President Clinton and Vice President Gore
Supporting Investments in the Young People of America
August 3, 1998

Congress Retreats from Support for Education and Youth. Republicans in the House of Representatives are advancing a bill that denies educational and training opportunities to the young people of America. The House Labor-HHS-Education Appropriations bill, which will soon be put to a vote, cuts $3.3 billion from the President's education and training priorities.

The House Republican Bill:

Eliminates the $871 million Summer Jobs program. Up to 530,000 disadvantaged young people would be denied the opportunity to gain skills and valuable work experience over the summer months. Studies show that the Summer Jobs initiative works. A 1995 report concluded that more than three out of four young people enrolled in the program would have been jobless without it, especially 14-15 year-olds.

Retreats from the nation's commitment to raise academic standards. President Clinton has proposed to help states, local communities and schools raise academic standards through the development of voluntary national tests in the basic skills and through the Goals 2000 program. The House bill denies 6,000 schools nationwide funds to help students reach high standards and would halt development of voluntary national tests in fourth grade reading and eighth grade math.

Short-changes Head Start. Denies slots to up to 25,000 low-income children compared to President Clinton's budget.

Eliminates funds for reading tutors. The House bill eliminates $260 million for the America Reads Challenge, denying funding to schools and communities to improve reading programs and provide tutors.

Denies funds for after-school programs. The House bill reduces the President's request for the 21st Century Community Learning Centers program by $140 million, denying approximately 425,000 school-age children participation in before- and after-school programs.

Denies disadvantaged students help in the basic skills. The House bill denies funds to help an additional 520,000 educationally disadvantaged students master the basic skills, by cutting the President's request for Title 1 by almost $400 million.

Slows progress in putting computers in the classroom. The House bill denies funding to 400 school districts nationwide to provide students and teachers with access to computers and denies specialized technology training to a large number of new teachers first entering the classroom.

-more-

Eliminates funding to prepare disadvantaged children for college. The House bill denies more than one million at-risk middle school students (over five years) the mentoring and tutoring to raise education expectations and eliminate barriers to college, by denying $140 million for the High Hopes program.

Eliminates funding for middle school safety coordinators. The House bill denies 6,500 middle schools throughout the nation with $50 million that would provide full-time Safe and Drug-Free Schools Coordinators.

Denies funding for key child care initiatives. The House bill denies $180 million in child care funding that we proposed to improve and enforce health and safety standards.

Eliminates Low-Income Home Energy Assistance (LIHEAP). Under President Clinton's budget, more than four million low-income families receive help to pay for heating costs in the winter or to stay cool in the summer. Under the Republican plan, they won't get a penny.

CONGRESS RETREATS FROM SUPPORT FOR EDUCATION AND YOUTH

I will not allow America to abandon our vital mission of preparing our children for the world of the 21st Century. I will not allow our 21st Century children to enter the future with inadequate 20th Century skills.

President Bill Clinton
July 29, 1998

In a speech to the 2nd World Congress on Education International, President Clinton sharply rebuked Congress for shortchanging children in the appropriations bill moving through the House of Representatives. The House Republican Labor-HHS-Education Appropriations bill currently eliminates the Summer Jobs Program, cuts $2 billion from the President's education priorities, and stops progress on national tests in the basic skills.

The House bill eliminates the $871 million Summer Jobs initiative. The House Bill eliminates the Department of Labor's Summer Jobs Program, which would deny more than *half a million* disadvantaged young people the opportunity to gain skills and valuable work experience over the summer months. Studies show that the Summer Jobs initiative works. A 1995 report concluded that more than three out of four young people enrolled in the program would have been jobless without it.

The House bill cuts needed investments to strengthen our public schools. President Clinton has proposed a bold agenda to strengthen our public schools by raising standards, increasing accountability, and expanding parental choice in public schools. The House Republican Labor-HHS bill shortchanges our public schools by cutting $2 billion from the President's request for education investment. In particular, the House bill:

Eliminates funds for reading tutors. The House bill eliminates $260 million for the President's America Reads Challenge, denying funding to schools and communities to improve reading programs and provide tutors to students who need extra help.

Denies funds for after-school programs. The House bill reduces the President's request for the 21st Century Community Learning Centers program by $140 million, denying approximately 425,000 school-age children participation in before- and after-school programs.

Denies disadvantaged students help in the basic skills. The House bill denies funds to help an additional 520,000 educationally disadvantaged students master the basic skills by cutting the President's request for Title 1 by almost $400 million.

Slows progress in putting computers in the classroom. The House bill denies funding to 400 school districts to provide students and teachers with access to computers and denies specialized technology training to a large number of new teachers by cutting the President's request for education technology programs by $125 million.

Eliminates funding for middle school safety coordinators. The House bill denies 6,500 middle schools throughout the nation the $50 million in funding necessary to provide for full-time Safe and Drug-Free Schools Coordinators.

