Poverty For African-Americans Dropped to Lowest On Record
? 1981-1992. Between 1980 and 1992, the poverty rate for African American
remained at 30 percent or more.
? Today. Since 1993, the African-American poverty rate has dropped from 33.1
percent to 26.1 percent in 1998 -- the lowest level recorded, and the largest
five-year drop in African-American poverty since 1967-1972.

Poverty For Hispanics Dropped to Lowest Since 1979
? 1981-1992. Between 1980 and 1992, the poverty rate for Hispanics increased
from 25.7 percent to 29.6 percent.
? Today. Since 1993, the Hispanic poverty has dropped to 25.6 percent-the lowest

since 1979.

Poverty For Single Mothers is the Lowest On Record
? 1981-1992. Between 1980 and 1992, an additional 2.1 million families with
single mothers were pushed into poverty.
? Today. Under President Clinton, the poverty rate for families with single
mothers has fallen from 46.1 percent in 1993 to 38.7 percent in 1998 - the lowest

level on record.

Family Income Up More Than $5,000 Since 1993
? 1988-1992. Median family income, adjusted for inflation, fell by $1,864,
dropping from $44,354 in 1988 to $42,490 in 1992.
? Today. Since 1993, real median family income has increased by $5,046, rising
to $46,737 in 1998.

THE CLINTON-GORE ADMINISTRATION:
PAYING OFF THE DEBT BY 2013

The Clinton-Gore Administrations' FY2001 budget proposes a plan to keep America
on track to pay off the debt by 2013. An era of deficits has given way to an era

of surpluses, with the unified budget surplus projected to rise to $167 billion
this year - the largest surplus ever and the third unified surplus in a row. The

budget also projects the on-budget surplus, which excludes Social Security, to be

$19 billion in FY2000 - the second consecutive on-budget surplus. The
President's budget builds on this historic fiscal strength with a plan to invest
in key priorities like education and health, strengthen Social Security and
Medicare, and pay down the debt by 2013.

LARGEST UNIFIED SURPLUS EVER

? Instead of a $455 billion deficit, a $167 billion surplus this year - the

largest ever. In 1992, the deficit was $290 billion - the largest dollar deficit

in American history. In January 1993, the Congressional Budget Office projected
that the deficit would grow to $455 billion by 2000. Today, the Office of
Management and Budget (OMB) is projecting a $167 billion surplus -- the third
consecutive surplus and the largest surplus ever, even after adjusting for
inflation. Compared with original projections, that is $622 billion less in
government drain on the economy and $622 billion more available for private
investment in one year alone.

? Largest surplus as a share of the economy since 1951. The 2000 surplus is
projected to be 1.7 percent of GDP - the largest surplus as a share of GDP since
1951.

? Three surpluses in a row -- for the first time in over 50 years. The $167
billion projected surplus in FY2000 follows a surplus of $124 billion in FY 1999
and $69 billion in FY 1998. The last time America had three surpluses in a row

was over fifty years ago in 1947-49. The FY2000 surplus marks the eight
consecutive year of fiscal improvement, for the first time in American history
--surpassing the pre-Clinton best of five straight years.

? A projected on-budget surplus of $19 billion in 2000-- the second consecutive
on-budget surplus. OMB projects that the on-budget surplus, which excludes
Social Security, will be $19 billion in 2000. This follows an on-budget surplus
of $0.7 billion in 1999. The last time America balanced the budget without using

Social Security funds was in 1960. The President is committed to continuing to
ensure that the entire Social Security surplus is protected for debt reduction.

LARGEST DEBT REDUCTION EVER

? The President's plan would eliminate the debt by 2013 -- 2 years earlier than
planned. The President's plan to use the entire Social Security surplus for debt

reduction, to devote the interest savings from this debt reduction to extend the
life of Social Security to at least 2050. The President's plan also uses nearly
half of the non-Social Security surplus over the next decade for debt reduction
and to extend the life of Medicare by shoring up the Hospital Insurance trust
fund, would put America on the path to eliminate the debt in 2013. This is two
years earlier than projected in the President's June 1999 plan.

