This will be controversial because some physicians believe this provision is an example of excessive government regulation of the relationship between a doctor and his or her patient.

- o Effect of GATT on the Regulation of Generic Drugs

On December 8, 1994, the URAA was signed into law. The URAA, in part, changes the term of existing U.S. patents from 17 years (as measured from the date a patent is issued) to 20 years (as measured from the date the patent application was filed). These changes become effective on June 8, 1995.

As a result of the extended patent term, the URAA also delays the approval of generic drug products for human and animal use because current law prevents FDA from approving a generic version of a patented drug product except in certain limited situations. According to one study, the delay in the approvals of generic drug products alone will cost American consumers over \$6 billion over the next 20 years. This is controversial because the generic drug industry argues that FDA should continue to approve pending generic drug applications based on the current patent term legislation while the innovative drug firms would prefer the longer term.

- o Controversial Product Approvals

FDA evaluation of at least two products may cause controversy in the next year: RU-486, an abortifacient, and AIDS home test kits.

FDA may receive a new drug application for mifepristone (RU-486) within the next year. This would again raise the concerns of anti-abortion groups.

A home specimen collection kit for HIV testing is pending an approval decision by FDA. Evaluation of products designed for home collection of a blood sample for mail-in HIV testing has been a top priority of FDA for many years. FDA has held public meetings to gather the views of the various constituencies involved in AIDS issues on the pros and cons of a home collection kit for HIV, and is working with the manufacturers to resolve the remaining scientific and manufacturing issues surrounding approval of such a kit.

Those supporting HIV home collection kits suggest that approval of such kits would increase the population willing to be tested and, therefore, more individuals would become aware of their HIV status, seek medical care, and change their behavior patterns. In general, those opposed to HIV home test kits do not accept this claim without proof and do not believe the benefits have been shown to outweigh the risks. In particular, some believe that anonymous testing outside of the medical setting may interfere with public health reporting requirements, both by decreasing reporting and by decreasing the likelihood of medical referral. There is also concern that receiving very serious medical results by telephone is inappropriate.

o Task Force on Genetic Testing

The work of NIH's Human Genome Project has increased the number of disorders for which genetic tests will be possible. These tests have enormous potential for the early recognition and improved management of genetic disorders, but also pose serious dilemmas. The NIH-DOE Working Group on the Ethical, Legal, and Social Implications of the Human Genome Project has formed a Task Force on Genetic Testing to examine policies in this area. Obvious issues of concern involve the use of test results to deny health insurance and potential employment discrimination based upon results of genetic tests. (Six states have already passed laws against discrimination based upon genetic testing). The Task Force will be developing policy recommendations on these and other sensitive issues.

o IOM Study of HIV Transmission to Hemophiliacs through Blood Products

The Department contracted with the Institute of Medicine in May 1994 to describe the science and policy formulation processes as they evolved, to review subsequent changes to decision-making, and to provide guidance regarding approaches to policy development to be pursued in future efforts to protect the blood supply. The study is due to be completed at the end of May 1995. A summary will be

published in the *New England Journal of Medicine* and the Committee working on the report is trying to put the report on the agenda of the September meeting of the IOM Forum on Blood Safety. Because of the increased activism of the hemophiliac community, the release of this report will be highly controversial. A class action suit was recently filed on behalf of hemophiliacs infected with HIV/AIDS and legislation has been introduced to put aside \$1 billion in compensation for affected hemophiliacs.

BUDGET ISSUES

- o Solvency of the Medicare Trust Funds and Medicare Spending Reductions

Whether Medicare spending should be reduced to shore up the solvency to the Medicare Trust Funds is probably the most controversial issue in health care. Republicans are trying to paint the President and the Department as fiscally irresponsible for not proposing such reductions. Proposals to extend the solvency of the trust funds will require significant changes in the program, affecting providers, beneficiary cost sharing, tax rates and/or covered benefits.

A closely related issue is whether the Department should provide assistance to Republicans in developing Medicare spending reductions. If technical assistance were provided, the Department's endorsement of such policies might be inferred.

o Medicaid Block Grant

The Republican budget cuts for Medicaid are expected to be in the range of \$170 billion to \$190 billion over 7 years. No legislation has been introduced on how these cuts would be made, however, Republican discussions in Congress and with Governors have focused on achieving these cuts by making the Medicaid program a block grant instead of an entitlement. The increased flexibility that States would have under a block grant would not produce the level of savings necessary to live within such block grant levels unless current Medicaid coverage is reduced significantly. In addition, there would be considerable variation across States as to the size of the cuts..

o FDA Consolidation

The creation of a new Food and Drug Administration (FDA) headquarters consolidated campus is authorized under Public Law 101-635, the FDA Revitalization Act of 1990. One of the campuses is to be located in Montgomery County, Maryland and the other in Prince George's County, Maryland. The FDA consolidation plan has strong support from Senator Mikulski, Congressman Hoyer, Congresswoman Morella, and Congressman Durbin.

Currently, FDA headquarters facilities are scattered in 48 buildings in 20 locations which reduces the efficiency of agency operations. The consolidation project would resolve current overcrowding and safety hazards in current facilities. GSA has estimated that the Government could save \$3 billion in leasing costs over a thirty year period if the facilities were government owned. FDA and GSA believe an additional savings of \$41 million can be achieved in Phase I of the consolidation from acquisition of the land. To date \$40 million has been obligated for the consolidation project.

A proposed rescission bill of 1995 funds is the subject of a House/Senate conference scheduled for May 9, 1995. The Senate version would rescind all unobligated funds (\$284,650,000) that were appropriated for the consolidation project in fiscal year 1995. The House version has recommended full funding for the project. Some Republican members of Congress have suggested that FDA will be the subject of restructuring and reform in the 104th Congress. These members argue that it would be unwise to proceed with consolidation pending the outcome of the reform initiative.

o Head Start Program

The FY 1996 President's Budget request for the Head Start Program is approximately \$3.9 billion, an increase of \$400 million over the FY 1995 appropriation. Indications are that Congress is considering funding levels far below the President's request for FY 1996 and, in fact, both the House and Senate considered cuts in the FY 1995 appropriation during mark-up of the FY 1995 rescission bill. While the rescission proposal did not materialize, there is a range of proposals being considered by Congress regarding Head Start funding cuts for FY 1996, as well as more generalized cuts in discretionary spending. One of the latter is a Senate proposal to cut all discretionary spending by 20 percent by the year 2000.

o Low Income Home Energy Assistance (LIHEAP) Program

The FY 1996 President's Budget requested level funding for LIHEAP for FY 1997 at \$1.3 billion because this is an advance appropriated program. The House rescission package included the rescission of the FY 1996 LIHEAP program in total. The Committee, in report language, indicated that it believes the program has evolved from a temporary energy crisis assistance program into a broad income supplement. The Committee Report also noted the expectation that the committees of jurisdiction would reexamine the structure and purpose of the program in the near future. While the Senate has indicated that it will not include any LIHEAP rescission in its initial package, it will be a major issue during conference.

o Rescission of Programs for "Emerging Infections"

The House rescission bill includes a \$2.8 million rescission of funding for CDC's activities related to emerging infections. (This rescission is not included in the Senate's version.) Through a competitive process for establishing new cooperative agreements, CDC had planned to provide funding to 10-12 state/local health departments to assure core surveillance and response capacity, and specific epidemiologic and laboratory investigations of emerging and re-emerging infectious diseases. This would include outbreaks of meningitis and food and waterborne diseases, as well as evaluation of increasing emerging disease threats such as drug-resistant diseases and animal rabies, and importation of diseases such as plague. The rescission would not allow CDC to announce this assistance program and provide funding to state/local health departments. The President's FY 1996 budget request included an increase of \$8.8 million for CDC's infectious disease programs.

REGULATIONS

o Enforcement of New Long Term Care Requirements

On July 1, 1995, HCFA will begin enforcement of new long term care regulations which were published in final on November 10, 1994. The regulations implement legislative provisions of OBRA 87 that provide for the application of remedies other than termination of the nursing home (including fines) to use against nursing homes which are not in substantial compliance with the Medicare/Medicaid participation requirements.

The nursing home industry is attempting to delay implementation of the regulations, claiming that the regulations will result in excessive penalties against nursing homes. Consumer groups are adamantly opposed to any further delays.

o Alternate Penalties to be Proposed for Home Health Agencies (HHAs)

HCFA will publish new enforcement regulations for Medicare certified Home Health Agencies (HHAs) during the first 6 months of 1996. The regulations will implement statutory provisions of OBRA 87 that provide for alternative remedies against HHAs that do not meet the Medicare Conditions of Participation. We expect the home health industry to oppose the regulations and consumer groups to support them.

o Implementation of Prohibitions on Physician Referrals Where Financial Interest Exists

HCFA will soon be publishing a final regulation that implements an OBRA 89 provision (i.e., Stark I) prohibiting physicians from referring Medicare patients for services to laboratories in which they have a financial interest. This regulation will be followed by a proposed regulation which implements an OBRA 93 provision (i.e., Stark II) that expanded these prohibitions to other settings. The AMA and other physician organizations and group practice associations are seeking legislative changes to narrow or eliminate many of the restrictions on self-referral. Independent laboratories and other direct providers of these services oppose any changes to the current law.

o Limits on Financial Screening of Nursing Home Patients

HCFA intends to publish a proposed rule that would prohibit nursing facilities from (1) financial screening of nursing home patients prior to admission and (2) limiting Medicare and Medicaid beds to a subset of the total facilities' beds. Patient advocacy groups and civil rights organizations have pressed for these changes because nursing facilities (NFs) have used financial screening and bed limitations to avoid admitting members of minority groups and patients that might become Medicaid patients. Both these provisions will be opposed strongly by the nursing home industry, which sees them as intrusions on their ability to select the most profitable patients and avoid patients they do not wish to admit.

o Organ Allocation

The Department is engaged in rulemaking regarding the Organ Procurement and Transplantation Network. Among other tasks, this network sets policy for the allocation of available organs. Comments on the proposed rule have led to a difference of opinion between the current contractor, the United Network for Organ Sharing (UNOS) and one of the largest transplant centers, the University of Pittsburgh Medical Center, regarding the policy for allocating livers. The policy has implications for patients in terms of lives saved and for transplant centers in terms of funding.

The Pritsker Corporation, under contract to UNSO, is currently modeling four different allocation systems, including the one proposed by the University of Pittsburgh. The University of Pittsburgh has hired its own contractor to model the Pittsburgh proposal. The modeling project will be completed in June.

o Enforcement of State Tobacco Laws

Under the Synar Amendment to the PHS Act, states are required to have in effect a law prohibiting the sale of tobacco to minors in order to be eligible for Substance Abuse Prevention and Treatment block grant funds. The

states must also agree to enforce the law in a manner "that can reasonably be expected to reduce the extent to which tobacco products are available" to minors, or face statutory penalties.

The Department is in the final stages of rulemaking to implement this provision. To show that they are meeting the law's requirement, states will have to meet an annual goal of reduced sales to minors that they will individually negotiate. The goal will be measured by the percentage of establishments that fail annual compliance checks conducted by the state.

The Synar regulations constitute a requirement that the states enforce their anti-sales law, and some states object to such federal direction.

LEGISLATION

o Vaccines for Children Program

Even though the Vaccines for Children Program (VFC) has been in operation for only seven months, it is up and running in public clinics in all states and will be operational in private providers' offices in all states by late this year or early next year. Despite these successes, there may be legislative efforts to repeal or drastically alter the VFC. Some Congressional and other sources have characterized VFC inaccurately as an entitlement out of control. Some have alleged, also incorrectly, that the cost of vaccine to parents--a problem the VFC is designed to help alleviate--is not a significant barrier to immunization. The Senate Committee on Finance held a hearing on the VFC on May 4. The House Commerce Committee will hold a hearing on VFC on May 22.

o Supplemental Security Income for Children

Recently, the SSI program for children with disabilities has come under attack. Concern was primarily triggered by dramatic growth in the number of children receiving SSI, and allegations of fraud that have been highlighted in the media although they are largely unsubstantiated.

The number of children on SSI has tripled since 1989, greatly increasing the cost of this program. Three factors contributed to this: (1) the congressionally mandated promulgation of new, expanded mental impairment listings; (2) the Supreme Court's Zebley decision which mandated an assessment of the effect of a child's impairment on his or

her ability to function in an age- appropriate manner; and (3) the congressionally mandated outreach by SSA to potentially eligible children.

The Congress has included reform of the SSI children's program as part of the welfare reform debate. The House bill essentially repeals the Zebley decision and makes it more difficult for an even larger category of children to receive cash benefits. If the House bill had been in effect in 1991, 18 percent of all SSI children would have received no benefits, 61 percent would have been denied cash, but would have been eligible for block grant services, and only 21 percent would have received cash benefits and block grant services. The Senate is now considering options under their welfare reform proposals.

In addition to the congressional debate, the Commission on Childhood Disability, a congressionally mandated commission, is now considering recommendations. The Administration is also conducting a top-to-bottom review of the government's disability policy. This issue is a part of that review.

o Welfare Reform

There are several major and controversial issues to consider as welfare reform continues to move through Congress.

Practical and serious work and training requirements are essential to meaningful welfare reform, and they must be accompanied by increased and separate funding for necessary services such as child care and training.

State flexibility must be accompanied by protections for states and families from changing economic and demographic conditions. Entitlement funding is the best way to ensure that protection. The perceived link between block grants and state flexibility is a false one.

State and federal partnership with shared financing is essential. If there is no requirement for state match or maintenance of effort, there will be powerful incentives for states to cut benefits. A "race to the bottom" is likely.

Protecting children must be our top priority. Major cuts have been proposed in AFDC, child protection services, SSI disability, child care, school lunch, and Food Stamps. Cuts may soon be proposed in the EITC. Maintaining a federal entitlement for nutrition programs is especially critical

o FDA's Scope and Authority

During the past few months, FDA has been attacked by some groups as overly slow to approve new drugs and medical devices and exerting authority beyond Congressional intent. These attacks are typified in recent reports by various Washington "think tanks," such as the Heritage Foundation, the Progress and Freedom Foundation, and Citizens for a Sound Economy. Some industry groups have also been critical, particularly the manufacturers of medical devices. That criticism is likely to be a focus of hearings in the House of Representatives later this year, particularly by the Commerce Committee.

FDA's response is likely to be that protecting the public from unsafe products is the agency's mission, that new drugs are moving toward approval times that are among the fastest in the world, and that medical device approvals are being expedited as well. Such responses may not be satisfactory for FDA's opponents, who will argue that the agency should make such fundamental changes as contracting out to private parties the review of new drugs and devices, allow unlimited exports of experimental products, deregulate oversight of product testing in humans, and permit manufacturers to advertise drugs and devices without current regulatory requirements. Because the foods, drugs, and medical devices regulated by FDA are so commonly used by all Americans, these issues are likely to be of great interest to the news media, which have in the past given substantial coverage to such attacks.

o Efforts to Abolish NIOSH and Center for Injury Prevention and Control

Following Heritage Foundation testimony in January 1995, there have been several congressional proposals to cutback, move the functions of, or even eliminate the National Institute for Occupational Safety and Health (NIOSH). Both the House Budget and the House Economic and Educational Opportunities Committees have targeted NIOSH for elimination. Their rationale is that NIOSH duplicates the work of OSHA, state agencies or the private sector. NIOSH is the only federal agency that broadly addresses the need for occupational safety and health research and professional training.

The Heritage Foundation also has targeted CDC's National Center for Injury Prevention and Control, suggesting that the Center be "eliminated immediately." The House Committee on Budget recently included the phase out of CDC's injury

control research in its list of "Illustrative Republican Spending Cuts." CDC is receiving an increasing volume of inquiries from congressional staff expressing constituent concerns about firearm injury-related CDC research.

o Coverage of Physician Office Labs under CLIA

The Clinical Laboratory Improvement Amendments (CLIA) sets standards for clinical laboratory testing in all laboratories in the nation that conduct testing on biological materials in a health care context.