Eliminates funding for Education Opportunity Zones. The House bill denies grants to approximately 35 high-poverty communities to help them end social promotions, turn around failing schools, and strengthen accountability for teachers by eliminating funding for the President's Education Opportunity Zones proposal.

Eliminates funding to spark interest in college. The House bill denies more than one million (over 5 years) at-risk middle school students mentoring, tutoring, and other services to help raise education expectations, increase academic achievement, and eliminate barriers to college by eliminating $140 million for the President's High Hopes for College program.

Cuts funding for School-to-Work programs. The House bill reduces funding for School-to-Work Programs by $100 million below the President's request, slowing state and local efforts to provide career-related coursework and work-based learning experiences to more than 1 million students in over 3,000 high schools.

The House bill retreats from the nation's commitment to raise academic standards. If we are to improve our schools, we must start by setting challenging academic standards and measuring student progress toward achieving them. President Clinton has proposed to help states, local communities, and schools across the nation take this step through the development of voluntary national tests in the basic skills, and through the Goals 2000 program, which supports the development of state and local academic standards.

Blocking Voluntary National Tests. The House bill would halt the development of voluntary national tests in 4th grade reading and 8th grade math, denying parents the ability to know if their children and their schools are meeting challenging national standards, and denying states and local communities the opportunity to use these tests on a voluntary basis. Eight states and 15 cities with 20 percent of the nation's students already have volunteered to participate in the tests. The National Academy of Sciences recently completed a Congressionally mandated study of the feasibility of an alternative approach that would attempt to link existing state and commercial tests, and determined that this approach is not feasible. Now is the time for Congress to move forward, rather than to stop development of the national tests.

Slashing Funds for Goals 2000. In addition, the House bill would cut funding for the Goals 2000 program by $245.5 million from current funding levels, and by $255 million from the President's request for FY 1999. In so doing, the House bill would decrease the ability of 6,000 schools nationwide to help students reach high standards.

Program of Speakers:
Mary Hatwood Futrell, President, Education International
President Clinton

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 11, 1998

THE DIRECTOR

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the Veterans, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1999, as reported by the Senate Subcommittee. As the Committee develops its version of the bill, your consideration of the Administration's views would be appreciated. These views are based on incomplete information and, therefore, are necessarily preliminary.

The Administration appreciates efforts by the Subcommittee to accommodate the President's priorities within the 302(b) allocation. However, the allocation is simply insufficient to make the necessary investments in programs funded by this bill. As a result, a variety of critical programs discussed below are underfunded.

The only way to achieve the appropriate investment level is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings in mandatory and other programs available to help finance this spending. In the recently enacted Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs paid for with mandatory offsets. The Subcommittee has used part of one such offset in its version of the bill, and we encourage the Congress to take advantage of such additional offsets.

Below is a discussion of our specific concerns with the Subcommittee-reported bill. We look forward to working with you to resolve these concerns as the bill moves forward.

Department of Housing and Urban Development

The Administration is deeply concerned about the funding levels provided for key programs within the Department of Housing and Urban Development, particularly for welfare-to-work vouchers and other programs, such as the Community Empowerment Fund, that would expand job opportunities.

The Administration is very disappointed by the Subcommittee's decision to fund only 7,000 incremental vouchers through a $40 million "Self-Sufficiency" housing vouchers pilot program that earmarks funds for seven specified cities. In contrast, the President's budget would support implementation of welfare reform through 50,000 incremental vouchers for welfare recipients who need housing assistance to get or keep a job. These "welfare-to-work" vouchers would be available in a way that ensures vouchers are distributed to places with both the greatest need and the most effective program design. The Administration also encourages the Congress to fund fully the President's request for $400 million for a Community Empowerment Fund to generate jobs in distressed communities. The Subcommittee provides only $85 million, with substantial amounts earmarked for specific projects, as a set-aside within the existing CDBG program.

The Administration appreciates the Subcommittee's decisions to fund a number of programs at the levels requested and to renew all expiring Section 8 contracts. We also appreciate the Subcommittee's decision to increase funding for Homeless Assistance Grants above FY 1998 levels. We would strongly oppose, however, a rigid set-aside for permanent housing, which would reduce the ability of each local entity to adopt the most effective response to the homeless challenge unique to that area. Further, the Administration is disappointed by the absence of funding for Regional Opportunity Counseling, a voluntary effort to expand the housing and employment opportunities available to low-income families. We urge the Committee also to provide additional resources for the Fair Housing Initiatives program in order to reduce the housing discrimination that remains all too common. The Administration encourages the Committee to fund fully a number of other areas -- Brownfields, Regional Connections and the Office of Lead Hazard Control -- and to end the ninety day delay in re-issuance of Section 8 certificates/vouchers on turnover.

Finally, the Administration appreciates the Subcommittee's decision to raise the limit on FHA single-family loans. The Administration urges the Congress to provide even greater homeownership opportunities by increasing FHA's loan limit to the "conforming" limit. In addition, the Administration urges the Congress to adopt the Administration's proposal to reform HUD's single-family property disposition program, which would produce substantial savings by improving the efficiency of FHA's property disposition processes.