? Interest payments would be eliminated. Currently we spend 13 cents of every
Federal dollar on interest payments. These payments, which were once projected
to grow to 26 percent of all federal spending in 2013, would be eliminated under
the President's plan.

? On track to pay down $297 billion in debt held by the public over three years.

In 1998 and 1999, the debt held by the public was reduced by a combined $140
billion. OMB is projecting that the United States will pay down an additional
$157 billion in debt held by the public this fiscal year. That will bring the
total debt pay down to $297 billion - the largest three-year debt pay down in
American history.

? The debt held by the public is on track to be $2.4 trillion lower in 2000 than
was projected when the President took office. In 1993, the debt held by the
public was projected by the Office of Management and Budget to balloon to $5.9
trillion by 2000. Instead, shrinking deficits and surpluses in the last three
years are projected to bring the debt down to $3.5 trillion in 2000 -- $2.4
trillion better than expected. In 1993, the debt held by the public was 49.5
percent of GDP and projected to rise to 64.7 percent of GDP in 2000. Instead, it

has been slashed to a projected 36.3 percent of GDP.

? As a result, interest payments on the debt in 2000 are $128 billion lower than
projected. In 1993, the net interest payments on the debt held by the public
were projected to grow to $348 billion in 2000. Fiscal discipline has slashed
this figure to a projected $220 billion -- a $128 billion improvement for one
year alone.

REDUCING SPENDING WHILE CUTTING TAXES FOR MIDDLE-INCOME FAMILIES

? Federal spending as a share of the economy is the lowest since 1966. The
spending restraint under President Clinton has brought spending down from 22.2
percent of GDP in 1992 to 18.7 percent of GDP in 1999 -- the lowest in over
thirty years. At the same time, President Clinton has increased investments in
education, technology and other areas that are vital to growth.

? While balancing the budget and paying down the debt, President Clinton has provided tax relief for working families. The tax cuts signed into law by the President in 1993 and 1997 -- for example, the expanded Earned Income Tax Credit,

the $500 child tax credit, the $1,500 HOPE Scholarship Tax Credit, and the expanded IRAs have reduced taxes for American families. The total Federal tax rate for middle-income families has dropped from 24.5 percent in 1992 to 22.8 percent in 1999 -- that's the lowest tax rate since 1978. For families at one-half the median income, the effective Federal tax rate has been slashed from 19.8 percent in 1992 to 14.1 percent in 1999 -- that's the lowest tax rate since 1968.

WHAT FISCAL DISCIPLINE MEANS FOR AMERICA

? Lower interest rates have already cut mortgage payments by $2,000 for families with a $100,000 mortgage. Because of the policy of deficit and debt reduction, it is estimated that a family taking out a home mortgage of $100,000 expects to save roughly $2,000 per year in mortgage payments. This has helped raise the homeownership rate to 66.8 percent in 1999 --the highest rate on record.
? Lower interest rates cut car payments by $200 annually for families taking out a typical car loan.
? Lower interest rates cut student loan payments by $200 annually for a person with a typical student loan.

? Lower debt will help maintain strong economic growth. With the government no longer draining resources out of capital markets, businesses have more funds for productive investment. This has helped to fuel a 12.1 percent real annual increase in productive equipment and software investment since 1993 -- the seventh consecutive year of double digit growth, the strongest period of growth on record. This compares to 4.7 percent annual growth from 1981-92,

a period
that saw the debt held by the public quadruple.

? Rising investment has contributed to a pickup in productivity growth. Non-farm

business productivity has grown at a 2.7 percent average annual rate for the last

four years. This compares to 1.5 percent growth from the 1970s through the early

1990s.