Representative Archer has introduced an amendment to CLIA that would exempt all physician office laboratories, except those that perform Pap smears, from CLIA's requirements. The physicians' lobby strongly supports Archer's bill. CDC and HCFA, which are jointly responsible for implementing CLIA, have taken steps to simplify CLIA's requirements and meet the physician's concerns. CDC and HCFA believe that CLIA is improving the quality of laboratory testing and that physician office labs should not be exempted.

o Child Bearing Women's Survey for HIV Status

The goal of the survey is to track HIV infection in women in order to provide information for planning health care resources needs, and to better target services and care to two groups increasingly affected by AIDS: women and children. CDC conducts the survey in collaboration with the health departments of 45 states, the District of Columbia, Puerto Rico, and the Virgin Islands. Because it is a "blinded" survey, created for surveillance and not diagnostic purposes, personally identifying information is not available. In 1994, the survey cost about \$10.5 million. This survey is controversial because Rep. Ackerman (D-NY) has proposed legislation, H.R. 1289, which has bipartisan support and over 200 sponsors, to, in effect, "unblind" the survey and thereby mandate testing of the pregnant women whose infants are tested.

In summary, his bill would require any State that conducts an HIV test, or which requires results of HIV testing of a newborn infant to be reported to the State, to promptly disclose the results of the testing to the biological mother, or, if the State is the legal guardian, to the appropriate official of the State agency responsible for care of the infant. The Public Health Service has recently issued draft guidelines which call for HIV counseling and voluntary HIV testing of pregnant women so that they can receive AZT before and during delivery as the most effective means of preventing perinatal transmission of HIV.

- o Illegal State Provider Taxes

Federal law (enacted in 1991) indicates that when States impose taxes on health care providers, these taxes must not violate certain statutory standards. Numerous States have enacted taxes which appear to violate these standards. This situation will lead to the need for decisions on taking substantial Federal disallowances against these States. While all States are aware of their potential fiscal disallowances, the actual disallowance action will be controversial and financially hard for some states.

- o Limits on Medicaid Disproportionate Share Hospital (DSH) Expenditures

OBRA 93 statutory limits on DSH expenditures will be fully implemented in July 1995. This will cause certain states, such as Louisiana, and certain hospitals that have been particularly dependent on DSH funding a great deal of financial difficulty.

- o Hyde Amendment

The Hyde Amendment mandates that States provide coverage for Medicaid abortions to terminate pregnancies which endanger the woman's life if the pregnancy were carried to term or resulted from an act of rape or incest. A number of States are out of compliance with this statute. If they do not come into compliance, there will be a need for decisions on levying Federal fiscal penalties against these States. Assessing the required fiscal penalties is always controversial. (Will add more on Hyde amendment policy.)

- o Reauthorization of Title X

The Family Planning Programs under Title X of the PHS Act have been unauthorized for ten years but have been continued annually through the appropriations process. An authorization bill has been introduced, sponsored by Reps. Greenwood, Porter, Waxman and Lowey. In addition, a letter to the Speaker supporting reauthorization has been prepared for the Secretary's signature. Action on the reauthorization is unlikely but, if it occurs, will be an opportunity for introduction of amendments that could severely restrict or kill the program.

Absent reauthorization, there is likely to be a parliamentary move to delete appropriations for Title X on the grounds that it is not authorized. Appropriations Chairs in both House (Porter) and Senate (Specter) are strongly supportive of the program.

o White House Conference on Aging Followup Proposals
(to be added)

This Congress will launch a variety of attacks on abortion rights, including the Hyde Amendment and Title X reauthorization battles identified by HHS. Also significant will be attempts to: ban abortions at military hospitals, even when those abortions are paid for by the patient as they are under current policy; eliminate federal funding for foreign organizations that promote or perform abortions, even though those funds are not used to fund abortions; block FDA approval of RU-486; force the Accreditation Council on Graduate Medical Education to reverse its current policy requiring OB/GYN programs to provide training in abortion procedures [note to Jen -- as you know there is a conscience clause exception here] and prohibit Federal Employees' Health Benefit Plans from covering abortion.

In addition, the attempt to outlaw late-term D & X abortions is considered important by the reproductive rights advocacy community because it represents a shift to evaluating the effect of the abortion procedure on the fetus. This shift is considered significant because all abortion procedures result in fetal death.



"What is the problem now with the American economy? The incomes of the American people are not going up in the global economy. If you reduce the deficit to zero, if you balance the budget in seven years, ... that would either require massive tax increases or massive budget cuts which would be unfair to our long-term objective to stabilize the incomes and the way of living of the American people. If you ignore it, the same thing would happen."

President Clinton

Tuesday, May 23, 1995

Budgets Should Raise Standards of Living for Working Americans. The President's Budgets Have Moved Toward That Goal. The test for a budget is whether it contains a balance of policies to help more families to realize the American Dream. The budget is now beginning to approach balance only because President Clinton signed a plan -- over strong Republican opposition -- that is reducing the deficit by over \$1 trillion over 7 years. (If not for the deficits accumulated during the Reagan-Bush years, the President would already have brought the budget to surplus.) As he has reduced the deficit, the President has taken other steps essential to raise standards of living:

- Dramatically expanding educational opportunity;
- Providing a tax break to 15 million working families by expanding the Earned Income Tax Credit; and
- Seeking to address the nation's health care challenges.

The President Wants to Move Toward a Balanced Budget--Within a Balanced Approach to the Budget. The status quo is not acceptable. The President is committed to achieving further deficit reduction in the context of serious, step-by-step health care reform. As we reduce the deficit, the President believes we must also:

- Expand educational opportunity,
- Preserve tax fairness for working families, and
- Fulfill our obligations to senior citizens.

There is a Right Way and a Wrong Way to Reduce the Deficit. Republicans Would Do It the Wrong Way. That's Why the President Insists on Three Reasonable Conditions for Going Forward. President Clinton has proven that the deficit can be cut the right way. Republicans are proposing to cut Medicare and education in order to pay for tax breaks for the wealthiest. That is the wrong way. The right way to reduce the deficit means three things:

1. **No Tax Cuts Targeted at the Wealthy.** The Contract with America provides a \$345 billion tax break targeted at the wealthiest--a \$20,000 tax break for the top 1%.
2. **Address Medicare and Long-Term Care in the Context of Health Care Reform.** We need to reduce health care costs in a way that treats seniors fairly and doesn't shift costs to the private sector -- that is, with sensible but serious health care reform.
3. **Cut the Education Deficit, not Education.** While we need a disciplined deficit reduction path, we must be equally disciplined about reducing the education deficit. Investing in education is essential to raise our standards of living. The GOP budgets wage a full-scale assault on education-- eliminating Goals 2000, national service, and grace periods for college loans, while gutting or sharply cutting School-to-Work, Head Start, and other key education investments.

"When I presented my initial budget to the Congress, I said we can cut the deficit much more, but we have to do it in the context of health care reform. Otherwise, you're going to have a lot of hardship on elderly people and others. Secondly, the tax cut is way, way too big, and it is essentially paying for tax cuts to people who are not needy and who are doing well in this economy by cutting Medicare. Thirdly, the education cuts are too deep. And fourthly, the Senate proposal cuts -- raises taxes on working Americans with children with incomes under \$28,000 and lowers taxes on people with incomes over \$200,000. That's the reverse of what we ought to be about.

"And finally, the seven-year period is an arbitrary period not dominated by an analysis of economic policy and what's good to raise incomes, but basically just a figure picked out of the air. So that's where I think we ought to begin."

President Clinton
Tuesday, May 23, 1995

To: DPC Staff

**Rescission Talking Points
May 17, 1995**

THE REPUBLICAN ASSAULT ON EDUCATION AND THE ENVIRONMENT

The conference bill nearly triples the Senate-passed cuts in education programs (to \$813 million) and doubles the cuts in National Service (to \$210 million).

The conference bill rescinds \$1.5 billion in environmental programs -- more than were in either the House or Senate bills.

For programs covered in the Dole-Daschle amendment, conferees added \$695 million in cuts below the Senate-passed bill.

The impact on specific programs is even more striking:

EDUCATION AND TRAINING:

- **National Service:** 15,000 fewer young adults to serve their communities as AmeriCorps Members and earn money for education
- **Goals 2000:** 2,000 fewer schools in 47 States to receive funds to devise comprehensive reforms to boost academic standards
- **School-to-Work:** Several thousand youths would lose the opportunity to participate
- **One-Stop Career Centers:** 40 percent cut in the number of new States that receive Federal support for employment and training services
- **Safe and Drug-Free Schools and Communities:** Cuts or eliminates anti-violence and drug prevention programs serving nearly 20 million students in over 90 percent of all schools

ENVIRONMENT:

- **Safe Drinking Water:** Delay investments in more than 1,000 public water systems serving 13 million people that lack the filtration systems to prevent incidents like the Milwaukee cryptosporidium outbreak that killed 100 people in 1993
- **Timber Salvage Sales:** Overrides all environmental laws and increases the possibility that timber sales from federal lands will again be embroiled in legal challenges

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

- The most distressed communities would lose access to more than \$88 million in Federal support that would ultimately leverage hundreds of millions in additional capital

CRIME AND PREVENTION:

- Cut \$22 million from drug courts that provide drug treatment to non-violent, first-time offenders, and \$37 million from community schools

WIC

- 480,000 fewer food packages for nutritionally at-risk women, infants, and children

HOUSING AND VETERANS

- **Housing Opportunities for Persons With AIDS (HOPWA):** 8,000 people with AIDS and their families would not receive housing and support services -- and would face a greater risk of homelessness
- **HUD:** 63,000 low-income households would not receive help, and 24,000 homeless families would not be able to move into transitional or permanent housing
- **VETERANS MEDICAL CARE:** Funding cut will hurt VA's efforts to address an estimated \$800 million backlog for needed medical equipment.

**"Pork Vs. People":
The Republicans' Rescission Bill
vs.
The President's 1995 Rescission Proposal**

- This is **not** a dispute over deficit reduction: The Republicans cut \$16.414 billion. The President cuts \$16.524 billion, growing to \$18.614 billion over 6 years.
 - The President has a plan to cut **more** in 1995 spending than Republicans.
- It is a dispute over priorities: "pork vs. people."
- This bill cuts deeply into key investments -- principally, education -- that help average Americans build a better future.
- The President proposes to restore funds for such investments and cut courthouses, highways, and government overhead.
- He proposes enough in cuts to offset the costs and also further reduce the deficit.

The President proposes to cut:

- ⇒ \$438 million from courthouses and other federal office space
- ⇒ \$450 million from highway demonstrations
- ⇒ \$474 million from government travel and overhead
- ⇒ \$102 million from foreign aid
- ⇒ \$60 million from an expatriates' billionaires' loophole (\$2.15 billion/ 6 years)

**Additional 1995 deficit reduction: \$50 million from spending cuts
\$60 million from the billionaires' loophole**

The President proposes to restore:

- ⇒ \$619 million for education and training
- ⇒ \$500 million for the environment
- ⇒ \$230 million for housing and veterans programs
- ⇒ \$20 million for WIC nutrition
- ⇒ \$31 million for crime prevention
- ⇒ \$14 million for community development banks

To: DPC Staff

DAILY POINTS

PRESIDENT'S BUDGET PLAN PROTECTS PEOPLE NOT PORK

May 18, 1995



"I believe a bill that cuts education to put in pork is the wrong way to balance the budget, and I will veto it."

President Clinton
Wednesday, May 17, 1995

Yesterday, President Clinton vowed to veto a Republican budget bill that would cut investments in education to save pork. He offered a budget proposal that would cut pork, reduce the deficit more than the Republican plan, and preserve investments in our future.

- This is **not** a dispute over deficit reduction: The Republicans cut \$16.414 billion. The President cuts \$16.524 billion, growing to \$18.614 billion over 6 years.
- The President has a plan to cut **more** in 1995 spending than Republicans.
- It is a dispute over priorities: "**pork vs. people.**"
- This bill cuts deeply into key investments -- principally, education -- that help average Americans build a better future.
- The President proposes to restore funds for such investments, and to cut courthouses, highways, and government overhead.
- He proposes enough in cuts to offset the costs and also further reduce the deficit.

The President proposes to cut:

- \$438 million from courthouses and other federal office space
- \$450 million from highway demonstrations
- \$474 million from government travel and overhead
- \$102 million for subsidized food exports
- \$60 million from an expatriates' billionaires' loophole (\$2.15 billion/ 6 years)

Additional 1995 deficit reduction:

\$50 million from spending cuts
\$60 million from the billionaires' loophole

-MORE-

The impact on specific programs is even more striking:

Education and Training:

- **National Service:** 15,000 fewer young adults will be able to serve their communities as AmeriCorps Members and earn money for education.
- **Goals 2000:** 2,000 fewer schools in 47 States will receive funds to devise comprehensive reforms to boost academic standards.
- **School-to-Work:** Several thousand youths would lose the opportunity to participate.
- **One-Stop Career Centers:** A 40 percent cut in the number of new States that receive Federal support for employment and training services.
- **Safe and Drug-Free Schools and Communities:** Cuts or eliminates anti-violence and drug prevention programs serving nearly 20 million students in over 90 percent of all schools.

Environment:

- **Safe Drinking Water:** Delays investments in more than 1,000 public water systems serving 13 million people that lack the filtration systems to prevent incidents like the Milwaukee cryptosporidium outbreak that killed 100 people in 1993.
- **Timber Salvage Sales:** Overrides all environmental laws and increases the possibility that timber sales from federal lands will again be embroiled in legal challenges.

To: DPC Staff

DAILY POINTS

FIGHTING CRIME AND VIOLENCE

May 15, 1995



"We are a free nation because we have laws to protect our freedom, and because you risk your lives to uphold our laws. The law enforcement officers of America are the guardians of democracy. But we know that you cannot do this job alone. Every American must work to guard democracy and uphold the law."

President Clinton
Monday, May 15, 1995

Fraternal Order of Police Memorial. Today in Washington, President Clinton will address the Fraternal Order of Police Memorial on the Mall to honor law enforcement officials who have died in the line of duty.

Preserving the Gains We Made in Last Year's Crime Bill. At the Memorial, the President will restate his pledge to stand by crime-fighting legislation that law enforcement helped us achieve last year:

- The crime bill's provision to put 100,000 police on the street'
- The assault weapons ban and the Brady Law.

"I made a commitment, a promise to put 100,000 more police on our streets. And I intend to keep that promise. Anyone on Capitol Hill who wants to play partisan politics with police officers for America should listen carefully: I will veto any effort to repeal or undermine the 100,000 police commitment, period."

President Clinton
February 11, 1995

The President's anti-terrorism legislation includes provisions to:

- Hire 1,000 agents, prosecutors and other federal law enforcement personnel to investigate and prosecute terrorist activity.
- Make it a federal crime to use any form of chemical weapons.
- Require a 10-year minimum penalty for people convicted of transferring firearms or explosives, knowing the person would use the devices in a crime of violence.
- Require that microscopic particles be put into the raw materials used in making bombs to make it easier to trace the explosive devices after detonation.
- Allow warrants for a wider range of electronic surveillance to catch terrorists.

-MORE-

All Americans Have a Role in the Fight Against Violence. The President will make clear that all Americans must exercise their responsibility in the fight against violence.

"The place to start is in the home. Parents must teach children that there is a clear, stark difference between right and wrong. They must teach children that people who cross the line are punished. Actions have consequences. People in America who break the law, will be punished. And people who intentionally hurt someone else, will be punished severely."