Environmental Protection Agency

The Administration has several major concerns with the Subcommittee's mark for the Environmental Protection Agency. In particular, the Administration strongly objects to the action of the Subcommittee to reallocate approximately $600 million of funds that were already agreed to last year to accelerate Superfund cleanups. This reduction would delay cleanups at sites nationwide and needlessly jeopardize public health. It will be important to find resources to restore Superfund to the levels agreed to last year for FY 1999. While the Administration appreciates the increases provided for the Clean Water Action Plan, the Administration urges the Congress to restore the $60 million reduction from the request in order to prevent pollution run-off and protect public health. The Administration also strongly urges the Congress to restore the $50 million request to help improve water quality in Boston Harbor and prevent beach closings.

The Administration strongly opposes the Subcommittee's $91 million reduction in EPA funding for the Climate Change Technology Initiative. This high priority program should be fully funded to cut energy usage, save the consumers money, and to reduce greenhouse gas emissions. We will work with the Congress to restore requested funding as the bill moves forward. The Administration is also concerned with the large number of unrequested, earmarked projects in the Subcommittee mark for EPA, particularly when the Subcommittee has reduced several other high priority Administration initiatives, including right-to-know programs, Montreal Protocol, GLOBE, and Mexican border wastewater treatment funding.

Council on Environmental Quality

The Administration appreciates the modest increase over the FY 1998 level provided for the Council on Environmental Quality (CEQ). However, we strongly believe that in order to allow CEQ to carry out its environmental mission and reinvention efforts, the full requested level should be provided and language prohibiting use of detailees should be deleted.

Corporation for National and Community Service

The Administration is deeply concerned that freezing the Corporation for National and Community Service (CNCS) at the FY 1998 level, $74 million below the President's request, will not allow the CNCS to finance nearly 5,000 AmeriCorps tutors targeted to leverage, recruit, organize, and manage more than 60,000 volunteers as part of America Reads, the Administration's effort to raise student literacy through the use of tutors to supplement the school day activities.

Community Development Financial Institutions Fund

The Administration strongly opposes the Subcommittee's decision to reduce the request for the Community Development Financial Institutions Fund by $70 million. This cut would severely reduce the Fund's ability to leverage investments, loans, and financial services in the country's most distressed communities.

Neighborhood Reinvestment Corporation

The Administration is disappointed by the Subcommittee's decision not to fund the full request for the Neighborhood Reinvestment Corporation. The NRC has a proven successful record of leveraging private sector resources to promote homeownership and helping strengthen Americas communities. The Administration urges the Committee to fully fund the President's request of $90 million, which includes a $25 million homeownership initiative that seeks to create 10,000 new homeowners through FY 2000.

National Aeronautics and Space Administration

The Administration is pleased that the Subcommittee has fully funded the President's request for NASA. We hope that it is possible to reach an accommodation on overall funding in the bill that can satisfy both the Administration's unfunded priorities in other agencies and the

Subcommittee's interest in providing increased funding for NASA. As indicated above, the Administration looks forward to working with Congress to identify mandatory and other program savings so that increases in spending, such as the additional spending for NASA, is possible. We are concerned by the increased number of appropriation accounts for Space Station and other activities. The redirection of key resources to implement this change could threaten NASA's Year 2000 conversion effort and pose an audit risk. The Administration is prepared to work with the Committee to control development costs of the International Space Station better, while also providing the flexibility necessary to deal with unanticipated requirements.

Federal Emergency Management Agency

The Administration appreciates the level of funding provided by the Subcommittee for Federal Emergency Management Agency. However, we believe that the $25 million reduction to the President's request for pre-disaster mitigation grants is shortsighted. These grants would help reduce the cost of future disasters by leveraging local and private-sector support for enhanced mitigation efforts at the State and community level. We urge the Committee to fund fully the President's request for this important initiative. In addition, we urge the Committee to approve our recent request for funding to help states and communities prepare for a terrorist incident involving chemical and/or biological weapons.

National Science Foundation

Given the budget constraints facing the Subcommittee, the Administration appreciates the effort to provide a $215 million increase over the FY 1998 level for the National Science Foundation (NSF). The Administration is firmly committed to NSF's basic research function, which not only promotes scientific advancement but also contributes to economic development. We strongly urge the Congress to provide the full increase requested for NSF.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob J. Lew
Acting Director

Identical Letter Sent to The Honorable Ted Stevens,
The Honorable Robert C. Byrd, The Honorable Christopher S. Bond,
and The Honorable Barbara Mikulski

The Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, FY 1999, as reported by the House Subcommittee. As the Committee develops its version of the bill, your consideration of the Administration's views would be appreciated.

[On June 23, 1998, the President stated that he was "deeply disappointed with the Subcommittee bill." Due to the very serious funding and language issues present in the Subcommittee bill, discussed below, the President would veto the bill in its current form.]