WHAT THE EXPERTS SAY

Experts agree that President Clinton's 1993 economic plan helped reduce the
deficit, lower interest rates, spur business investment, and strengthen the
economy. The economy and the budget are now working in a virtuous circle --
lower deficits have led to lower interest rates which have led to faster business

investment which led to faster growth which led to even lower deficits. Experts
agree that the President's 1993 Economic Plan helped create this virtuous circle:

? Alan Greenspan, Federal Reserve Board Chairman, 1/04/00 with President Clinton
at Chairman Greenspan's re-nomination announcement: "My colleagues and I have
been very appreciative of your [President Clinton's] support of the Fed over the
years, and your commitment to fiscal discipline "has been instrumental in
achieving what in a few weeks-- will be the longest economic expansion in the
nation's history."

? Paul Volcker, Federal Reserve Board Chairman (1979-1987), in Audacity, Fall
1994: "The deficit has come down, and I give the Clinton Administration and
President Clinton himself a lot of credit for that. [He] did something about it,

fast. And I think we are seeing some benefits."

? Business Week, 5/19/97: "Clinton's 1993 budget cuts, which reduced projected
red ink by more than $400 billion over five years, sparked a major drop in
interest rates that helped boost investment in all the equipment and systems that

brought forth the New Age economy of technological innovation and rising
productivity."

? Goldman Sachs, March 1998: One of the reasons Goldman Sachs cites for the "best

economy ever" is that "on the policy side, trade, fiscal, and monetary policies
have been excellent, working in ways that have facilitated growth without
inflation. The Clinton Administration has worked to liberalize trade and has
used any revenue windfalls to reduce the federal budget deficit."

? Lehman Brothers, 1/10/94: "Lower deficits, lower long-term rates and higher
real growth was the overall promise. With the data now rolling in for December
1993, it seems clear that President Clinton delivered on all three counts..."

A SMALLER BUT MORE PROGRESSIVE GOVERNMENT

President Clinton and Vice President Gore have cut Federal spending and cut the
Federal workforce, reversing twelve years when the Republicans exploded the
deficit and more than quadrupled the debt. At the same time, the Clinton-Gore
Administration has made investments in everything from education to science and
technology to health care to tax relief for working families.

PAYING OFF THE DEBT BY 2013

? The debt quadrupled under President's Reagan and Bush. The debt held by the

public increased from $712 billion in 1980 to $3.0 trillion in 1992. In early
1993, the debt was projected to rise to $5.9 trillion in 2000. The President's
fiscal discipline has slashed that to a projected $3.5 trillion in 2000. That is

$2.4 trillion less in debt than was projected seven years ago.

? On track to pay-down $297 billion in debt held by the public over three years.

In 1998 and 1999, the debt held by the public was reduced by $140 billion. The
Office of Management and Budget (OMB) is projecting that the United States will
pay-down an additional $157 billion in debt held by the public this fiscal year.

That will bring the total debt pay-down to $297 billion --the largest three-year
debt pay down in American history. This keeps us on track to pay off the debt
held by the public by 2013 --two years ahead of the President's previous
projection.

LOWEST GOVERNMENT SPENDING IN OVER THREE DECADES

? Federal spending as a share of the economy is the lowest since 1966. The
fiscal restraint under President Clinton has brought spending down from 22.2
percent of GDP in 1992 to 18.7 percent of GDP in 1999 -- the lowest since 1966.
At the same time, President Clinton has increased investments that are vital for
future growth, including nearly doubling education and training. Under
Presidents Reagan and Bush, Federal government spending as a share of the economy

increased from 21.6 percent in 1980 to 22.2 percent in 1992.

? Non-defense discretionary Federal spending as a share of the economy is the
lowest on record. Since President Clinton took office, non-defense discretionary

spending has fallen from 3.7 percent of GDP in 1992 to 3.3 percent of GDP in 1999

- the lowest as a share of the economy on record. Over this period, total
discretionary spending fell from 8.6 percent of GDP to 6.3 percent of GDP, also
the lowest on record. (Comparable data for these categories goes back to 1962.)