President Clinton
Monday, May 15, 1995

Demanding New Tools to Fight Terrorism. The events in Oklahoma City last month make it abundantly clear we have a responsibility to strengthen law enforcement and sharpen our ability to crack down on terrorism, wherever it comes from, at home or abroad. The President sent Congress legislation that will do exactly that. It will also help us overcome the technological hurdles of fighting terrorism in the modern age.

Congress has promised to have that bill on the President's desk by Memorial Day. That would be a fitting way to honor the memory of the victims in Oklahoma City and the police officers we remember at the Memorial. Today, the President will call on Congress to meet its commitment and not to let politics interfere.

TALKING POINTS

April 11, 1995

"We share much common ground, [but] this is no time for ideological extremism. ... I do not want a pile of vetoes. I want a pile of bills that will move this country into the future. I don't want see a big fight between the Republicans and Democrats. I want us to surprise everybody in America by rolling up our sleeves and joining hands and working together."

President Clinton, April 7, 1995

Over this past weekend, in remarks to the newspaper editors, the California State Democratic party and the Jewish Federation, President Clinton laid out a road-map for the future of the country. He extended a hand to Republicans, calling for a turn away from **"ideological purity."** The President made clear that the time had come for quiet, reasoned voices to sift through the rhetoric in Washington and decide what really makes sense for America.

Moving America Into the Future. The American people stand at a crossroads. In one direction lies confrontation and gridlock. In the other lies achievement and progress. In his speeches this weekend, President Clinton forcefully stated that he was not elected to pile up vetoes or political issues for the next election. He reiterated that he was elected **to change the direction of America and move us into the future.** That is what he has spent the last two years doing and what is called for in the next 100 days and beyond.

Fighting for What Makes Sense for America.

"At the end of the 100 days it's now my job, working with constructive forces in both parties, to **decide what should become law, what should be modified and what should not stand.**"

President Clinton, April 7, 1995

The President is committed to:

- o Fighting cuts in his program to put 100,000 new police on America's streets.
- o Fighting the effort to repeal the assault weapons ban.
- o Fighting any regulatory reform that exposes Americans to risks to our health from unsafe planes, rotten meat, contaminated water and other threats to public health.
- o Fighting the Republican effort to make losers pay the costs of lawsuits.
- o Fighting any legislation that compromises away clean air, clean water or protections against toxic waste.
- o Fighting efforts to undermine America's ability to play a leading role world in fostering and maintaining peace around the globe.

Where We Go From Here.

In his speeches this weekend, the President called for:

- o **Realistic Tax Cuts Targeted at the Middle Class and Education.** A tax cut targeted at the middle class in the \$60 billion range -- a tax cut that helps Americans send their children to college and equip themselves for the future: "Let's use the tax cut ... a scholarship given by America." In the speech, the President called the House Republican \$200 billion tax cut "a fantasy. It's too much. It's not going to happen. We can't afford it."
- o **Welfare Reform that's Tough on Work.** Welfare reform that promotes the mainstream values of personal responsibility and work. Real welfare reform must strictly limit the time people spend on welfare and toughening requirements for child support. It must do more than the House bill does to encourage welfare recipients to work. And, it must not punish children for the mistakes of their parents. The President said of the GOP House welfare bill, "It's weak on work and tough on kids."
- o **Health Care Reform.** Health care reforms including coverage of pre-existing conditions, home care for America's elderly, benefits that follow workers from job to job, guaranteed insurance during periods of unemployment, and voluntary insurance purchasing pools that make it easier, especially for small business owners, to buy insurance at reasonable rates.
- o **Cuts in Government Spending.** Deficit cuts that both political parties can agree on, not cuts made to score political points and that undermine the education of the next generation of Americans.
- o **Common Sense Regulatory Reform.** Common sense regulatory reform that rewards results, not red tape; cuts obsolete regulations and gets the rule-making process out of Washington and back to the grassroots.
- o **Minimum Wage.** An increase in the minimum wage to make it a livable wage and reward work over welfare.
- o **Political Reform.** The President will sign the strongest possible lobby reform bill, one that requires lobbyists to tell the people for whom they work what they're spending, what they want. We should also curb the role of big money in elections by capping the cost of campaigns and limiting the influence of PACs.
- o **The Line Item Veto.** The line-item veto to build on the work we have done cutting wasteful spending, force budget discipline and make tough budget decisions stick.

CATALOG OF CURRENT POLICY INFORMATION

Vol. I Issue 1 April 3, 1995
DRAFT

Introduction

This catalog lists current information compiled by Policy Councils and the Departments in a range of areas central to the current political debate. In most cases, the information supplies state-by-state impacts either of programs implemented by the administration such as COPS or of rescissions and cutbacks proposed by the Republicans in such areas as nutrition, child care or summer jobs.

This information is always subject to change. The catalog lists both the date the information was prepared and a person to contact to verify the continued accuracy of the data. Please check with the appropriate contact if any significant time has passed since the document's creation.

This information was compiled by the Domestic Policy Council and the National Economic Council, and in most cases, represents the work of their member agencies. This document will be updated every few weeks as debate continues in Congress in many of these areas. If you have additional data that should be included, or questions about information provided, please contact Dorothy Karayannis at 456-5578 (DPC) or Theo Lubke at 456-5374 (NEC).

CATALOG

This catalog lists information available through the Policy Councils. Short documents (1-4 page charts) are attached. For longer documents - mostly 50 page state by state analyses - we have attached one page as an example of the information available. To obtain the complete set or a clean original, please contact the staff person indicated directly.

1. WELFARE REFORM

State-by-state impact of House Republican Welfare Bill

Prepared by: HHS/USDA
Contact: Dorothy Karayannis, 6-5578
Updated: March 24
Format: One page per state; title by title impacts on: nutrition assistance, cash assistance, child care, child welfare, legal immigrant benefits, SSI eligibility, food stamps
Attached: One page example (Alabama). All 50 states are available.

Note: impacts do not reflect what passed in the House on Friday, March 24. Child care numbers will change and will have those within the next two weeks.

2. WELFARE REFORM

Summary of state-by-state impacts

Prepared by: HHS/USDA.
Contact: Dorothy Karayannis, 6-5578
Updated: March 17
Format: Two page summary table of five year total impacts in all fifty states for all Titles of Republican welfare bill
Attached: Entire two page summary.

3. NUTRITION

Annual state-by-state impacts of Republican Block Grants

Prepared by: USDA
Contact: Dorothy Karayannis, 6-5578
Updated: March 22
Format: One page School Based Block Grant - all 50 states - 1996-2000
One page Family Nutrition Block Grant - all 50 states - 1996-2000
Attached: Both tables (two pages).

4. REPUBLICAN HOUSE TAX PROPOSAL

Analysis of Benefits by Income Level

Prepared by: Treasury
Contact: Theo Lubke, 6-5374; Robert Gordon, 6-5363
Updated: March 22
Format: Distribution tables reflecting impact of "Contract" Tax Relief Act of 1995 on families by income level, including 10 year cost analysis
Attached: Two sample tables. More information is available.

5. THE ECONOMY UNDER PRESIDENT CLINTON

Prepared by: National Economic Council
Contact: Theo Lubke, 6-5374
Updated: March 29
Format: One page per state providing state economic conditions, Administration accomplishments (jobs created, people getting EITC, etc.)
Attached: One page example (Alabama). All 50 states available.

6. NATIONAL SERVICE

State by state Americorps cuts

Prepared by: Corporation for National and Community Service
Contact: Robert Gordon, 6-5363
Updated: March 30
Format: Two page table on state-by-state FY94 number of Americorps members and projected numbers of members eliminated by rescission for FY95
Attached: Entire two page table.

7. MINIMUM WAGE

Prepared by: Department of Labor; source: Economic Policy Institute
Contact: Theo Lubke, 6-5374
Updated: February 1995
Format: One page listing percent and number of workers affected by proposed increase in minimum wage in each state
Attached: One page table.

8. SUMMER JOBS

Prepared by: Department of Labor
Contact: Theo Lubke, 6-5374; Robert Gordon, 6-5363
Updated: March 3
Format: Four page state-by-state chart listing dollars and number of youth cut from summer youth program in selected cities/service in 1995 - 1996
Attached: Complete four-page table.

9. IMPACT OF RESCISSIONS ON OTHER LABOR DEPARTMENT PROGRAMS

Prepared by: Department of Labor
Contact: Theo Lubke, 6-5374
Updated: February 28
Format: One page state-by-state table listing impact of Republican rescissions on Jobs Training Partnerships Training (JTPA), Employment Service Program Participants, and Executive Senior (ES) Staff
Attached: Complete one page table.

10. COPS

Prepared by: Department of Justice
Contact: Jose Cerda, 6-5568
Updated: March 24
Format: Four page state-by-state totals of unfunded officer requests under COPS FAST and COPS AHEAD and a two page chart of state-by-state number of officers currently funded
Attached: Both tables in their entirety.

11. STUDENT LOANS/INTEREST SUBSIDIES

Prepared by: White House Media Affairs with Department of Education
Contact: Theo Lubke, 6-5374
Updated: February 14
Format: One page per state indicating impact of House Rescission bill on major education programs - specifically number of students benefitting from in-school interest grace period, cost to those students, and number of schools in the state participating in direct lending.
Attached: One page example (Mississippi). All 50 states available.

12. IMPACT OF RESCISSIONS ON EDUCATION PROGRAMS

Prepared by: Department of Education
Contact: Dorothy Karayannis, 6-5578
Updated: March 17
Format: One page table listing all fifty states and the reductions they would face in major Education Department programs such as Goals 2000 and Safe and Drug Free Schools. Also attached is a table indicating the number of students in each state getting the in-school interest subsidy.
Attached: Both one-page tables.

13. IMPACT OF RESCISSIONS ON 1995 DEPT. OF EDUCATION BUDGET

Prepared by: Department of Education
Contact: Dorothy Karayannis, 6-5578
Updated: March 17
Format: One page summary comparing 1995 appropriations and House passed rescissions. This table presents these reductions in percentages among education programs, technology, etc.
Attached: One page table.

14. COMPARISON OF HOUSE EDUCATION RESCISSIONS AND PRESIDENT'S EDUCATION BUDGET PROPOSAL

Prepared by: Department of Education
Contact: Dorothy Karayannis, 6-5578
Updated: March 17
Format: One page summary of House passed proposal to rescind education funding for FY95 next to President's budget proposal to invest in education for FY96.
Attached: One page table.

IMPACT OF THE HOUSE REPUBLICAN WELFARE PROPOSAL ON THE STATE OF ALABAMA

The House Republican's Personal Responsibility Act ends numerous federal-state entitlement and discretionary programs -- including Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), child care, child welfare, and nutrition assistance -- and replaces them with block grants to states. It cuts funding for Food Stamps and significantly reduces the number of disabled children eligible for the childhood SSI program and converts most of the program into a block grant. This could result in Alabama and its residents receiving significantly less federal funding for these programs.

TOTAL FIVE YEAR LOSSES FOR ALABAMA: \$828 MILLION

APPROXIMATE NUMBER OF ALABAMA CHILDREN DENIED AFDC BENEFITS: 58,000

TITLE I would block grant cash assistance funding for Alabama over the next five years. It would be prohibited from using federal funds for groups, including most legal immigrants.

1

ulting in **\$80 MILLION LESS** in federal funding that Alabama would have received under current law. States would lose benefits to many currently eligible residents and their children.

TITLE II would block grant federal funding for Alabama over the next five years. It would eliminate federal funding for Family Preservation and Support and several other specific programs to prevent child abuse and neglect. Though the block grant would grow modestly over the five years, no adjustments are provided for population growth or economic cycles.

TITLE III would consolidate federal child care programs into a block grant that would **CUT \$44 MILLION** from the federal funds that would be provided to Alabama over five years. In the year 2000 alone the cut would be **\$12.0 MILLION**-- meaning that **7,400 FEWER CHILDREN** would receive federal child care assistance that year. Alabama would be subject to federal time limits and work requirements for its AFDC recipients without guaranteed support for the child care services which are essential to making participation in work possible. No adjustments would be provided for population growth and economic cycles.

TITLES III AND V also repeal existing nutrition assistance programs -- including School Lunch and WIC -- for needy families and replace them with a lump sum capped at less than the rate of inflation, resulting in **\$120 MILLION LESS** in federal funding to Alabama. These reductions would limit children's access to these important programs, jeopardizing their nutrition and health.

TITLE IV would restrict welfare for legal immigrants, resulting in **\$14 MILLION LESS** in federal funding for Alabama's residents. Most legal immigrants would be ineligible for old-age or disability payments under the SSI program, would not be able to receive temporary family assistance, and would not be eligible for services funded under Title XX (Social Services Block Grant) and many other programs.

TITLE V would impose a rigid cap on Food Stamp expenditures, allowing no adjustments for economic cycles. It would mandate work for certain recipients without providing funds to states for job creation. As a result, Alabama would receive **\$282 MILLION LESS** in federal funding over the five years.

TITLE VI would deny Supplemental Security Income (SSI) to many currently eligible persons and future applicants -- particularly disabled children, many of whom would be denied all benefits due to eligibility restrictions placed on them by the proposal. These reductions would result in **\$339 MILLION LESS** in federal funding for Alabama for childhood disability programs over the five years and would result in 25% of disabled children losing eligibility for federal SSI benefits.

TABLE 1

2

Preliminary Analysis
Estimated Five Year State Losses Under the
House Republican Welfare Bill, H.R. 1214

(Millions of Dollars)