The only way to achieve the appropriate investment level is to offset discretionary spending by using savings in other areas. The President's FY 1999 Budget proposes levels of discretionary spending for FY 1999 that conform to the Bipartisan Budget Agreement by making savings through user fees and certain mandatory programs to help finance this spending. In the recently enacted Transportation Equity Act, Congress -- on a broad, bipartisan basis -- took similar action in approving funding for surface transportation programs paid for with mandatory offsets. We want to work with the Congress on mutually-agreeable mandatory and other offsets that could be used to increase funding for high-priority discretionary programs, including those funded by this bill. In addition, we hope that the Committee will reduce funding for lower priority discretionary programs, and redirect funding to programs of higher priority.

Department of Education

The Subcommittee bill cuts $2 billion from the President's overall request for education program funding. As a result, the bill does not adequately support the Nation's efforts to raise student achievement, make schools safe, and improve the capabilities of teachers. High priority programs inadequately funded and objectionable language issues include:

Goals 2000. Funding for Goals 2000 is cut $255 million below the President's request, which would reverse momentum in all 50 States to raise academic standards and deny 6,000 schools serving over three million students the funds needed to implement innovative education reforms.

Title I (Education for the Disadvantaged) Grants to Local Educational Agencies. The Subcommittee bill cuts $392 million from the request, which would leave nearly 520,000 students in high-poverty communities without the extra help they need to master the basics and develop the capability to reach high academic standards.

Eisenhower Professional Development. The Subcommittee's $50 million reduction would leave over 100,000 teachers without the training they need to help them teach to rigorous academic standards.

America Reads. America Reads is denied the $210 million provided in last year's Bipartisan Budget Agreement for children's literacy, which would prevent thousands of young children from receiving the extra help they need to learn to read well and independently by the end of the third grade.

Safe and Drug-Free Schools and Communities. The Subcommittee's $50 million reduction would deny funding for School Coordinators in nearly one-half of the Nation's middle schools needed to implement effective drug and violence prevention programs.

After School programs (21st Century Community Learning Centers). A $140 million cut to this program, part of the President's child care initiative, would result in 3,000 fewer centers and no services to nearly 400,000 children.

Education Opportunity Zones. The Subcommittee bill does not provide the requested $200 million, which would deny high-poverty urban and rural districts the extra assistance they need to implement effective reforms with tough accountability for performance.

Technology in Education. The Subcommittee's $137 million reduction from the request would make it increasingly difficult for States to meet school children's education technology needs, especially in training teachers to integrate educational technology into their curriculum effectively.

School-to-Work. School-to-Work is cut by a total of $100 million (between the Departments of Education and Labor) below the President's $250 million request, which would seriously hamper all States' efforts to help young people of all backgrounds move from high school to careers or postsecondary training and education.

Work-Study. Roughly 57,000 needy students would be denied the opportunity to work to finance their college education because of the Subcommittee's $50 million reduction.

Higher Education Initiatives. No funds are provided for three Presidential initiatives for which the President sought $237 million: High Hopes, to help prepare students at high poverty middle schools for college; Learning Anytime Anywhere Partnership grants for pilot projects using distance learning technology; and teacher recruitment and preparation programs. In addition to inadequate funding for priority education programs, the Administration is concerned with several language provisions of the Subcommittee bill, that would severely restrict the Administration's ability to continue the development of programs designed to raise academic standards.

National Tests. The Administration strongly objects to the language limitation and $15 million funding cut that would bring a halt to the President's efforts to help States and parents raise academic standards through a voluntary national test. The Subcommittee bill's language would prohibit the development, implementation, and administration of the tests unless explicitly authorized. The language prohibition should be deleted and the funding restored.

Unfocused Block Grants. The Administration strongly objects to language that would, in effect, turn the Goals 2000 and the Eisenhower Professional Development programs into block grants by allowing those funds to be used under the broad Title VI block grant authority. Title VI has no performance or accountability standards. The language should be deleted so that these Federal funds can address national needs and continue to be guided by strong accountability measures.

Special Education (Individuals with Disabilities Education Act -- IDEA). The bill contains two objectionable IDEA riders. One would undermine the due process protections and parental rights for disabled students who are regarded as violent. The other would, in effect, allow States to discontinue special education services for youth ages 18-21 in adult prisons, violating the right of all disabled, incarcerated students in that age group to receive special education services and prohibiting the Department of Education from using its enforcement mechanisms. Both provisions would unnecessarily re-open IDEA before last year's bipartisan reauthorization has had a chance to be implemented and fairly assessed. Both provisions should be stricken.

Bilingual Education. While we agree with the Committee on the need for more reforms to Bilingual Education, we are opposed to any provision that would set an absolute limit on student participation in bilingual education or alternative programs. Such a step would deny help to students who need it and violate the civil rights of Limited English Proficient students to an equal education. Because of individual differences, students will vary in how long it takes to develop English proficiency. We are also opposed to provisions that would establish a two year goal for becoming proficient in English, since research has shown that this timetable is unrealistically short. There are several promising provisions in this proposed bill, such as the removal of the 25 percent cap to allow more local flexibility and the funding priority for only successful programs.