? Discretionary spending down under President Clinton and up under the previous
two Administrations. Real discretionary spending has fallen by 1.1 percent per
year under President Clinton; from 1980 to 1992, real discretionary spending
increased 1.0 percent per year.

? Lower general government spending -- as a share of GDP -- than any major
economy in the world. According to the OECD, the U.S. has lower total government

spending --Federal, state, and local -- as a share of GDP than any major economy
in the world.

SMALLEST FEDERAL WORKFORCE IN 40 YEARS

? The smallest Federal civilian workforce in 40 years. The Federal civilian
workforce increased from when President Reagan took office to when President Bush

left office. Since President Clinton took office, the Federal workforce has been

cut by 377,000 "nearly a fifth" and is now lower than any time since 1960.

LOWEST TAXES FOR MIDDLE-INCOME FAMILIES IN OVER TWO DECADES

? While balancing the budget and paying down the debt, President Clinton has
provided tax relief for working families. The tax cuts signed into law by the
President in 1993 and 1997 -- for example, the expanded Earned Income Tax Credit,

the $500 child tax credit, the $1,500 HOPE Scholarship Tax Credit, and expanded
IRAs, have reduced taxes for American families. The total Federal tax rate for
middle-income families has dropped from 24.5 percent in 1992 to 22.8 percent in
1999 -- that's the lowest tax rate since 1978. For families at one-half the
median income, the effective Federal tax rate has been slashed from 19.8 percent
in 1992 to 14.1 percent in 1999 -- that's the lowest tax rate since 1968.

IV. HIGHLIGHTS OF THE FY2001 BUDGET

? Education and Training
? Child Care
? Health Care
? Environment
? Working Families
? Community Empowerment
? From Digital Divide to Digital Opportunity
? Research & Development
? Safe Communities
? United States Leadership in the World
? America's Armed Forces
? Restoring Fairness to Legal Immigrants
? Tobacco Policy
? Farm Safety Net
? Building One America

EDUCATION AND TRAINING

Education and training have been a cornerstone of the Clinton-Gore Administration's agenda since 1993. The President's initiatives have helped to
provide students with the educational opportunities they need to reach high
standards, enhanced the quality of teaching, made college more affordable for all

Americans, and offered lifetime education and training opportunities to those in
need. The President's FY2001 budget builds on these efforts and

offers new
initiatives to improve the educational and training opportunities needed for a
strong economy and healthy communities. At the core of these proposals is a
basic principal: we must invest more in our schools and demand more from them.

Proposing the Largest Head Start Expansion in History. The President's budget
increases funding for Head Start by $1 billion -- the largest funding increase
ever proposed for the program -- to provide Head Start and Early Head Start to
approximately 950,000 children. This funding will bring within reach the
President's goal of serving one million children in 2002 and builds the
foundation for the long-term goal of universal pre-school. Early Head Start,
created by the Clinton-Gore Administration in 1994, brings these services to
families with children ages zero to three and to pregnant women. The President's

FY2001 proposal would increase funding for Early Head Start by $143 million.
Since 1993, this Administration has already increased funding for Head Start by
90 percent.

Fixing Failing Schools and Rewarding Success. The President believes that we
must not only demand more from our schools, we must also invest more in them.
The following initiatives provide resources and incentives to help all students
meet high academic standards:

? Universal After-School for Students in the Most Need. The President and Vice
President propose to invest $1 billion in the 21st Century Community Learning
Centers program to help ensure that every child in every failing school has
extended learning opportunities in the after-school and summertime hours. The
Administration's budget will maintain the commitment to serving all children, but

will dedicate much of the increase to help those children most in need

of
academic assistance as part of a comprehensive approach to help low-achieving
students meet high academic standards.

? Accountability Fund. In his FY2001 budget, the President will propose to
nearly double funding from $134 million in FY2000 to $250 million to turn around
failing schools. This funding is used by states and localities to turn around
low-performing schools through a variety of approaches, including overhauling the

curriculum, improving staffing, or bringing in new management and staff. The
initiative also includes provisions supporting public school choice for students
in failing schools.