State	Title I	Title II	Title III	Title IV	Title V	Title VI	Food Stamp Offsets	Total Five Year Reductions
	AFDC Block Grant (no child care cuts)	Child Protection Block Grant	Child Care Block Grant (Includes Title I child care cuts)	Nutrition Block Grant	Immigrant Provisions	Food Stamps Provisions	SSI Provisions	
Alabama	(\$80)	(\$35)	(\$44)	(\$120)	(\$14)	(\$282)	(\$339)	\$86 (\$828)
Alaska	(\$50)	(\$5)	(\$6)	(\$40)	(\$18)	(\$30)	(\$11)	\$18 (\$142)
Arizona	(\$168)	(\$45)	(\$40)	(\$133)	(\$165)	(\$337)	(\$106)	\$72 (\$922)
Arkansas	(\$26)	(\$31)	(\$18)	(\$74)	(\$7)	(\$129)	(\$362)	\$73 (\$575)
California	(\$3,438)	(\$531)	(\$208)	(\$1,099)	(\$7,777)	(\$2,486)	(\$880)	\$1,242 (\$15,177)
Colorado	(\$130)	(\$31)	(\$25)	(\$87)	(\$87)	(\$185)	(\$65)	\$53 (\$557)
Connecticut	(\$121)	(\$35)	(\$27)	(\$40)	(\$109)	(\$162)	(\$57)	\$48 (\$502)
Delaware	(\$19)	(\$6)	(\$7)	(\$22)	(\$10)	(\$36)	(\$17)	\$9 (\$109)
Dist. of Col.	\$0	(\$15)	(\$7)	(\$20)	(\$24)	(\$67)	(\$25)	\$4 (\$153)
Florida	(\$412)	(\$121)	(\$100)	(\$388)	(\$1,419)	(\$1,207)	(\$430)	\$207 (\$3,871)
Georgia	(\$192)	(\$15)	(\$82)	(\$131)	(\$82)	(\$429)	(\$202)	\$97 (\$1,037)
Guam	(\$40)	(\$1)	(\$2)	(\$5)	NA	NA	*	\$13 (\$35)
Hawaii	(\$68)	(\$17)	(\$8)	(\$41)	(\$114)	(\$95)	(\$7)	\$23 (\$328)
Idaho	(\$17)	(\$4)	(\$9)	(\$17)	(\$8)	(\$47)	(\$65)	\$17 (\$150)
Illinois	(\$455)	(\$158)	(\$86)	(\$198)	(\$471)	(\$958)	(\$869)	\$298 (\$2,896)
Indiana	(\$168)	(\$52)	(\$48)	(\$75)	(\$21)	(\$287)	(\$273)	\$102 (\$821)
Iowa	(\$119)	(\$23)	(\$19)	(\$34)	(\$21)	(\$110)	(\$87)	\$53 (\$360)
Kansas	(\$53)	(\$20)	(\$25)	(\$100)	(\$28)	(\$139)	(\$112)	\$37 (\$441)
Kentucky	(\$92)	(\$52)	(\$41)	(\$81)	(\$12)	(\$290)	(\$363)	\$94 (\$837)
Louisiana	(\$73)	(\$81)	(\$44)	(\$207)	(\$63)	(\$402)	(\$727)	\$153 (\$1,445)
Maine	(\$52)	(\$15)	(\$8)	(\$37)	(\$12)	(\$88)	(\$19)	\$20 (\$211)
Maryland	(\$192)	(\$50)	(\$43)	(\$118)	(\$173)	(\$326)	(\$137)	\$85 (\$953)
Massachusetts	(\$297)	(\$76)	(\$63)	(\$108)	(\$548)	(\$342)	(\$188)	\$127 (\$1,494)
Michigan	(\$340)	(\$143)	(\$59)	(\$159)	(\$209)	(\$710)	(\$675)	\$227 (\$2,066)
Minnesota	(\$206)	(\$41)	(\$43)	(\$153)	(\$120)	(\$223)	(\$160)	\$94 (\$852)
Mississippi	(\$46)	(\$33)	(\$25)	(\$123)	(\$9)	(\$251)	(\$384)	\$83 (\$789)
Missouri	(\$181)	(\$1)	(\$46)	(\$113)	(\$31)	(\$371)	(\$270)	\$105 (\$909)
Montana	(\$30)	(\$6)	(\$7)	(\$30)	(\$4)	(\$39)	(\$22)	\$13 (\$124)
Nebraska	(\$18)	(\$11)	(\$20)	(\$66)	(\$10)	(\$52)	(\$43)	\$13 (\$205)

Preliminary Analysis
Estimated Five Year State Losses Under the
House Republican Welfare Bill, H.R. 1214

(Millions of Dollars)

State	Title I	Title II	Title III	Title IV		Title V	Title VI	Food Stamp Offsets	Total Five Year Reductions
	AFDC Block Grant (no child care cuts)	Child Protection Block Grant	Child Care Block Grant (Includes Title I child care cuts)	Nutrition Block Grant	Immigrant Provisions	Food Stamps Provisions	SSI Provisions		
Nevada	(\$8)	(\$6)	(\$7)	(\$27)	(\$48)	(\$77)	(\$20)	\$6	(\$187)
New Hampshire	(\$31)	(\$5)	(\$8)	(\$10)	(\$7)	(\$44)	(\$9)	\$11	(\$103)
New Jersey	(\$163)	(\$59)	(\$41)	(\$79)	(\$598)	(\$451)	(\$230)	\$92	(\$1,528)
New Mexico	(\$110)	(\$17)	(\$21)	(\$112)	(\$73)	(\$157)	(\$65)	\$46	(\$508)
New York	(\$2,026)	(\$267)	(\$143)	(\$373)	(\$2,846)	(\$2,543)	(\$1,170)	\$848	(\$8,520)
North Carolina	(\$209)	(\$36)	(\$107)	(\$170)	(\$42)	(\$303)	(\$443)	\$145	(\$1,165)
North Dakota	(\$14)	(\$6)	(\$6)	(\$31)	(\$1)	(\$24)	(\$9)	\$6	(\$85)
Ohio	(\$525)	(\$169)	(\$112)	(\$171)	(\$94)	(\$957)	(\$529)	\$260	(\$2,25)
Oklahoma	(\$82)	(\$24)	(\$44)	(\$105)	(\$24)	(\$210)	(\$85)	\$41	(\$55)
Oregon	(\$118)	(\$24)	(\$34)	(\$88)	(\$77)	(\$308)	(\$59)	\$48	(\$64)
Pennsylvania	(\$189)	(\$158)	(\$94)	(\$121)	(\$199)	(\$902)	(\$568)	\$161	(\$2,04)
Puerto Rico	(\$26)	(\$13)	(\$30)	(\$129)	NA	NA	*	\$8	(\$11)
Rhode Island	(\$52)	(\$15)	(\$10)	(\$15)	(\$92)	(\$103)	(\$28)	\$21	(\$21)
South Carolina	(\$70)	(\$19)	(\$31)	(\$96)	(\$16)	(\$174)	(\$168)	\$52	(\$55)
South Dakota	(\$14)	(\$4)	(\$6)	(\$20)	(\$2)	(\$26)	(\$30)	\$10	(\$8)
Tennessee	(\$75)	(\$9)	(\$65)	(\$116)	(\$19)	(\$473)	(\$236)	\$66	(\$9)
Texas	(\$323)	(\$196)	(\$172)	(\$690)	(\$1,300)	(\$2,137)	(\$598)	\$208	(\$5,2)
Utah	(\$25)	(\$8)	(\$26)	(\$80)	(\$23)	(\$81)	(\$49)	\$17	(\$2,0)
Vermont	(\$29)	(\$8)	(\$6)	(\$13)	(\$6)	(\$32)	(\$8)	\$11	(\$91)
Virgin Islands	(\$4)	(\$1)	(\$2)	(\$77)	\$0	NA	*	\$1	(\$83)
Virginia	(\$91)	(\$27)	(\$44)	(\$9)	(\$145)	(\$364)	(\$327)	\$87	(\$920)
Washington	(\$277)	(\$24)	(\$64)	(\$142)	(\$220)	(\$503)	(\$163)	\$116	(\$1,276)
West Virginia	(\$90)	(\$17)	(\$18)	(\$48)	(\$4)	(\$134)	(\$110)	\$48	(\$373)
Wisconsin	(\$210)	(\$48)	(\$39)	(\$27)	(\$99)	(\$183)	(\$354)	\$129	(\$830)
Wyoming	(\$10)	(\$5)	(\$5)	(\$16)	(\$1)	(\$18)	(\$19)	\$6	(\$67)
Territories	*	(\$1)	(\$7)	\$1	NA	(\$16)	NA	\$0	(\$22)
ITO's	**	**	(\$71)	(\$39)	**	**	*	\$0	(\$111)
Totals	(\$11,852)	(\$2,816)	(\$2,372)	(\$6,622)	(\$17,500)	(\$20,300)	(\$12,174)	\$5,910	(\$67,727)
Unallocated	\$43	\$92	\$0	(\$2)	\$0	(\$20)	(\$979)		(\$865)
Other provisions									(\$747)
Grand Totals	(\$11,809)	(\$2,724)	(\$2,372)	(\$6,624)	(\$17,500)	(\$20,320)	(\$13,153)	\$5,910	(\$69,364)

NA - Estimates are not available

* State or Territory has no program

** HR1214 contains no funding specifically designated for tribal organizations

*** Number in columns and rows may not add due to rounding

**** Estimates may not add due to rounding.

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#3

March 22, 1995

**PRELIMINARY ESTIMATES OF THE STATE-BY-STATE IMPACT
OF H.R. 1214's SCHOOL-BASED BLOCK GRANT, FY1996-FY2000**
(figures in thousands of dollars)

	FY 1996	FY 1997	FY1998	FY 1999	FY 2000	5 Year Total
ALABAMA	-1,973	-3,936	-5,909	-7,319	-8,834	-27,971
ALASKA	-191	-699	-1,513	-2,256	-3,258	-7,918
ARIZONA	-2,120	-4,355	-6,966	-9,087	-11,637	-34,165
ARKANSAS	-1,712	-3,015	-4,184	-4,997	-5,789	-19,696
CALIFORNIA	-14,001	-34,052	-61,567	-85,364	-116,002	-310,986
COLORADO	-866	-1,229	-1,080	-730	-12	-3,917
CONNECTICUT	-745	-1,067	-970	-684	-93	-3,560
DELAWARE	-360	-508	-520	-483	-357	-2,228
DISTRICT OF COL	-301	-977	-2,047	-3,018	-4,324	-10,668
FLORIDA	-5,848	-13,592	-23,654	-32,094	-42,710	-117,898
GEORGIA	-4,096	-6,809	-8,503	-9,197	-9,261	-37,866
GUAM	-80	-84	-27	45	165	18
HAWAII	-338	-449	-304	-58	383	-766
IDAHO	-248	-178	274	814	1,658	2,320
ILLINOIS	-2,362	-4,916	-7,168	-8,535	-9,756	-32,737
INDIANA	-1,005	-323	2,292	5,226	9,698	15,887
IOWA	-529	299	2,656	5,172	8,916	16,514
KANSAS	-1,265	-1,455	-701	264	1,909	-1,248
KENTUCKY	-2,381	-4,051	-5,346	-6,112	-6,689	-24,580
LOUISIANA	-4,066	-8,191	-13,060	-17,060	-21,884	-64,262
MAINE	-367	-553	-573	-513	-339	-2,345
MARYLAND	-1,345	-2,379	-3,172	-3,645	-3,993	-14,533
MASSACHUSETTS	-1,698	-2,608	-2,853	-2,730	-2,159	-12,047
MICHIGAN	-1,460	-2,333	-2,264	-1,676	-386	-8,120
MINNESOTA	-1,628	-1,404	566	2,782	6,315	6,631
MISSISSIPPI	-2,421	-5,253	-8,823	-11,812	-15,527	-43,836
MISSOURI	-2,054	-2,795	-2,389	-1,528	165	-8,601
MONTANA	-267	-425	-476	-464	-378	-2,010
NEBRASKA	-517	-747	-642	-409	64	-2,251
NEVADA	-388	-630	-758	-790	-747	-3,314
NEW HAMPSHIRE	-75	-258	-439	-542	-641	-1,956
NEW JERSEY	-993	-1,951	-2,536	-2,698	-2,590	-10,768
NEW MEXICO	-1,301	-2,833	-4,828	-6,582	-8,790	-24,333
NEW YORK	-7,053	-16,276	-27,955	-37,657	-49,703	-138,643
NORTH CAROLINA	-3,640	-5,959	-7,438	-8,131	-8,335	-33,503
NORTH DAKOTA	-274	-227	118	500	1,109	1,226
OHIO	-2,765	-3,881	-3,362	-2,135	296	-11,848
OKLAHOMA	-1,873	-3,395	-4,805	-5,803	-6,818	-22,695
OREGON	-1,196	-1,835	-2,097	-2,142	-1,951	-9,221
PENNSYLVANIA	-2,073	-3,161	-2,847	-1,804	305	-9,580
PUERTO RICO	-2,272	-6,592	-13,033	-18,695	-26,177	-66,769
RHODE ISLAND	-131	-349	-620	-836	-1,099	-3,035
SOUTH CAROLINA	-2,639	-4,996	-7,509	-9,448	-11,644	-36,237
SOUTH DAKOTA	-296	-401	-314	-153	151	-1,013
TENNESSEE	-2,422	-3,827	-4,434	-4,472	-3,983	-19,137
TEXAS	-12,045	-25,378	-41,650	-55,048	-71,470	-205,591
UTAH	-617	-727	-287	292	1,282	-58
VERMONT	-174	-204	-108	19	241	-226
VIRGINIA	-1,803	-2,033	-686	1,116	4,109	703
VIRGIN ISLANDS	4	-262	-755	-1,216	-1,856	-4,085
WASHINGTON	-1,745	-2,989	-3,872	-4,367	-4,671	-17,645
WEST VIRGINIA	-1,252	-2,168	-3,015	-3,625	-4,244	-14,302
WISCONSIN	-420	567	3,360	6,370	10,844	20,721
WYOMING	-145	-157	-38	112	364	136
DOD	41	109	254	412	637	1,453
US TOTAL	-103,791	-197,898	-288,579	-352,791	-419,499	-1,362,558

March 22, 1995

**PRELIMINARY ESTIMATES OF THE STATE-BY-STATE IMPACT
OF H.R. 1214's FAMILY BLOCK GRANT, FY1996-FY2000
(thousands of dollars)**

	FY 1996	FY 1997	FY1998	FY 1999	FY 2000	5 Yr Total
ALABAMA	-15,772	-16,330	-18,239	-19,776	-22,190	-92,308
ALASKA	-4,768	-5,194	-6,238	-7,183	-8,582	-31,965
ARIZONA	-16,934	-17,833	-19,574	-21,039	-23,101	-98,480
ARKANSAS	-10,186	-10,220	-10,810	-11,179	-11,854	-54,249
CALIFORNIA	-143,165	-144,460	-155,919	-164,603	-179,514	-787,661
COLORADO	-11,801	-13,508	-16,317	-18,880	-22,377	-82,884
CONNECTICUT	-8,470	-7,808	-7,336	-6,681	-5,998	-36,293
DELAWARE	-3,252	-3,630	-4,034	-4,401	-4,818	-20,135
DISTRICT OF COL	-2,064	-1,942	-1,887	-1,785	-1,698	-9,377
FLORIDA	-57,743	-55,365	-54,143	-52,200	-50,266	-269,717
GEORGIA	-22,585	-20,483	-18,827	-16,681	-14,366	-92,942
GUAM	-952	-885	-994	-1,071	-1,248	-5,150
HAWAII	-7,419	-7,383	-7,951	-8,389	-9,185	-40,327
IDAHO	-3,978	-3,737	-3,809	-3,778	-3,893	-19,194
ILLINOIS	-36,659	-35,097	-33,573	-31,479	-28,942	-165,749
INDIANA	-18,331	-17,787	-18,104	-18,056	-18,412	-90,691
IOWA	-8,554	-8,972	-10,035	-10,910	-12,236	-50,707
KANSAS	-11,616	-14,686	-19,242	-23,542	-29,243	-98,329
KENTUCKY	-12,561	-11,673	-11,328	-10,685	-10,195	-56,442
LOUISIANA	-21,074	-23,552	-28,144	-32,268	-38,029	-143,068
MAINE	-5,247	-5,853	-6,901	-7,851	-9,161	-35,013
MARYLAND	-17,214	-18,395	-20,493	-22,323	-24,851	-103,277
MASSACHUSETTS	-15,576	-16,912	-19,087	-20,953	-23,495	-96,022
MICHIGAN	-29,291	-29,135	-30,087	-30,475	-31,430	-150,418
MINNESOTA	-19,691	-24,683	-31,371	-37,699	-45,826	-159,270
MISSISSIPPI	-14,264	-14,531	-15,726	-16,605	-18,047	-79,174
MISSOURI	-18,544	-19,010	-20,738	-22,087	-24,245	-104,624
MONTANA	-4,064	-4,542	-5,453	-6,277	-7,442	-27,777
NEBRASKA	-7,788	-9,693	-12,419	-14,991	-18,364	-63,256
NEVADA	-5,019	-4,782	-4,801	-4,737	-4,784	-24,123
NEW HAMPSHIRE	-2,248	-1,974	-1,684	-1,348	-949	-8,204
NEW JERSEY	-18,076	-16,408	-14,130	-11,585	-8,270	-68,468
NEW MEXICO	-11,636	-14,022	-17,260	-20,337	-24,253	-87,508
NEW YORK	-58,830	-54,347	-48,217	-41,219	-31,951	-234,565
NORTH CAROLINA	-25,661	-25,765	-27,129	-28,008	-29,608	-136,171
NORTH DAKOTA	-3,787	-4,805	-6,309	-7,730	-9,611	-32,242
OHIO	-31,832	-30,925	-31,712	-31,787	-32,682	-158,938
OKLAHOMA	-14,050	-14,832	-16,393	-17,705	-19,585	-82,566
OREGON	-12,593	-13,659	-15,650	-17,401	-19,867	-79,170
PENNSYLVANIA	-28,681	-25,838	-22,850	-19,329	-15,075	-111,773
PUERTO RICO	-19,499	-15,256	-12,450	-9,051	-5,804	-62,060
RHODE ISLAND	-2,963	-2,719	-2,499	-2,231	-1,919	-12,330
SOUTH CAROLINA	-14,864	-13,570	-12,261	-10,712	-8,846	-60,253
SOUTH DAKOTA	-3,197	-3,388	-3,750	-4,050	-4,472	-18,857
TENNESSEE	-18,871	-18,517	-19,232	-19,572	-20,461	-96,653
TEXAS	-90,589	-90,741	-96,282	-100,136	-107,113	-484,862
UTAH	-10,804	-12,689	-15,716	-18,519	-22,307	-80,036
VERMONT	-2,255	-2,331	-2,558	-2,732	-3,007	-12,882
VIRGINIA	-16,174	-15,556	-15,599	-15,306	-15,273	-77,908
VIRGIN ISLANDS	-1,107	-984	-950	-886	-853	-4,779
WASHINGTON	-18,776	-20,766	-24,511	-27,876	-32,609	-124,537
WEST VIRGINIA	-6,268	-6,139	-6,580	-6,857	-7,454	-33,299
WISCONSIN	-13,197	-11,865	-9,963	-7,831	-5,060	-47,915
WYOMING	-2,199	-2,488	-3,091	-3,636	-4,423	-15,836
ITOs	-4,277	-4,572	-7,282	-9,673	-13,659	-39,463
US TOTAL	-987,016	-992,238	-1,047,638	-1,084,101	-1,148,903	-5,259,897