Department of Labor

Summer Jobs Program. The Administration strongly opposes the Subcommittee's elimination of the $871 million Summer Jobs program, which could finance 530,000 summer jobs for economically disadvantaged youth. The unemployment rate for teens continues to far exceed the overall unemployment rate. The Summer Jobs program plays a vital role in supporting employment among these teens, especially among African-American youths -- approximately 25 percent of summer jobs held by African-American 14-15 year olds come through this program -- and serves as a valuable introduction to the world of work. We urge the Committee to restore the full request for this program.

President's Youth Opportunity Area Initiative. The Subcommittee provides no funding for the President's Youth Opportunity Area initiative and rescinds the $250 million appropriated last year for this program. This program would address the problem of pervasive joblessness in high-poverty neighborhoods by making large investments in these areas to effect community-wide change and help 50,000 out-of-school youth. We strongly oppose elimination of this program, which is an essential component of the Administration's Empowerment Zones/Enterprise Communities initiative. We urge the Committee to provide full funding as requested.

The Administration has strong concerns with the inadequate funding levels provided for the following Labor programs:

Adult Job Training. The Subcommittee has provided none of the requested increases for the Dislocated Worker ($100 million) and low-income adult ($45 million) job training programs. Freezing these programs would mean that some 67,000 fewer workers in need of assistance would be helped.

Worker Protection. The Subcommittee has cut nearly in half the requested increase for programs that protect our workers on the job. For example, the Subcommittee mark for Occupational Safety and Health Administration redirects resources to State consultation and is, effectively, 12-percent below the requested level for Federal enforcement, while funding for the Mine Safety and Health Administration is frozen at the 1998 level. We urge the Committee to restore financing for such critical workplace protection programs.

Unemployment Insurance. The House Subcommittee mark does not fund the $90 million requested for the Unemployment Insurance (UI) integrity initiative. This initiative was authorized in the Balanced Budget Act of 1997 and would, over five years, achieve $763 million in mandatory savings assumed in the Bipartisan Budget Agreement. Failure to fund this initiative would mean a continuation of errors in benefit payments and UI taxes.

Child Labor. The $3 million increase to combat international child labor abuses is inadequate in light of the magnitude of the problem, and provides only a small fraction of the $27 million requested.

The Subcommittee bill contains several objectionable language riders addressing regulatory issues in the Department of Labor. These include language imposing new, unnecessary, and burdensome review procedures before the Department can issue Black Lung regulations, a new requirement for OSHA to conduct duplicative peer review panels for its new regulations, and a continuation of the rider that prohibits MSHA from enforcing training requirements at certain mines, which have a growing numbers of deaths. These riders would make it more difficult for the Department of Labor to carry out its programs and should be dropped.

The Administration objects to the continuation of last year's rider that prohibits the use of funds for supervising the Teamster's election, despite a court order requiring the Federal Government to pay for a supervised election.

Department of Health and Human Services

The Administration appreciates the Subcommittee's efforts to provide much needed funding for important programs crucial to the healthy lives of all Americans. Unfortunately, the Subcommittee has not provided adequate funding for several important programs of the Department of Health and Human Services (HHS). In addition, the Subcommittee bill contains several language provisions that are troubling to the Administration.

Abortion. The Administration urges the Committee to strike sections 508 and 509 of the Subcommittee bill, which would prohibit the use of funds for abortion. The President believes that abortion should be safe, legal, and rare. These provisions would continue to limit the range of conditions under which a woman's health would permit access to abortion services. Furthermore, section 509 requires a physician to make a legal determination that these conditions have been met. The Administration proposes to work with the Congress to address the issue of abortion funding.

Head Start. The Subcommittee funds Head Start at $4.5 billion, $160 million below the President's request -- denying slots to up to 25,000 low-income children in FY 1999 and undermining efforts to serve one million children by the year 2002. Head Start has a track record of success in readying disadvantaged children for school, supporting working families by helping parents to get involved in their children's lives and providing services to the entire family. We urge the Committee to restore Head Start funding to the President's requested level.

Child Care. The Administration urges the Committee to provide the additional $174 million requested for a child care initiative that will improve the availability of affordable, quality child care for working parents. This initiative would provide States with resources to enhance child care health and safety standards enforcement, give child care workers scholarships to improve their skills, and increase our commitment to understand better and evaluate how our Nation's child care system is working. Likewise, we ask that the Committee restore funds to the President's requested level for a $5 million program designed to assist States in developing support systems for families of children with disabilities.