? Rewarding High Performance and Closing the Achievement Gap. The President also

proposes a $50 million initiative to provide bonuses to states that make
exemplary progress in improving student performance and closing the achievement
gap between high and low-performing groups of students. States would be eligible

for bonuses based on student performance and narrowing of the achievement gap as
indicated by performance on the National Assessment of Educational Progress
(NAEP).

? Class Size Reduction. The President's budget request maintains his commitment

to reduce class size in the early grades by staying on a path to hiring 100,000
high-quality teachers by 2005. The Administration's FY2001 budget will boost
funding for this initiative to $1.75 billion, an increase of $450 million over
current levels -- enough to fund about 49,000 teachers, nearly half way to our
long-term goal.

? Small, Safe and Successful High Schools. The President's budget

will include
$120 million for a Small Schools Initiative to reinvent high schools on a smaller

scale and make them more responsive to student needs. School districts could use

this money to create small schools or to break up existing large schools into
smaller learning communities. Districts would be expected to demonstrate
increases in student achievement, graduation rates, and the number of students
pursuing postsecondary options, and decreases in disruptions and violence.

Teaching to High Standards. This initiative is a new $1 billion teacher quality
plan to recruit, train and reward good teachers. The Teaching to High Standards
Initiative will give grants to states and districts to fund high-quality, standards-based professional development for teachers. It also includes several
new proposals:

? Higher Standards-Higher Pay for Teachers. This $50 million initiative will
award grants to high-poverty school districts to help them attract and retain
high-quality teachers through better pay and higher standards. Participating
teachers would receive immediate pay increases; some would receive additional
raises for exceptional work.

? Teacher Quality Rewards. This $50 million program will reward school districts

that have made exceptional progress in reducing the number of uncertified
teachers and out-of-field teachers. The President has proposed requiring states
to ensure that 95 percent of teachers are certified and 95 percent of secondary
teachers are teaching within field by 2004.

? Hometown Teacher Recruitment. This $75 million program would make students
aware of the opportunities available in the teaching profession; provide

mentoring and teaching experiences as they progress through school; and provide
financial assistance for students who pursue bachelor's degrees with the goal of
teaching in high-need communities after graduation.

? Transition to Teaching. This $25 million initiative will build on the success
of the Department of Defense's Troops to Teachers program by recruiting and
preparing talented mid-career professionals from diverse fields to become
teachers in high-need subject areas and high-need schools.

? School Leaders Initiative. This $40 million program will fund non-profit
partnerships designed to recruit, prepare and provide professional development
for superintendents and principals, and other school leaders to bolster their
capacity to lead high-performing schools. Funding would support approximately 20

centers and 10,000 school leaders.

? Early Childhood Educator Professional Development. This $30 million
competitive grant program will fund partnerships to help early childhood
educators in high-poverty communities obtain high-quality professional
development, and improve their capacity to work with young children, particularly

on the language and literacy skills that are the foundation for academic
advancement.

Special Education. The President's budget proposes nearly $6.4 billion to
support the education of children with disabilities under the Individuals with
Disabilities Education Act (IDEA). This increase includes almost $300 million to

help states and local school districts educate children with disabilities, as
well as an increase of more than $30 million in competitive grants, including
funds for states to help schools comply with IDEA. Funding for

special education

has more than doubled since 1993.

Charter Schools. The President's budget will increase funding for charter
schools by $30 million dollars from $145 million to $175 million. Charter
schools are public schools that are open to all and given a great deal of

flexibility in exchange for agreeing to meet defined goals for student performance. With 1,700 charter schools now in operation, this funding will help

reach the President's goal of 3,000 charter schools by 2002.

College Test Preparation for Low-Income Students. This $10 million initiative
will provide rigorous SAT/ACT college preparation programs to low-income
students. Competitive grants would be given to partnerships that would provide
college preparatory services to college-bound students.