#3

WHAT'S WRONG WITH THE "CONTRACT" TAX CUTS

ISSUE	CONTRACT WITH AMERICA TAX RELIEF ACT						
Five-Year Cost	\$178 billion						
Ten-Year Cost	\$630 billion						
Percent of Tax Cuts for Those Earning Over \$100,000	51.5%						
Percent of Tax Cuts for Top 1% (1.1 million families earning more than \$350,000)	20.0%						
Top 1% (1.1 million families) Get Larger Share of Benefits Than Bottom 60% (65.2 million families)	<table> <tr> <th>Families</th><th>Benefits</th></tr> <tr> <td>Top 1%:</td><td>20.0%</td></tr> <tr> <td>Bottom 60%:</td><td>15.6%</td></tr> </table>	Families	Benefits	Top 1%:	20.0%	Bottom 60%:	15.6%
Families	Benefits						
Top 1%:	20.0%						
Bottom 60%:	15.6%						
Average Tax Cut for Those in Top 1%	\$20,362						
How Much Bigger Is Average Tax Cut for Top 1% Than for Those Earning \$30,000-\$50,000	36 times						
Percent of Capital Gains Tax Cut for Those Earning Over \$100,000	76.3%						
Percent of Capital Gains Tax Cut for Top 1%	45.9%						
Average Capital Gains Tax Cut for Families that Benefit in Top 1%	\$12,931						

Source: Department of Treasury, Office of Tax Analysis

MAJOR CUTS FOR CHILDREN AMOUNT TO TINY FRACTION OF TAX CUTS FOR WEALTHIEST

Average 1 Year Cost of Contract's Capital Gains Tax Cut	\$9.2 billion
Savings from Rescissions of AmeriCorps, Summer Jobs, WIC, Goals 2000, and Safe and Drug Free Schools	\$2.8 billion
Savings from Rescissions Above as a Percentage of 1 Year Cost of Contract's Capital Gains Tax Cut	30%

Sources: Department of Treasury, Office of Tax Analysis; H.R. 1158 as amended

PRESIDENT'S TAX BREAKS TARGET THE MIDDLE CLASS, NOT THE WEALTHIEST

ISSUE	PRESIDENT'S MIDDLE CLASS BILL OF RIGHTS	CONTRACT WITH AMERICA
Ten-Year Cost	\$172 billion	\$630 billion
Percent of Tax Cuts for Those Earning Less Than \$100,000	84.6%	48.5%
Percent of Tax Cuts for Top 1%	(*)	20.0% (\$20,362 per family)

(*) Less than one-half of one percent. Source: Department of Treasury, Office of Tax Analysis

Tax Proposals in "Contract with America Tax Relief Act of 1995" (1)
(Ways and Means Chairman's Mark)
(1995 Income Levels)

Family Economic Income Quintile (2)	Number of Families (millions)	Average Tax Change (\$)	Total Tax Change		Tax Change as a Percent of Income (%)	Tax Change as a Percent of Current Federal Taxes (%)
			Amount (3) (\$M)	Percent Distribution (%)		
Lowest (4)	21.4	-36	-751	0.7	-0.42	-5.51
Second	21.9	-205	-4492	4.0	-0.91	-7.33
Third	21.9	-555	-12149	10.9	-1.44	-8.29
Fourth	21.9	-1021	-22353	29.0	-1.64	-8.22
Highest	21.9	-3255	-71228	63.9	-2.05	-6.14
Total (4)	109.4	-1019	-111517	100.0	-1.70	-6.75
Top 10%	10.9	-4821	-52755	47.3	-2.14	-9.33
Top 5%	5.5	-7369	-40318	36.2	-2.26	-9.71
Top 1%	1.1	-20362	-22276	20.0	-2.46	-10.04

Department of the Treasury
Office of Tax Analysis

March 13, 1995

- (1) This table distributes the estimated change in tax burdens due to the tax provisions in the "Contract with America Tax Relief Act of 1995," as released by the Ways and Means Chairman March 11, 1995.
- (2) Family Economic Income (FEI) is a broad-based income concept. FEI is constructed by adding to AGI: unreported and underreported income; IRA and Keogh deductions; nontaxable transfer payments such as Social Security and AFDC; employer-provided fringe benefits; inside build-up on pensions, IRAs, Keoghs, and life insurance; tax-exempt interest; and imputed rent on owner-occupied housing. Capital gains are computed on an accrual basis, adjusted for inflation to the extent reliable data allow. inflationary losses of lenders are subtracted and gains of borrowers are added. There is also an adjustment for accelerated depreciation of noncorporate businesses. FEI is shown on a family rather than a tax-return basis. The economic incomes of all members of a family unit are added to arrive at the family's economic income used in the distributions.
- (3) The change in Federal taxes is estimated at 1995 income levels but assuming fully phased in law and long-run behavior. The effect of the back-loaded ADGA proposal is measured as the present value of tax savings on one year's contributions. The effect of the neutral cost recovery proposal is measured as the present value of the tax savings from one year's investment. The effect of the prospective capital gains indexing proposal is the fully phased in tax savings, multiplied by the ratio of the sum of the present values of prospective indexing over 17 years to the sum of the present values of fully phased in indexing over 17 years, holding realizations constant. The effect on tax burdens of the proposed capital gains exclusion prospective indexing are based on the level of capital gains realizations under current law. The incidence assumptions for tax changes is the same as for current law taxes.
- (4) Families with negative incomes are excluded from the lowest quintile but included in the total line.

NOTE: Quintiles begin at FEI of: Second \$15,604; Third \$29,717; Fourth \$46,500; Highest \$79,056;
Top 10% \$198,704; Top 5% \$145,412; Top 1% \$349,438.

ECONOMIC PROGRESS IN ALABAMA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for the nation and Alabama after the first two years of the Clinton Administration:

Improved Economic and Fiscal Conditions in the United States:

- Under Clinton Economic Plan, the deficit will be lowered by more than \$600 billion -- the deficit will be cut for three years in a row for the first time since Harry Truman was President.
- 6.1 million new jobs created. Private sector job growth rate 8 times faster than during previous Administration. The Misery Index -- the combined measure of unemployment and inflation -- at lowest level in 25 years.
- Federal government workforce will drop by 272,900 -- creating lowest workforce since the Kennedy Administration.

Improved Economic Conditions in Alabama:

- The unemployment rate has dropped from 7.3% to 5.6%.
- 25% more new jobs per year -- 35,950 vs. 28,750 average during the previous 4 years.
- 53% more new private sector jobs per year -- 34,200 vs. 22,400 average during the previous 4 years.
- 3,050 new manufacturing jobs added per year -- after almost no growth during the previous 4 years.
- Business failures have dropped 19%.
- Home sales have increased 8%.

What President Clinton's Accomplishments Have Achieved for the People of Alabama:

\$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN ALABAMA: By 1998, the national debt will be more than \$600 billion lower than was projected before the passage of the President's economic plan. That's about \$10,000 of reduced federal debt for each family of four in Alabama.

26 TIMES MORE ALABAMA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 374,672 working families in Alabama will receive a tax cut. This compares to an increase in the income tax rate for only the 14,449 wealthiest taxpayers in Alabama.

TAX CUT FOR 17,939 SMALL BUSINESSES IN ALABAMA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 17,939 small businesses in Alabama are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

629,000 ALABAMA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 629,275 workers in Alabama, and protects the jobs of 37,803 workers in Alabama who are likely to use unpaid leave this year alone.

159,000 STUDENTS AND FORMER STUDENTS IN ALABAMA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 159,000 Alabama borrowers -- 111,300 current borrowers and 47,700 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

Effect of House Rescission on AmeriCorps

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FY94 total shows all AmeriCorps Members, including AmeriCorps* VISTAs. The rescission would not affect the VISTA portion of AmeriCorps. The rescission would wipe out all other AmeriCorps Members, including new Members due to program growth. Note that since competition for FY95 funds has not yet been held, totals for FY95 are estimates based on distribution of FY94 Members. These totals include full-time and part-time Members, and are not full-time equivalents.

<u>STATE</u>	<u>FY '94 Members</u> <u>(see attached report)</u>	<u>Projected no. of Members</u> <u>Eliminated in FY '95</u>
AL	328	317
AK	119	150
AZ	456	685
AR	310	401
CA	2,458	3,577
CO	511	688
CT	376	536
DE	47	78
DC	441	728
FL	832	1,036
GA	592	822
HI	105	111
ID	99	99
IL	592	698
IN	232	305
IA	201	233
KS	459	670
KY	185	216
LA	478	670
ME	97	127
MD	888	1,343
MA	1,115	1,714
MI	396	520
MN	299	421

MS	353	515
MO	519	698
MT	227	332
NE	64	53
NV	100	99
NH	136	195
NJ	928	1,445
NM	155	198
NY	1,551	2,256
NC	520	708
ND	26	43
OH	524	620
OK	145	150
OR	384	568
PA	1,142	1,660
RI	173	262
SC	534	802
SD	76	58
TN	290	294
TX	2,069	2,566
UT	130	150
VT	125	206
VA	259	328
WA	824	1,219
WV	95	112
WI	263	368
WY	83	137
PR	230	106
Am. Samoa	10	17
Guam	44	73
VI	26	43
TOTAL	23,621	32,109

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**Percent and Number of Workers Affected by the President's
Proposal to Increase the Minimum Wage, By State**

	Percent from \$4.25 to \$5.14	Number from \$4.25 to \$5.14 (in thousands)
Alabama	18.2%	296.3
Alaska	3.5%	7.6
Arizona	11.6%	164.1
Arkansas	18.2%	167.9
California	11.0%	1310.0
Colorado	11.5%	169.0
Connecticut	5.4%	79.1
Delaware	7.0%	22.9
District of Columbia	5.1%	11.5
Florida	12.8%	697.3
Georgia	13.3%	366.8
Hawaii	3.7%	18.0
Idaho	14.7%	61.6
Illinois	10.9%	548.3
Indiana	13.1%	323.4
Iowa	12.8%	165.0
Kansas	12.2%	132.4
Kentucky	17.8%	252.4
Louisiana	18.4%	275.8
Maine	10.6%	53.5
Maryland	6.7%	150.9
Massachusetts	4.7%	122.3
Michigan	11.7%	458.2
Minnesota	10.7%	217.1
Mississippi	21.6%	212.7
Missouri	14.5%	313.5
Montana	18.4%	55.7
Nebraska	14.2%	102.7
Nevada	10.7%	61.8
New Hampshire	7.6%	40.9
New Jersey	5.5%	180.7
New Mexico	15.8%	91.0
New York	8.0%	558.7
North Carolina	12.6%	374.4
North Dakota	19.3%	47.0
Ohio	11.8%	546.7
Oklahoma	16.2%	198.6
Oregon	8.9%	110.3
Pennsylvania	10.4%	521.6
Rhode Island	8.5%	35.7
South Carolina	16.0%	239.3
South Dakota	17.3%	49.3
Tennessee	17.4%	358.5
Texas	16.0%	1164.4
Utah	14.5%	104.1
Vermont	6.8%	17.9
Virginia	9.3%	265.3
Washington	7.5%	155.9
West Virginia	17.5%	109.9
Wisconsin	10.6%	240.1
Wyoming	15.0%	28.5

SOURCE: Economic Policy Institute analysis of 1993 Current Population Survey data.

U. S. Department of Labor
Employment and Training Administration
1995 and 1996 Summer Youth Program
For Selected Cities/Service Delivery Areas

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STATE CITY/SDA	Dollars (\$000)		Youth (Est.)	
	1995	1996 (Est.)	1995	1996
ALASKA	2,306	2,318	1,100	1,100
* Anchorage ** (SDA) (Anchorage/Matanuska SDA)	925	930	450	450
ARIZONA	11,614	11,674	8,200	8,300
Phoenix City SDA **	2,870	2,885	2,030	2,040
ARKANSAS	7,667	7,706	6,100	6,100
Little Rock City SDA	372	374	180	180
CALIFORNIA	146,654	147,410	75,400	75,800
* Fresno ** (Fresno City/County CSRT)	6,005	6,036	3,100	3,100
Los Angeles City SDA**	22,873	22,991	11,800	11,900
Oakland City SDA**	2,427	2,439	1,200	1,200
* San Diego ** (San Diego CRST)	9,101	9,147	4,700	4,700
San Francisco City/County SDA**	3,582	3,600	1,800	1,800
* San Jose ** (Bal of Santa Clara County SDA)	3,922	3,942	2,000	2,000
* San Mateo ** (San Mateo County SDA)	1,437	1,444	700	700
* Stockton ** (San Joaquin County SDA)	3,613	3,632	1,900	1,900
* West Hollywood ** (Bal of Los Angeles County SDA)	16,551	16,636	8,500	8,500
COLORADO	7,980	8,021	4,500	4,500
* Boulder ** (Boulder County SDA)	263	265	150	150
* Denver ** (Denver City/County SDA)	1,729	1,738	970	980
CONNECTICUT	8,108	8,150	5,400	5,400
* Bridgeport ** (Bridgeport/Norwalk/Stamford SDA)	1,738	1,747	1,160	1,160
DISTRICT OF COLUMBIA	3,180	3,197	2,700	2,700
FLORIDA	41,697	41,912	26,100	26,200
* Miami (So. Florida E&T CRST)	8,236	8,278	3,900	3,900
Tampa City SDA	1,182	1,188	750	750
GEORGIA	18,193	18,287	11,700	11,800
Atlanta City SDA	2,459	2,472	1,550	1,560
* Savannah ** (Savannah/Chatham CSRT)	621	624	400	400
ILLINOIS	34,955	35,135	25,000	25,100
Chicago (Mayor's Office of E&T)	12,638	12,703	9,000	9,000
INDIANA	12,533	12,597	8,100	8,100
* Ft. Wayne ** (Northeast Indiana PIC, Inc.)	1,000	1,006	640	650
Indianapolis City/Marion County SDA	1,957	1,967	1,000	1,000
IOWA	4,177	4,198	2,300	2,300
* Des Moines ** (Central Iowa CRST)	422	424	230	230