[Organ Donation. The Administration strongly opposes two provisions of the Subcommittee bill which would suspend two HHS rules pertaining to organ donation: a HCFA rule that seeks to expand the number of organs available for donation through

more vigorous procurement efforts; and, a Health Resources and Services Administration rule that would require allocation of organs for transplant on the basis of medical need (rather than locality) and would ensure that organs are allocated to the sickest candidates first. (Dan Mendelson is checking w/ HHS on this language)]

Other troublesome HHS-related funding and language issues, with which the Administration has serious concerns, include the following:

National Household Survey on Drug Abuse. The Subcommittee mark eliminates funding for data collection activities of the Substance Abuse and Mental Health Services Administration, including the National Household Survey on Drug Abuse, which is our single best source of information on youth drug use and youth smoking and is important for evaluating the impact of substance abuse prevention, treatment, and enforcement efforts.

Needle Exchange. The Subcommittee includes a total ban on the use of funds appropriated in this Act for needle exchange programs rather than making the use of funds for such programs conditional upon the certification of the Secretary of Health and Human Services.

Health Care Financing Administration (HCFA). Although the Subcommittee fully funded the President's program level request for HCFA Program Management (with the exception of the Medicare+Choice information campaign), no action was taken on the
$265 million in new discretionary HCFA user fees. We urge the Committee to enact the President's requested user fees to finance HCFA activities and to ensure that sufficient resources remain available for education and other priorities.

Bio-Terrorism. The Administration urges the House to provide the full $111 million requested to improve HHS' ability to respond to attacks of biological and chemical terrorism.

Health Disparities. The Subcommittee has failed to include $30 million requested for demonstration projects to address racial and ethnic health disparities in infant mortality, cancer, diabetes, heart disease and stroke, HIV/AIDS, and immunizations.

Low Income Home Energy Assistance Program (LIHEAP). The Subcommittee would eliminate funding for the Low Income Heating Assistance Program. This would force over five million of our Nation's most vulnerable households to choose between heating their homes or feeding their families. Over 36 percent of LIHEAP households have elderly residents, 32 percent have disabled residents, 27 percent have children under the
age of six, and 27 percent are the working poor who do not receive any other public assistance. The Administration urges the Committee to restore funds to the President's requested level.

Foster Care and Adoption Assistance. The Subcommittee bill fails to provide the Administration's request for a $200 million contingency reserve. This language is critical to ensure grant awards should the definite appropriations be insufficient for authorized eligible expenditures in either Foster Care or Adoption Assistance. The Committee should restore the requested level of $200 million, or approximately four percent of total program costs.

Office of AIDS Research. The Subcommittee bill does not appropriate a specific amount for AIDS research through a single appropriation for the National Institutes of Health's (NIH's) Office of AIDS Research. The single appropriation would help NIH plan and target research funds effectively, minimizing duplication and inefficiencies across the 21 institutes and centers that carry out HIV/AIDS research.

Prevention Research. The Subcommittee has provided only $10 million of the $25 million requested for the Centers for Disease Control to expand research in ways to prevent disease and reduce the need for medical care.

General Departmental Management. A provision of the bill would require that HHS' Office of the Secretary contract with National Academy of Sciences (NAS) for an $890,000 study on repetitive tasks in the workplace. This provision duplicates current NIH efforts with NAS in this area.

Social Security Administration

The Subcommittee bill does not provide $19 million for administrative expenses, contingent on the authorization of a user fee for services provided by the Social Security Administration to attorneys who represent claimants for benefits. These services include withholding money from certain past due benefits and issuing payments to certain claimant representatives. The Administration continues to support enactment of this user fee and appropriation of the anticipated collections for administrative expenses.

In addition, the Subcommittee bill does not provide $50 million for administrative expenses, for the conduct of additional non-disability Supplemental Security Income (SSI) redeterminations of eligibility. These resources and the resulting redeterminations are essential to ensuring the integrity of the SSI program and reducing unnecessary benefit payments. Failure to provide this funding will result in serious staffing shortfalls.

Other Issues

National Labor Relations Board (NLRB). The Subcommittee provides funding for the NLRB at the FY 1997 level. This would result in a loss of over 100 staff, an increase in case backlogs, and could result in furloughs and office closings. This reduction would cripple an agency key to protecting workers' rights on the job, and we urge the Committee to restore the NLRB to the requested level.

Section 516 amends the National Labor Relations Act to require the NLRB to adjust its dollar jurisdictional standards for inflation on October 1, 1998, and every five years thereafter. This change would deny workers in some small businesses the protection afforded to others to organize and bargain collectively. This change to substantive law raising the jurisdictional thresholds more than five-fold should not be done through the appropriations process, but only after hearings and debate.

Corporation for National and Community Service. The Administration is deeply concerned about the Subcommittee's $27 million reduction to the request for the Corporation for National and Community Service. This reduction freezes the Corporation's Senior Service program at the FY 1998 level and cuts VISTA $5 million below FY 1998. These reductions would deny more than 500 VISTA members the opportunity to serve in low-income communities Nation-wide and would reduce the number of seniors serving their communities by 15,000. The Administration urges the Committee to fully fund the Corporation at the $279 million level proposed in the FY 1999 budget.