U. S. Department of Labor
Employment and Training Administration
1995 and 1996 Summer Youth Program
For Selected Cities/Service Delivery Areas

STATE CITY/SDA	Dollars (\$000)		Youth (Est.)	
	1995	1996 (Est.)	1995	1996
KENTUCKY	11,567	11,627	9,700	9,700
* Lexington (Bluegrass CSRT)	162	163	250	250
* Louisville City/Jefferson County SDA	1,187	1,193	1,000	1,000
LOUISIANA	19,265	19,364	13,500	13,500
* New Orleans (Orleans Parish)	2,343	2,355	1,750	1,750
MARYLAND	12,117	12,179	10,200	10,300
Baltimore City SDA**	4,343	4,365	3,660	3,670
* Rockville ** (Montgomery County SDA)	396	398	330	340
MASSACHUSETTS	18,977	19,075	14,000	14,100
Boston City SDA**	2,226	2,237	1,650	1,650
* Springfield ** (Hampden CRST)	1,850	1,860	1,370	1,370
MICHIGAN	31,599	31,762	21,400	21,500
Detroit City SDA	7,028	7,064	5,000	5,000
* Flint ** (Genesee/Shiawassee SDA)	955	960	650	650
MINNESOTA	8,964	9,010	7,200	7,300
Minneapolis E&T Program**	823	828	670	670
MISSISSIPPI	10,279	10,332	7,900	7,900
* Jackson ** (Hinds County SDA)	733	737	560	570
MISSOURI	13,893	13,965	9,200	9,200
St. Louis City SDA**	1,855	1,864	1,230	1,230
NEVADA	4,039	4,060	2,500	2,500
* Las Vegas (Nevada Business Services, Inc. SDA)	2,753	2,767	1,500	1,500
* Reno (Job Opportunities in Nevada SDA)	1,286	1,293	600	600
NEW JERSEY	23,748	23,870	19,000	19,100
Newark City SDA**	3,692	3,711	2,960	2,970
* Passaic ** (Passaic County SDA)	1,858	1,868	1,490	1,500
NEW MEXICO	5,782	5,812	2,500	2,500
* Albuquerque City/Bernalillo County SDA	585	588	420	420
* Roswell (Bal of New Mexico CSRT)	185	186	300	300

U. S. Department of Labor
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1995 and 1996 Summer Youth Program
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STATE CITY/SDA	Dollars (\$000)		Youth (Est.)	
	1995	1996 (Est.)	1995	1996
NEW YORK	63,255	63,581	54,800	55,000
* Albany (Albany/Rensselaer/Schenectady CSRT)	1,105	1,111	1,200	1,200
* Brooklyn (New York City SDA)	(See New York City)			
Buffalo (Buffalo/Erie/Cheektowaga SDA)	2,799	2,813	2,800	2,800
New York City SDA	35,308	35,490	32,000	32,100
* Rochester City SDA	1,126	1,132	600	600
NORTH CAROLINA	13,618	13,688	5,100	5,100
* Charlotte City/Mecklenburg County CRST**	721	725	270	270
OHIO	31,211	31,372	21,500	21,600
Cleveland City SDA	3,468	3,486	3,140	3,150
* Columbus (CRST #17)	1,692	1,701	1,580	1,590
* Dayton (Montgomery/Preble/Dayton CRST)	1,306	1,313	1,260	1,270
* Toledo Area CRST **	2,005	2,015	1,400	1,410
OKLAHOMA	9,587	9,637	6,000	6,000
* Oklahoma City (Central Oklahoma SDA)	1,440	1,447	1,070	1,070
* Tulsa Area SDA	1,409	1,416	830	830
OREGON	9,722	9,772	3,100	3,100
* Portland ** (The PIC SDA)	2,502	2,515	790	790
PENNSYLVANIA	34,075	34,251	34,000	34,100
* Bethlehem ** (Lehigh Valley Consortium SDA)	918	923	920	920
Philadelphia City/County SDA	5,217	5,244	5,930	5,950
Pittsburgh City SDA**	885	890	900	900
* Williamsport ** (Mid State Consortium SDA)	1,040	1,045	1,040	1,040
* York ** (York County SDA)	521	524	520	520
SOUTH CAROLINA	12,643	12,708	10,700	10,700
Charleston ** (Charleston City/County SDA)	950	955	800	800
TENNESSEE	12,938	13,005	3,600	3,600
* Knoxville City/Knox County**	502	504	140	140
TEXAS	66,587	66,930	43,300	43,500
* Austin City/Travis County CRST	1,180	1,186	500	500
Dallas City SDA	4,538	4,561	2,250	2,260
* Fort Worth CRST	2,345	2,357	970	970
Houston City SDA	9,102	9,149	6,000	6,000
* San Antonio (Alamo CRST)	4,939	4,964	3,500	3,500
VERMONT	2,125	2,136	1,700	1,700
* Burlington ** (Vermont Consortium)	(See VERMONT)			
VIRGINIA	13,187	13,255	4,500	4,600
* Alexandria ** (Alexandria/Arlington CRST)	507	510	200	200
Richmond ** (Job Training & Assistance Programs)	682	685	200	200

U. S. Department of Labor
Employment and Training Administration
1995 and 1996 Summer Youth Program
For Selected Cities/Service Delivery Areas

STATE CITY/SDA	Dollars (\$000)		Youth (Est.)	
	1995	1996 (Est.)	1995	1996
WASHINGTON	16,472	16,557	8,500	8,600
* Seattle/King County PIC **	3,649	3,668	1,890	1,900
* Spokane City/County CRST**	1,099	1,104	570	570
WEST VIRGINIA	9,342	9,390	5,800	5,800
* Charleston ** (Kanawha County SDA)	805	809	500	500
WISCONSIN	9,832	9,883	5,300	5,300
Milwaukee ** (Milwaukee County SDA)	1,866	1,876	1,000	1,010

* SDA total was used because the city is not an SDA in its own right

** Actual 1995 allocation not available; 1995 estimate based on 1994 data

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32.25.95

U. S. Department of Labor
Employment and Training Administration
Impact of Proposed Rescissions on JTPA and Employment Service Programs
Participant Reductions and ES Staff Reductions to States and Territories

State	1995 H-A Adults	1995 H-B Youth	1994 H-B Youth	1995 H-C Youth	1995 III Workers	1995 Old Wkrs	Total Participants	1995 ES Staff
Grand Total	11,400	615,000	617,600	130,100	52,000	3,300	1,426,100	130
Alabama	200	10,600	10,600	2,280	630	60	24,310	2
Alaska	30	1,100	1,100	350	130	20	2,710	1
Arizona	150	8,200	8,300	1,770	470	60	16,890	2
Arkansas	100	6,100	6,100	1,190	260	40	13,750	1
California	1,910	75,400	75,600	22,380	8,390	290	183,860	17
Colorado	110	4,500	4,500	1,220	340	30	10,670	2
Connecticut	110	5,400	5,400	1,250	480	30	12,640	2
Delaware	30	1,500	1,500	320	60	20	3,430	0
District of Col	40	2,700	2,700	450	160	20	6,050	0
Florida	570	26,100	26,200	6,360	2,210	210	61,440	6
Georgia	240	11,700	11,800	2,770	910	80	27,420	3
Hawaii	30	1,000	1,000	340	100	20	2,470	1
Idaho	30	1,300	1,300	400	110	20	3,140	1
Illinois	460	25,000	25,100	5,330	1,600	130	57,690	6
Indiana	170	8,100	8,100	1,910	530	80	18,810	3
Iowa	60	2,300	2,300	670	160	40	5,490	1
Kansas	70	4,400	4,400	770	260	30	9,900	1
Kentucky	160	9,700	9,700	1,760	380	60	21,700	2
Louisiana	260	13,500	13,500	3,010	780	60	31,050	2
Maine	60	2,400	2,500	650	260	20	5,870	1
Maryland	170	10,200	10,300	1,850	710	50	23,230	2
Massachusetts	250	14,000	14,100	2,900	1,030	60	32,280	3
Michigan	420	21,400	21,500	4,820	1,440	110	49,580	5
Minnesota	120	7,200	7,300	1,370	350	50	16,340	2
Mississippi	140	7,900	7,900	1,600	370	40	17,910	1
Missouri	190	9,200	9,200	2,120	590	70	21,300	2
Montana	30	1,300	1,300	370	80	20	3,080	1
Nebraska	30	1,600	1,600	320	60	20	3,610	1
Nevada	50	2,500	2,500	620	220	20	5,890	1
New Hampshire	40	1,500	1,500	470	150	20	3,660	0
New Jersey	320	19,000	19,100	3,630	1,580	70	43,630	4
New Mexico	80	2,500	2,500	680	210	20	6,170	1
New York	880	54,800	55,000	9,650	3,650	180	123,980	8
North Carolina	180	5,100	5,100	2,080	440	80	12,900	3
North Dakota	30	1,300	1,300	320	40	20	2,990	1
Ohio	420	21,500	21,600	4,760	1,580	150	49,660	5
Oklahoma	130	6,000	6,000	1,480	430	50	14,020	2
Oregon	130	3,100	3,100	1,480	450	40	6,260	1
Pennsylvania	470	34,000	34,100	5,200	1,900	170	75,670	5
Puerto Rico	470	63,700	64,000	5,320	1,140	60	134,630	2
Rhode Island	50	1,800	1,800	500	220	20	4,370	0
South Carolina	170	10,700	10,700	1,830	630	50	24,130	2
South Dakota	30	1,700	1,700	320	30	20	3,780	1
Tennessee	180	3,600	3,600	1,970	430	70	9,780	2
Texas	850	43,300	43,500	10,170	2,980	180	100,780	10
Utah	30	1,400	1,400	380	90	20	3,310	2
Vermont	30	1,700	1,700	320	60	20	3,610	0
Virginia	180	4,500	4,600	2,000	540	70	11,620	3
Washington	220	8,500	8,600	2,510	870	50	20,700	3
West Virginia	130	5,800	5,800	1,430	500	30	13,660	1
Wisconsin	130	5,300	5,300	1,500	340	70	12,570	2
Wyoming	30	500	500	320	60	20	1,410	0
American Samoa	0	800	800	30	20	10	1,650	
Guam	10	1,500	1,500	60	50	10	3,120	0
Marshall Islands	0	300	300	50	40		690	
Micronesia	10	800	800	80	60		1,750	
No. Marianas	0	400	400	20	20	10	640	
Palau	0	100	100	10	10	0	220	
Virgin Islands	10	500	500	90	60	10	1,160	0
Native Americans		13,000	13,100				26,100	
National Reserve					10,150		10,150	

NOTE:

Participant and staff estimates for all programs except Summer Youth (H-B) were pro-rated based on national average data. State-specific average cost per participant data for 1994 were used for H-B participant estimates.

These totals represent the number of police officers funded in each state by grant type, all of which are part of the President's 100,000 more police plan. Total estimates should be used to determine how many police officers have been funded per state.

Number of Officers by State						
STATE	PHS	PHASE1	AHEAD	TOTAL	FAST ESTIMATES	TOTAL ESTIMATES
AK	8	23	8	39	38	77
AL	28	72	23	123	207	330
AR	13	52	11	76	165	241
AZ	38	74	87	199	73	272
CA	251	303	480	1,034	212	1,246
CO	26	29	48	103	96	199
CT	26	34	62	122	62	184
DC	0			0		0
DE	28	18	12	56	12	68
FL	163	270	355	788	173	961
GA	42	90	100	232	211	443
GM	0	0	9	9		9
HI	5	40	20	65		65
IA	23	21	17	61	145	206
ID	4	11	2	17	42	59
IL	95	96	432	623	406	1,029
IN	36	59	75	170	151	321
KS	34	15	36	85	109	194
KY	16	27	34	77	117	194
LA	46	43	135	224	135	359
MA	75	96	175	346	241	587
MD	75	75	150	300	59	359
ME	12	7	6	25	63	88
MI	67	73	167	307	244	551
MN	28	12	55	95	193	288
MO	53	16	84	153	282	435
MS	22	52	13	87	209	296
MT	6	16	9	31	40	71
NC	46	100	96	242	215	457
ND	2	2	6	10	32	42
NE	15	51	19	85	40	125
NH	3	4	15	22	68	90
NJ	92	56	130	278	360	638
NM	10	40	11	61	74	135
NV	5	32	19	56	19	75
NY	86	108	291	485	247	732
OH	78	82	178	338	408	746
OK	23	38	45	106	187	293
OR	20	27	60	107	93	200
PA	63	47	192	302	316	618
PR	0	100	276	376	0	376
RI	14	16	24	54	23	77
SC	29	60	53	142	116	258
SD	8	9	4	21	47	68

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TN	54	27	95	176	167	343
TX	132	155	384	671	366	1,037
UT	18	28	16	62	68	130
VA	75	47	113	235	92	327
VT	3	14	1	18	35	53
WA	35	87	38	160	145	305
WI	27	25	19	71	173	244
WV	18	16	18	52	119	171
WY	6	4	2	12	18	30
TOTALS	2,080	2,799	4,710	9,589	7,113	16,702



U.S. Department of Justice

Office of Community Oriented Policing Services

Office of Congressional Relations

Washington, D.C. 20530

MEMORANDUM

TO: Jose Cerda, Executive Office of the President

FR: Leah Gurowitz, Assistant to the Director of COPS for Congressional Relations
Brian Michael, Legislative Analyst

RE: State totals of officers requested, but not funded under COPS FAST and COPS
AHEAD (Note: These totals do not include PHS requests)

DA: March 24, 1995 --These totals represent the number of police officers
requested in each state that remain unfunded, and which are likely to remain
unfunded if the President's 100,000 more police plan is repealed and/or
*****rescinded.

Alabama
425

Alaska
95

Arizona
263

Arkansas
334

California
763

Colorado
102

Connecticut
123

Delaware
14

Unfunded Requests
page two

Florida
510

Georgia
392

Hawaii
9

Idaho
52

Illinois
1104

Indiana
178

Iowa
86

Kansas
126

Kentucky
205

Louisiana
354

Maine
44

Maryland
303

Massachusetts
551

Michigan
387

Unfunded Requests
page three

Minnesota
149

Mississippi
426

Missouri
594

Montana
113

Nebraska
56

Nevada
45

New Hampshire
41

New Jersey
680

New Mexico
182

New York
834

North Carolina
408

North Dakota
35

Ohio
736

Oklahoma
298

Unfunded Requests
page four

Oregon
150

Pennsylvania
774

Rhode Island
75

South Carolina
287

South Dakota
77

Tennessee
433

Texas
643

Utah
95

Vermont
47

Virginia
202

Washington
171

West Virginia
178

Wisconsin
149

Wyoming
19

TOTAL unfunded officer requests under COPS AHEAD and COPS FAST: 14,317

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**THE WHITE HOUSE
OFFICE OF MEDIA AFFAIRS**

**FOR IMMEDIATE RELEASE
February 14, 1995**

202.456.7150

**PRESIDENT CLINTON DRAWS THE LINE ON EDUCATION:
WILL FIGHT TO PROTECT LOANS OF 44,431 MISSISSIPPI STUDENTS**

In a speech to the American Council on Education in San Francisco today, President Clinton drew the line on education, saying:

Republican leadership ... proposals will cut investments in our future and increase the cost of student loans to our neediest students to fund tax cuts for the wealthy. They will limit the availability of lower cost direct loans to middle class students to increase profits for the middlemen. And they won't reinvent the Department of Education as I have done to make it a stronger voice for education -- they will abolish it. To all of this, I say: No. I will fight these proposals every step of the way, and I want you to join me in this fight.

President Clinton specifically vowed to fight to:

- 1) Expand Direct Lending and Individual Education Accounts, and oppose Republican efforts to cap participation at 40%;
- 2) Support successful College Access programs, and oppose any attempt to eliminate the in-school interest subsidy for 4 million students;
- 3) Expand AmeriCorps National Service, and oppose any Republican proposals to dismantle the initiative;
- 4) Continue Goals 2000, and oppose efforts to abolish the Department of Education;
- 5) Offer a tax deduction up to \$10,000 for education and job training, and oppose wasteful tax proposals like the capital gains and cost-neutral recovery provisions in the House Contract;
- 6) Expand Head Start, and oppose any effort to block grant or limit funding for Head Start.

By opposing Republican proposals to end the in-school interest subsidy, President Clinton will protect 44,431 current Mississippi borrowers from accruing interest charges on their loans until after they finish school and start repaying their loans. The Department of Education estimates that ending this subsidy would mean that a student who borrows \$17,125 over four years would owe \$3,150 more, and have his or her monthly repayment amount increased by more than 18%.

By opposing Republican efforts to restrict expansion of the Direct Lending program and Individual Education Accounts (IEA), President Clinton will ensure that every American will have access to the program within the next five years. In the 1995-96 school year, 8 Mississippi schools will participate in direct lending.

The new national Direct Lending program, simplifies borrowing, reduces fees for students and offers borrowers several convenient repayment options, including income-contingent repayment. The program will also save the federal government billions of dollars in administrative expenses.

March 17, 1995

REDUCTIONS IN MAJOR EDUCATION STATE GRANT PROGRAMS UNDER HOUSE-PASSED RESCISSION BILL

State	Safe and Drug-Free Schools State Grants	Goals 2000	Eisenhower Prof. Develop. State Grants	<i>Chetty</i> Title I	State Student Incentive Grants	Total Reduction In State Aid
Alabama	\$7,506,839	\$2,366,125	\$1,669,686	\$2,623,640	\$942,619	\$15,108,909
Alaska	2,229,544	606,601	495,000	309,379	100,632	\$3,741,156
Arizona	6,487,092	2,076,599	1,425,000	2,055,592	1,068,117	\$13,112,400
Arkansas	4,492,073	1,438,613	999,621	1,564,755	400,801	\$8,895,863
California	49,770,887	16,480,731	10,990,040	15,331,509	9,733,052	\$102,306,219
Colorado	5,182,413	1,638,285	1,154,437	1,369,006	865,042	\$10,209,183
Connecticut	4,128,214	1,348,376	930,656	1,091,125	824,966	\$8,323,337
Delaware	2,229,544	506,285	495,000	319,750	169,008	\$3,719,587
Florida	19,007,117	6,127,674	4,229,099	5,830,419	1,982,676	\$37,176,985
Georgia	11,106,766	3,469,757	2,472,040	3,452,277	1,100,104	\$21,600,944
Hawaii	2,229,544	541,535	495,000	404,543	260,304	\$3,930,926
Idaho	2,229,544	614,534	495,000	458,541	212,142	\$4,009,761
Illinois	19,656,819	6,316,855	4,374,770	6,621,776	3,423,963	\$40,394,183
Indiana	8,156,638	2,606,324	1,819,129	2,268,674	1,266,888	\$16,117,653
Iowa	4,067,495	1,287,658	914,704	1,053,649	681,081	\$8,004,587
Kansas	3,811,681	1,253,970	857,848	1,085,354	701,971	\$7,710,824
Kentucky	7,172,209	2,293,687	1,597,100	2,615,664	773,697	\$14,452,357
Louisiana	10,110,318	3,166,401	2,253,817	3,972,259	901,974	\$20,404,769
Maine	2,229,544	645,930	495,000	515,421	227,058	\$4,112,953
Maryland	6,638,325	2,093,125	1,478,033	1,771,860	1,155,421	\$13,136,764
Massachusetts	8,240,235	2,714,818	1,844,625	2,426,211	2,036,889	\$17,262,778
Michigan	17,680,559	5,663,816	3,931,727	6,344,634	2,618,534	\$36,239,270
Minnesota	6,652,727	2,088,972	1,484,763	1,697,785	1,225,101	\$13,149,348
Mississippi	6,468,360	2,017,781	1,437,319	2,613,921	536,216	\$13,073,597
Missouri	8,166,309	2,562,053	1,811,446	2,395,467	1,251,956	\$16,187,231
Montana	2,229,544	611,537	495,000	517,751	174,647	\$4,028,479
Nebraska	2,427,794	785,598	540,734	512,893	454,191	\$4,721,210
Nevada	2,229,544	543,102	495,000	384,349	172,785	\$3,824,780
New Hampshire	2,229,544	505,898	495,000	325,474	220,829	\$3,776,745
New Jersey	10,870,039	3,423,052	2,429,803	2,366,113	1,681,411	\$20,750,418
New Mexico	3,436,610	1,075,570	765,913	1,240,813	321,585	\$6,840,491
New York	33,823,401	10,673,761	7,512,286	12,312,735	5,354,743	\$69,676,926
North Carolina	9,522,373	2,987,703	2,135,643	2,631,312	1,375,741	\$18,652,772
North Dakota	2,229,544	525,415	495,000	347,241	169,706	\$3,766,906
Ohio	18,676,767	5,852,194	4,138,736	6,307,651	2,511,570	\$37,486,918
Oklahoma	5,526,746	1,729,445	1,223,252	1,753,978	853,060	\$11,086,481
Oregon	4,588,094	1,574,049	1,023,512	1,384,421	813,719	\$9,383,795
Pennsylvania	18,997,290	6,089,063	4,251,951	6,366,003	2,784,079	\$38,488,386
Rhode Island	2,229,544	580,323	546,516	378,393	338,844	\$4,073,620
South Carolina	5,961,448	1,870,168	1,333,706	1,910,389	685,319	\$11,761,030
South Dakota	2,229,544	553,694	495,000	362,516	179,827	\$3,820,581
Tennessee	8,012,502	2,494,193	1,776,748	2,510,110	1,025,748	\$15,819,301
Texas	35,376,892	11,404,143	7,842,713	12,138,706	3,455,623	\$70,218,077
Utah	3,201,044	1,018,770	711,968	679,686	470,665	\$6,082,133
Vermont	2,229,544	498,961	495,000	304,339	159,104	\$3,686,948
Virginia	8,335,477	2,606,724	1,855,803	1,821,285	1,349,210	\$15,968,499
Washington	7,499,718	2,459,063	1,671,250	2,069,551	1,437,405	\$15,136,987
West Virginia	3,586,658	1,125,001	797,782	1,457,937	460,090	\$7,427,468
Wisconsin	8,240,236	2,589,548	1,850,508	2,569,553	1,321,143	\$16,570,988
Wyoming	2,229,544	495,084	495,000	323,821	98,430	\$3,641,879
D.C.	2,229,544	597,665	495,000	415,401	461,427	\$4,199,037
Puerto Rico	12,109,055	3,806,473	2,471,316	5,311,365	566,318	\$24,264,527

**Estimated Number of In-School
Interest Subsidy Recipients**

State

ALABAMA.....	55,778
ALASKA.....	3,034
ARIZONA.....	101,456
ARKANSAS.....	32,537
CALIFORNIA.....	363,781
COLORADO.....	90,110
CONNECTICUT.....	39,096
DELAWARE.....	7,283
DISTRICT OF COLUMBIA.....	34,321
FLORIDA.....	193,147
GEORGIA.....	102,576
HAWAII.....	4,328
IDAHO.....	18,311
ILLINOIS.....	198,053
INDIANA.....	122,317
IOWA.....	94,281
KANSAS.....	61,142
KENTUCKY.....	55,242
LOUISIANA.....	101,621
MAINE.....	20,055
MARYLAND.....	52,938
MASSACHUSETTS.....	122,885
MICHIGAN.....	151,594
MINNESOTA.....	110,843
MISSISSIPPI.....	44,431
MISSOURI.....	114,316
MONTANA.....	22,263
NEBRASKA.....	45,053
NEVADA.....	12,333
NEW HAMPSHIRE.....	23,809
NEW JERSEY.....	89,816
NEW MEXICO.....	23,060
NEW YORK.....	383,394
NORTH CAROLINA.....	76,380
NORTH DAKOTA.....	29,108
OHIO.....	209,142
OKLAHOMA.....	78,788
OREGON.....	60,901
PENNSYLVANIA.....	343,445
RHODE ISLAND.....	31,440
SOUTH CAROLINA.....	52,779
SOUTH DAKOTA.....	27,165
TENNESSEE.....	81,879
TEXAS.....	262,274
UTAH.....	35,375
VERMONT.....	19,943
VIRGINIA.....	104,216
WASHINGTON.....	66,908
WEST VIRGINIA.....	34,232
WISCONSIN.....	105,555
WYOMING.....	13,005

12

HOUSE RESCISSIONS TO 1995 DEPARTMENT OF EDUCATION BUDGET
(dollars in thousands)

	<u>1995 Approp.</u>	<u>House Passed Rescission</u>	<u>Percent Change</u>
<u>Elementary and Secondary Programs</u>			
Goals 2000	\$403,400	\$173,530	-43%
School-to-Work Opportunities	125,000	12,500	-10%
Title I Grants to LEAs	6,698,356	140,300	-2%
Eisenhower Prof. Dev. State Grants	320,298	100,000	-31%
Safe and Drug-Free Schools	481,962	471,962	-98%
Education for Native Hawaiians	12,000	12,000	-100%
Training in Early Childhood Education	13,875	13,875	-100%
Family and Community Endeavor Schools	11,100	11,100	-100%
Special Programs for Indian Children	14,342	2,000	-14%
Bilingual Education Instructional Services	155,690	38,500	-25%
<u>Vocational and Adult Education</u>			
Vocational Education National Programs	34,535	34,535	-100%
Adult Education Literacy Programs	41,121	41,121	-100%
<u>Postsecondary Education</u>			
Pell Grants Surplus	n/a	104,100	n/a
State Student Incentive Grants	63,375	63,375	-100%
State Postsecondary Review Program	20,000	20,000	-100%
Direct Loan Administration/FFEL Transition	345,000	47,000	-14%
Nat. Hawaiian/Alaska Native Culture and Arts	1,000	1,000	-100%
Urban Community Service	13,000	13,000	-100%
Student Financial Aid Database/Information Line	496	496	-100%
Federal TRIO Programs	463,000	11,200	-2%
Postsecondary Scholarships and Fellowships	112,030	54,522	-49%
Howard University	206,463	4,300	-2%
College Housing Loan Federal Administration	1,022	490	-48%
<u>Technology and Improvement</u>			
Educational Technology	40,000	30,000	-75%
Star Schools	30,000	30,000	-100%
Ready to Learn Television	7,000	2,700	-39%
Telecommunications Demonstration for Math.	2,250	2,250	-100%
Javits Gifted and Talented Education	9,521	4,600	-48%
National Diffusion Network	14,480	2,700	-19%
International Education Exchange	3,000	3,000	-100%
Public Library Construction	17,792	15,300	-86%
Library Research and Demonstrations	6,500	6,500	-100%
Other program rescissions		215,576	
Total Rescissions:		\$1,683,532	

March 17, 1995

INVESTING OR "DISINVESTING" IN EDUCATION?

#14

BUDGET PROPOSALS IN CONGRESS FISCAL YEARS 1995 AND 1996

The following is a summary of very significant proposals working their way through Congress that will have profound effects on educational opportunity for America's students in the school years 1995 - 1996 (Fiscal Year 1995) and in 1996 - 1997 (Fiscal Year 1996).

THE BASICS FOR BETTER EDUCATION FOR AMERICA'S STUDENTS	HOUSE PASSED PROPOSAL TO <u>TAKE BACK</u> (RESCIND) EDUCATION FUNDING - FOR 199 <u>5</u> - 1996	PRESIDENT'S BUDGET PROPOSAL TO <u>INVEST IN</u> QUALITY EDUCATION - FOR 199 <u>6</u> ¹ - 1997
HELP MAKE SCHOOLS SAFER AND DRUG-FREE (Safe and Drug-Free Schools Act)	98% CUT (-\$472 million)	\$18 MILLION INCREASE
RAISE STANDARDS OF ACHIEVEMENT, DISCIPLINE, AND LEARNING SO THAT ALL CHILDREN WILL BE PREPARED FOR THE 21ST CENTURY (Goals 2000: Educate America Act)	40% CUT (-\$163 million)	\$347 MILLION INCREASE
PROMOTE PARENT INVOLVEMENT IN SCHOOL IMPROVEMENT (Parent Resource Centers)	100% CUT (-\$10 million)	PRESERVES FUNDING
PROVIDE ONGOING, CONTINUOUS TRAINING FOR TEACHERS (Eisenhower Professional Development Program)	31% CUT (-\$100 million)	\$415 MILLION INCREASE
HELP CHILDREN IN DISADVANTAGED SCHOOLS LEARN TO READ, WRITE AND DO MATH WELL (Improving America's Schools Act, Title I)	2% CUT (-\$140 million)	\$300 MILLION INCREASE
HELP LIMITED ENGLISH SPEAKING CHILDREN MEET CHALLENGING ACADEMIC STANDARDS (Bilingual and Immigrant Education)	25% CUT (-\$39 million)	\$55 MILLION INCREASE
PROVIDE STUDENTS ACCESS TO COMPUTERS AND TECHNOLOGY IN THE CLASSROOM (Technology Education Act)	75% CUT (-\$30 million)	\$43 MILLION INCREASE
EXPAND FINANCIAL AID FOR DESERVING COLLEGE STUDENTS (Student loans and grants)	ELIMINATES STUDENT INCENTIVE GRANTS (-\$63 million)	INCREASES MAXIMUM PELL GRANT FROM \$2,340 TO \$2,620 AND PROVIDES \$10,000 TAX DEDUCTION FOR COLLEGE

"Our students may be only 20% of the population, but they are 100% of our future."
(Richard Riley, U.S. Secretary of Education)

¹The President's proposal includes a modest overall increase of 3.8% for education and keeps the federal budget deficit in check. It also includes streamlining and consolidating programs to reduce costs to invest in high-priority reforms.

PRESIDENT CLINTON SPEAKS AT ARKANSAS STATE UNIVERSITY ON INVESTMENTS IN EDUCATION April 3, 1995



"The fight for education is the fight for the American Dream." -- President Clinton, April 1, 1995

Today, President Clinton dedicates a new library at Arkansas State University at Jonesboro. Continuing the themes of this Saturday's radio address, the President will contrast his commitment to national investment in education against Republican efforts to cut education to pay for tax cuts for the wealthy. Vice President Gore will underline the President's commitment to education in a speech at the National Press Club. While the Clinton Administration fights to expand opportunity for all Americans, Republicans are pushing education cuts in the Senate this week, and House Republicans are trying to cut taxes on the wealthy.

HOLDING THE LINE AGAINST CUTS IN EDUCATION INVESTMENT. Today, the President will outline his differences with Republicans who are trying to gut our role in promoting opportunity through education. Specifically, the President has vowed to protect investments in:

- o **Student Loans.** Republicans want to add \$2 billion a year in costs to 4 million students by removing the grace period on interest for student loans.
- o **Direct Lending.** Republicans want to eliminate a program that cuts bureaucracy and saves taxpayers and students billions. The President wants to expand it to all schools and all students.
- o **Head Start.** Republicans want to scale back the Head Start Program. Despite tough fiscal times, the President wants to expand Head Start, to support programs that work.
- o **Goals 2000.** Republicans want to cut a program that fosters high standards in our schools.
- o **National Service.** Republicans want to dismantle Americorps, the President's service program, which expands opportunity for young people willing to give something back to their country.
- o **Department of Education.** Republicans want to eliminate the Department of Education. President Clinton believes we must preserve national investment in education while making government more efficient and responsive.
- o **Safe and Drug Free Schools.** Republicans are trying to gut a program that teaches students the dangers of drug and alcohol abuse in 94% of America's schools.