Corporation for Public Broadcasting. The Administration strongly objects to the lack of funding provided for the President's initiative to assist public broadcasters convert to digital technology. The transition to digital technology promises to create tremendous opportunities for expanded and enhanced educational and public service programming while promoting innovative technology applications. Providing the Corporation with funding in FY 1999 will allow public broadcasting to convert to digital technology on a similar schedule as commercial stations. This will facilitate fundraising efforts and allow public broadcasters to participate in the establishment of digital standards.

Railroad Retirement Board (RRB). The Subcommittee bill does not include language to provide the RRB with authority to offer voluntary separation incentive payments (or "buyouts") through the end of calendar year 1998. RRB's experience has shown that reducing employment through buyouts is much less disruptive to agency operations than conducting a reduction-in-force. The Administration urges the Committee to provide this buyout authority.

The Subcommittee bill includes language prohibiting the RRB Inspector General from using funds for any audit, investigation, or review of the Medicare program. The Administration believes that this language should be dropped. RRB has statutory authority to administer a separate contract for RRB, Part B Medicare claims. As long as RRB has authority to negotiate and administer a separate Medicare contract, the RRB Inspector General ought not to be prohibited from using funds to review, audit, or investigate activity related to that contract.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob. J. Lew
Acting Director

Total Child care Funding for 1998	Funding for 1998	President's Budget Proposed 1999 (adjusted)	House Chairman's Mark	Chairman's Mark vs. 1998	Chairman's Mark vs. President's Budget
Discretionary					
Advance appropriation	$ 937,000,000	$ 1,000,000,000	$ 1,000,000,000		
Annual appropriation	$ 62,672,000	$ 2,672,000	0		
Transfer from Children's Research & Technical Assistance	$ 2,467,697	—	0		
*Standards Enforcment Fund**		$ 100,000,000	0		
*Child Care Provider Scholarship Fund**		$ 50,000,000	0		
*Research and Evaluation Fund**		$ 30,000,000	0		
Bioterriorism Budget Amendment		$ (6,000,000)			
Total Budget Authority	**$ 1,002,139,697**	**$ 1,176,672,000**	**$ 1,000,000,000**	**$ (2,672,000)**	**$ (176,672,000)**
Earmarks out of discretionary budget authority					
Resource and Referral & school age activities	$ 19,120,000		$ 19,120,000		
Quality for infants and toddlers	$ 50,000,000				
Mandatory					
Appropriation in PRWORA	$ 2,067,000,000	$ 2,167,000,000			
Re-appropriated 1997 money (estimated)	$ 3,387,413				
*Early Learning Fund**		$ 1,155,000,000			
*Subsidy Increase**		$ 600,000,000			
Total Budget Authority	**$ 2,070,387,413**	**$ 3,922,000,000**			

* Part of President's Child Care Initiative

Total Child care Funding for 1998	Funding for 1998	President's Budget Proposed 1999 (adjusted)	House Chairman's Mark	Chairman's Mark vs. 1998	Chairman's Mark vs. President's Budget
Discretionary					
Advance appropnation	$ 937,000,000	$ 1,000,000,000	$ 1,000,000,000		
Annual appropriation	$ 62,672,000	$ 2,672,000	0		
Transfer from Children's Research & Technical Assistance	$ 2,467,697	—	0		
*Standards Enforcment Fund**		$ 100,000,000	0		
*Child Care Provider Scholarship Fund**		$ 50,000,000	0		
*Research and Evaluation Fund**		$ 30,000,000	0		
Bioterriorism Budget Amendment		$ (6,000,000)			
Total Budget Authority	**$ 1,002,139,697**	**$ 1,176,672,000**	**$ 1,000,000,000**	**$ (2,672,000)**	**$ (176,672,000)**
Earmarks out of discretionary budget authority					
Resource and Referral & school age activities	$ 19,120,000		$ 19,120,000		
Quality for infants and toddlers	$ 50,000,000				
Mandatory					
Appropriation in PRWORA	$ 2,067,000,000	$ 2,167,000,000			
Re-appropriated 1997 money (estimated)	$ 3,387,413				
*Early Learning Fund**		$ 1,155,000,000			
*Subsidy Increase**		$ 600,000,000			
Total Budget Authority	**$ 2,070,387,413**	**$ 3,922,000,000**			

* Part of President's Child Care Initiative

Instead of Joining President Clinton in Investing in Children
The House Republicans are Turning Their Backs

June 25, 1998

Last year, President Clinton delivered a bipartisan balanced budget agreement that made critical investments in our children, including the largest investment in children's health since Medicaid was created and tax credits to make the college more affordable. Building on that success, the President has proposed important investments to prepare our children for the 21st century, including more affordable quality child care, smaller class sizes, and modernized schools.