The President Has Made Investment in Education and training a Centerpiece of His Agenda

- o The President's call for a New Covenant envisions providing children with opportunity and making sure that they behave responsibly enough to take advantage of those opportunities.

- more -

The Clinton Administration Has a Solid Record of Accomplishment: The Lifelong Learning Agenda. Last year, the President outlined a seven-point agenda for education in this country. That program is based on his belief that success in the new economy is based more than ever on knowledge and skills. The first six pieces of that agenda passed last year:

- o **Reform and expansion of Head Start** - Provides comprehensive developmental services for America's low-income, pre-school children ages 3-5.
- o **Goals 2000** - Sets world class standards for our schools for the first time and pushes responsibility for reaching those goals down to the grassroots.
- o **Reauthorization of the Elementary and Secondary School Act** - Focuses on improving teaching to help students meet high standards and help disadvantaged students.
- o **School to Work** - Broadens educational and economic opportunities for students not immediately bound for four year colleges through local partnerships among businesses, schools, community organizations and state and local governments.
- o **National Service** - Enhances educational opportunity by enabling citizens to work in public service positions where they will receive a small stipend and earn education awards to pay for post-secondary education.
- o **Direct Lending** - Allows students to secure loans in a quick and easy manner, taking the expense and confusion out of how they finance and pay for higher education. Saves students and taxpayers billions of dollars.
- o **Reemployment Act** - Ensures that all Americans have the knowledge, skills and opportunity to do their jobs better and to get better jobs.



President Clinton will fight the effort to cut education to pay for tax breaks that help the wealthy. The President wants to target tax cuts to middle-income Americans and help those Americans get the education and skills they need to compete in today's economy. Republicans in the House of Representatives are making sharp cuts in programs that serve average Americans -- notably, education -- all to pay for huge tax cuts for the wealthiest Americans.

Facts on the House Republican Tax Bill. It would:

- o Give 20 percent of its benefits to the top one percent of American families -- those earning nearly \$350,000 a year or more;
- o Give more than half of its benefits to the top 12 percent of American families -- those making at least \$100,000 a year; That will be true even if House Republicans cap their family tax credit at those making up to \$95,000 a year.
- o Explode the deficit by costing a whopping \$630 billion over 10 years.

President Clinton Believes Education is the Key to America's Future. Republicans are Planning Deep Cuts in Education:

- o **Student Loans.** President Clinton supports student loans and opposes Republican efforts to make them more expensive. Republicans want to help pay for their tax cuts for the wealthy by eliminating a grace period that allows 4.5 million students to defer interest charges while still in school. The Department of Education estimates that ending this grace period would mean that a student who borrows \$17,125 over four years would owe \$3,150 more -- an increase of more than 18%. President Clinton will fight to stop Republicans from raising the costs of college and job training.
- o **Direct Lending.** The President wants to expand his Direct Lending program which simplifies the application process for student loans, reduces fees for students and offers borrowers convenient repayment options, including pay-as-you-can. Direct Lending is saving taxpayers billions of dollars in administrative expenses. The President opposes Republican efforts to help banks by capping participation in Direct Lending and preventing thousands of schools and millions of students from receiving its benefits.
- o **National Service.** AmeriCorps, President Clinton's service program, enables young people to get a hand paying for their education if they give a hand to their community. The President opposes the Republican effort to shut down the national service program and send home 20,000 AmeriCorps members.
- o **Goals 2000.** The President won passage of Goals 2000 to help states and local communities train teachers and upgrade standards for their schools. Republicans call for a 40% cut in the program that would reduce support for teacher training and higher standards for America's schools.
- o **Safe and Drug-Free Schools.** Republicans want to gut a program that teaches students to avoid drugs and violence, and helps schools to purchase metal detectors and hire security personnel.

THE WHITE HOUSE
WASHINGTON

April 4, 1995

MEMORANDUM FOR DISTRIBUTION

FROM: KITTY HIGGINS

SUBJECT: Summary Of Cabinet Activity
April 4 - April 15, 1995

UPDATES IN BOLD

Tuesday, April 4

- DOC -- The Census Bureau will release the following economic data:
Value of New Construction Put in Place for February 1995 April 4
- DOE -- Rocky Flats Contract Award: On Tuesday, April 4, DOE anticipates awarding a new contract to an operations contractor to oversee cleanup of the site. The contract is for \$3.5 billion over five years. The announcement will be major news in Colorado due to the size of the contract and the controversy associated with this site.
- DoEd -- School Violence: On April 4, Secretary Riley and Dr. Lee Brown travel to Chicago for a town meeting on school violence. The Secretary will also visit a school to highlight proposed rescissions.
- DOL -- **Minimum Wage**: The Joint Economic Committee holds hearing on minimum wage.
- HUD -- **Public Housing**: *Dateline NBC* will air a piece on Section 8 housing, including an interview with the Secretary. The piece is expected to be critical of the program charging that landlords do not maintain the properties properly.
- HUD -- **Nation of Islam**: In efforts to better respond to the concerns of the Jewish community on this sensitive matter, the Secretary will meet with leaders of B'Nai B'rith on Tuesday, April 4th. Assistant Secretary for Fair Housing and Equal Opportunity Roberta Achtenberg has been in close contact with Judge Mikva on this issue.

Court in New Jersey finding Megan's Law unconstitutional on certain grounds, the New Jersey Attorney General concluded that the state may not enforce the community notification provisions of Megan's Law. The Justice Department's amicus brief is due on April 5.

- DOL -- Secretary Reich attends the DSCC High Donor Breakfast.
- HUD -- Heroes of Public Housing: On Wednesday, April 5th, the Department hosts the first annual Heroes of Public Housing ceremony to recognize talented and successful individuals who grew up in public housing. This year's honorees include Kenny Rogers, Florence Griffith Joyner, Congressman Louis Stokes, labor leader Bob Georgine, Minnesota educator Angelita Reyes, and tenant advocate Bertha Gilke.
- SBA -- Main Street Investment Program: On Wednesday, April 5, Administrator Lader unveils the SBA's Main Street Investment Program in South Carolina. The State Treasurer will be able to allocate state tax dollars to purchase certificates of deposit from local banks in the state. The local banks agree to use the funds to originate LowDoc loans of up to \$100,000 each. The announcements are in Columbia and Clemson.

- **TREAS --** On April 5, Secretary Rubin will attend a breakfast with the Business Roundtable, attend the DCCC Speakers Breakfast, and address the Evans/Novak Forum.
- **HHS -- Testimony:** FDA Commissioner David Kesler testifies before the Senate Labor and Human Resources Committee on FDA Oversight
- **USTR Trade Priorities:** On Wednesday, April 5, Ambassador Kantor testifies before the Senate Finance Committee regarding the Administration's trade priorities for 1995.

Thursday, April 6

- **DoEd -- Skill Standards Board:** On April 6, Secretary Riley and Secretary Reich swear in the National Skill Standards Board created as part of Goals 2000. On April 7, the Secretaries participate in the first meeting of the Board.
- **HHS -- Secretary Shalala** speaks at the Middlesex County Chamber of Commerce in CT.
- **HHS -- Secretary Shalala** addresses the "Higher Education and the Health of Youth" conference at Harvard University in Boston, MA.
- **ONDCP -- National Drug Control Strategy:** The second half of the hearing by Congressman Zeff (R-NH) will take place on Thursday, April 6 before the Subcommittee on National Security. It is anticipated that similar to the earlier hearing which featured Nancy Reagan, this will be critical of the National Drug Control Strategy.
- **TREAS --** On April 6, the Secretary will address the New York Stock Exchange Breakfast, meet with Chairman Greenspan, and attend a lunch with Democratic House Banking Committee Members to discuss Glass-Steagall and other banking issues.
- **UN -- Testimony:** Ambassador Albright testifies before the House International Relations Committee.

Friday, April 7

- DOE -- Secretary O'Leary addresses the Investor Conference in New York, NY.
- DOE -- Secretary O'Leary departs for travel to Japan.
- DOI -- Secretary Babbitt is tentatively scheduled to announce the Habitat Conservation Bank with Bank of America in San Diego, CA.
- DOL -- Unemployment: On Friday, April 7, the Bureau of Labor Statistics releases data on the national employment and unemployment situation for the month of March.
- UN -- Ambassador Albright addresses the American Society of International Law.
- VA -- Secretary Brown addresses the American Ex--POW Hudson Valley Chapter in Castle Point, NY.

Saturday, April 8

- DoEd -- Safe Schools Grants: On April 8, Secretary Riley and the President announce 21 grant awards totalling \$18 million under the Safe Schools program.
- DOI -- Secretary Babbitt keynotes the Wisconsin Dems J-J Dinner in Milwaukee, WI.
- DOJ -- Attorney General Janet Reno addresses Mercer University Law Day in Macon, GA.

Sunday, April 9

- UN -- Ambassador Madeleine Albright addresses troops at Fort Pendleton in CA.

Monday, April 10

- DOJ -- Attorney General Reno addresses the National Institute of Municipal Law Officers in Washington DC. Remarks focus on juvenile justice.
- HHS -- Secretary Shalala addresses the Alzheimer's Association's 7th annual policy forum in Washington, DC.

Tuesday, April 11

- DOI -- Secretary Babbitt tours Lake Powell in UT.

Wednesday, April 12

- HHS -- Social Security Administration: Independence event on April 12 to commemorate the 50th Anniversary of FDR's death.
- VA -- Secretary Brown visits VA Medical Centers with Sen. Daschle in Fort Meade and Hot Springs, SD.

Thursday, April 13

- DOJ -- Attorney General Reno addresses the US Attorneys Conference in San Antonio, TX.
- OMB -- Director Rivlin addresses the Citizen's Committee for Children of New York Forum in New York, NY.

Friday, April 14

- HHS/OMB -- Secretary Shalala and Director Rivlin participate in NYT Editorial Board Meeting in New York, NY.

Saturday, April 15

- DoD -- Spirit of South Carolina and Spirit of Kansas: On April 15, the Air Force will honor the next operational B-2 stealth bomber with the name Spirit of South Carolina during a ceremony at the Columbia Metropolitan Airport in Columbia, South Carolina. On May 20, the Spirit of Kansas will be named in a ceremony at McConnell AFB, Kansas.

Klein

To: All DPC
Staff

Talking Points on

Republican Tax and Spending Policies:

ORIG BACK TO
CHR

"Cuts in Education to Pay for Tax Cuts for the Rich"

April 3, 1995

Message: The House tax and spending policies center around sharp cuts in programs that serve average Americans -- notably, education -- to pay for huge tax cuts for the wealthiest Americans.

These proposals highlight a sharp distinction between the President's priorities and those of Republicans. The President wants to target tax cuts to middle-income Americans and help those Americans get the education and skills they need to compete in today's economy. Republicans, by contrast, advocate a kind of "reverse Robin Hood" approach, giving more to the most well-off and taking from the most vulnerable while doing little for those in the middle.

Republican tax cuts and welfare reform proposals would provide \$31.3 billion more in tax benefits for those making at least \$200,000 a year, and \$11.5 billion less in benefits for those making less than \$50,000.

Republican priorities show up in the major tax and spending proposals before Congress.

1. Tax Cuts

Overall: The President wants to target tax relief to middle-income Americans who have not yet shared in the economic recovery and pay for it by cutting waste and pork from the budget. Republicans want to provide tax breaks that would go disproportionately to the wealthiest Americans and pay for it by cutting education, school lunches, and other programs that help middle-income Americans and those most vulnerable.

The House Republican tax bill would:

- give 20 percent of its benefits to the top 1 percent of American families -- those earning nearly \$350,000 a year or more;
- give more than half of its benefits to the top 12 percent of American families -- those making at least \$100,000 a year;

-- This will still be true even if House Republicans cap their family tax credit at those making up to \$95,000 a year.

- explode the deficit by costing a whopping \$630 billion over 10 years.

Republicans also want to protect a loophole that allows about 24 multi-millionaires to avoid paying taxes by renouncing their citizenship:

- The provision was part of a separate measure to extend, and then increase, the 25 percent deduction of health insurance costs incurred by self-employed individuals;
- The President has proposed to close this loophole.
- The provision would have raised \$1.4 billion over five years -- just by collecting taxes from these 24 individuals.
- At the urging of House conferees, a House-Senate conference committee dropped this provision from the tax measure.

2. Budgets

Overall: House Budget Chairman John Kasich has proposed a five-year budget of \$190 billion in spending cuts -- all to pay for the Republican tax cuts -- but no specified savings to reduce the deficit.

- **Kasich's cuts include:**

-- Discretionary savings (\$100 billion),

- Examples include:

-- Reduce Funding for Training and Employment,

-- Reduce Violent Crime Trust Funding,

-- Reduce Funding for Goals 2000 and School-to-Work, and

-- Reduce Corporation for National and Community Service.

-- Welfare reform (food stamps, child nutrition, etc.) (\$64.6 billion),

- Cuts in civil service programs (11 billion),
- Medicare extenders (\$10.5 billion),
- Spectrum auction extension (2.5 billion), and
- Uranium enrichment privatization (\$1.6 billion).

- **Kasich's deficit reduction comes from:**

- \$91 billion in unspecified discretionary savings that he would apply to deficit reduction.
- Thus, despite Republican criticism that our budget was weak on deficit reduction, Kasich's plan provides only marginally more deficit reduction than ours --\$91 billion, compared to our \$81 billion.

3. Rescissions:

The House bill would make deep cuts in the following areas:

Education

- Cut the Goals 2000 program, depriving 4,000 schools in 46 states of seed money to train teachers and upgrade their academic standards.
- Deprive 100,000 educationally disadvantaged children of special services under the Title I program.
- Eliminate the Safe and Drug-Free Schools and Communities program, which supports drug-prevention programs in 94 percent of all school districts as well as anti-violence efforts.

Children and Youth

- Shut down the national service program, sending home 20,000 Americorps members and cutting funding for school-based programs serving over 300,000 children.

-- Among other things, Americorps members are:

- providing thousands of low-income and migrant children with immunizations;
- working with children in environmental clean-up activities; and

- working in inner-city recreation areas to combat drug traffic and violence.
- Eliminate funding for the Summer Youth Employment program in 1995 and 1996, wiping out job opportunities for 1.2 million disadvantaged youth over those two summers.
- Deny the WIC nutrition program's services and food packages to about 100,000 women, infants, and children for six months.

Housing and the Homeless

- Eliminate subsidized housing assistance to 63,000 needy low-income households.
- Prevent 24,000 homeless families from moving to transitional or permanent housing this year.
- Eliminate the up-front funds needed to tear down the nation's worst public housing projects.

The Senate bill is an improvement over the House version, but the Administration remains opposed because of its deep cuts in valuable programs:

Education

- Cut \$100 million from the Safe and Drug-Free Schools and Communities program, which supports drug-prevention programs in 94 percent of all school districts as well as anti-violence efforts.
- Cut the Goals 2000 program by \$68 million, greatly reducing support through which States and communities train teachers and upgrade their academic standards.
- Cut the Title 1 program for the educationally disadvantaged by \$80 million.

Children and Youth

- Cut \$210 million from the President's national service program, depriving 15,000 young adults of the chance to serve their communities and earn education benefits.
- Cut \$35 million from the WIC program, resulting in 840,000 fewer food packages for women, infants, and children.

- Eliminate funding for the Summer Youth Employment program in 1996, wiping out job opportunities for 615,000 disadvantaged youth that summer.