Instead of repeating that bipartisan success, Republicans have returned to partisanship and turned their backs on our children's future. Last week, many Senate Republicans sided with the tobacco industry and against our young people. And this week, **House Republicans are advancing a Labor-HHS Appropriations bill that <u>denies young people</u> across the country important <u>education, training, and job opportunities</u>.** Some Republicans recognize that this is a step in the wrong direction. Rep. Sherwood Boehlert (R-NY) said of his party's plan, "This is unacceptable. This is absolutely crazy" while his fellow Republican Mike Castle noted that "more than a few people" were "concerned" about the plan. And Republican and Democratic governors warned the House not to cut heating assistance, Medicaid or kid's health.

<u>The House Bill:</u>

- **Completely <u>eliminates</u> the Summer Jobs program**, which provides about one in five of the jobs for African American 16-17 year olds. In the past, people across the political spectrum agreeed to reward hard work and to provide valuable work experience to young people, but this bill says to over one-half million teenagers --no job for you.

- Provides no funding for **<u>Youth Opportunity Areas</u>**, denying permanent job help for up to 50,000 youth in the poorest communities.

- Cuts **<u>Head Start</u>** by $160 million, denying slots to 25,000 low income children.

- Denies funding for key **<u>child care initiatives</u>** including $180 million to improve and enforce health and safety standards, and $140 million for after-school programs, denying nearly 400,000 children access to safe learning centers.

- Provides no funding for the $260 million **<u>America Reads children's literacy program</u>**, even though most of the money was already advance appropriated, denying thousands of children extra help to learn to read by the end of the 3rd grade.

- Cuts investment in State grants for **<u>Education Technology</u>** by $50 million and **<u>the</u>**

Teacher Training in Technology initiative by $75 million.

- Cuts **Goals 2000** by $255 million (51%), reversing support for efforts to raise academic standards, affecting 6,000 schools serving over 3 million students.

- Cuts **School-to-Work** by $100 million, seriously hampering efforts in all States to help young people move from high school to careers or postsecondary training and education.

- Cuts **Title I (Education for the Disadvantaged)** grants by $392 million; over 520,000 students in high poverty communities would not get extra help to master the basics and meet high academic standards.

- Imposes a punitive two-year cut-off on **Bilingual Education.**

- Cuts **Eisenhower Professional Development** by $50 million; 60,000 to 100,000 teachers would not receive training to help them teach to rigorous academic standards.

- Cuts **Safe and Drug-Free Schools and Communities** by $50 million, eliminating funding for School Coordinators to help fight drug and alcohol abuse and increase school safety.

- Prevents implementation of **national tests** to help schools raise academic standards and help parents know whether their schools are doing a good job for their children.

- Cuts $60 million for **Perkins Loans**, eliminating college loans for 57,000 moderate-income students.

- Cuts $205 million for **postsecondary initiatives**, including programs to help prepare students at high-poverty middle schools for college; to disseminate college and financial aid information; to support distance learning technology; and to make student aid more effective.

The President will continue his effort to make our schools the best in the world --by raising standards, raising expectations and raising accountability. He will fight for critical education and training investments, including the following:

✔ **A new mentoring program** to encourage young people to go to college.

✔ **Expanding Head Start** --to create places in Head Start for up to 36,000 children..

✔ **After-School Learning Centers** --a $1 billion, five-year investment to provide after-school care for up to an additional 500,000 children each year.

✔ **Expanding Choice and Innovation in Public Schools** --increasing Federal funds to help parents, teachers, community groups and others start public charter schools, continuing toward the goal of 3,000 charter schools by 2001.

✔ **Raising Standards and Strengthening Accountability in Public Schools** --promoting Education Opportunity Zones that will help high poverty urban and rural communities increase student achievement by raising standards, improving teaching, ending social promotions, and turning around failing schools.

✔ **Preparing for the 21st Century with Greater Education Technology** --continuing to invest to help connect every classroom to the Internet, train teachers, and promote high-quality educational software.

✔ **School Construction Tax Credits** to help rebuild, modernize, and build over 5,000 public schools.

Class Size Initiative to reduce class size by adding new teachers and help students improve their ability to learn.

HOUSE REPUBLICAN CUTS HURT LOW INCOME PEOPLE, WORKERS & HEALTH

- Eliminates $1.1 billion for **Low Income Home Energy Assistance** (LIHEAP), and $300 million for the **LIHEAP Emergency Funding**, leaving low-income families in every State without help to pay for home heating.

- Eliminates funding for some **health surveys**, including a key survey on youth drug use and smoking which is necessary to produce effective youth anti-drug and anti-smoking programs.

- Freezes funding for **Worker Safety and Health**, even though each day, 6,000 people are injured on the job. This limits inspections and development of safe workplaces to prevent injury and death.

- Cuts funding for the **National Labor Relations Board,** hampering efforts to protect workers' rights on the job.

- Cuts $60 million to help the Department of Health and Human Services make preparations for a possible **Chemical Biological Terrorist Attack**

- Blocks needed changes in the the **organ transplant system** to increase the numbers of donors and recipients and to make the system more equitable.