Challenging Coursework Online. This $10 million initiative will support the
development of high quality, Web-based Advanced Placement, second language, and
other challenging courses. The program will provide grants of up to three years
to partnerships for research, development and evaluation of innovative

technologies that can help provide high-quality learning experiences for all
students no matter where their school is located.

School Construction and Modernization. President Clinton is renewing his
commitment to his School Modernization Bonds by proposing $24.8 billion in tax
credit bonds over two years to modernize up to 6,000 schools. Within this $24.8
billion program, $2.4 billion is reserved for Qualified Zone Academy Bonds. In
addition, the budget includes a new $1.3 billion urgent/emergency school
renovation loan and grant proposal. This proposal would cost $8 billion over 10
years.

College Opportunity Tax Cut. The College Opportunity Tax Cut expands the
President's Lifetime Learning tax credit in order to make college, graduate
school, and job training more affordable for millions of families. The proposal
would give families, for the first time, the option of taking a tax deduction or
a 28 percent tax credit on tuition and fees to pay for college and other higher
education. This is worth nearly twice as much as a deduction for families in the

15 percent bracket. The proposal would cover up to $5,000 of educational
expenses in 2001 and 2002 and rise to $10,000 of educational expenses from 2003
forward. This proposal would provide up to $2,800 in tax relief annually to help

American families pay for college, graduate work, or courses taken to improve job

skills. This proposal will provide families with $30 billion in tax relief over
the next 10 years.

Increasing Support for College Access. In the new economy, education is the key
to economic opportunity. The FY2001 budget includes a nearly $1 billion boost in

investments to make college more affordable for economically disadvantaged
students.

? Pell Grants. The Pell Grant program provides grants to economically

disadvantaged young people to help pay the cost of post-secondary education. The

FY2001 budget increases the maximum Pell award $3,500. Funding for the Pell
Grant program is increased by over $716 million, bringing the total Pell Grant
appropriation to $8.356 billion.

? SEOG. The Federal Supplemental Educational Opportunity Grant (SEOG) program
provides campus-based grant assistance to needy undergraduate

students.
Generally, this program supplements the aid students receive from other sources,
and leverages institutional aid by at least one dollar for every three Federal
dollars. The FY2001 budget provides $691 million.

? Work Study. Work Study provides students with the opportunity to work their
way through college. The FY2001 budget includes $1.011 billion for Work-Study,
an increase of $77 million to continue the President's commitment to serve one
million students.

? Dual Degree Programs for Minority-Serving Institutions. This new $40 million
program increases opportunities for an estimated 3,000 students at minority-serving institutions. Students would receive two degrees within five
years: one from a minority-serving institution, and one from an institution in a
field in which minorities are underrepresented.

Keeping Young People On Track for Success. Students not only need help to pay
for college, they need support to enter and complete college. The President's
FY2001 budget includes an increase of more than $400 million for programs
designed to prepare students to take full advantage of post-secondary opportunities.

? GEAR UP. GEAR UP is a nationwide initiative to encourage more disadvantaged
young people to have high expectations, stay in school, study hard, and take the
right courses to go to and succeed in college. GEAR UP is funded at $200 million

in FY2000, enough to provide services to over 750,000 students. The FY2001
budget provides a 62.5% increase to $325 million, enough to provide services to
1.4 million students.

? TRIO. The TRIO programs seek to motivate and prepare students to go to and
stay in college. The FY2001 budget provides $725 million for TRIO, an increase

of $80 million to help provide assistance to over 760,000 students, 37,000 more than in 2000.

? College Completion Challenge Grants. The FY2001 budget creates a new initiative within the TRIO program called College Completion Challenge Grants (CCCG). Although college enrollment rates have risen, 37 percent of students that go on to post-secondary school drop out before they get a certificate or a degree. The problem is especially acute for minorities: 29 percent of African Americans and 31 percent of Hispanics drop out of college after less than one year, compared to 18 percent of whites. The CCCG program is designed to address this problem with a comprehensive approach including pre-freshman summer programs, support services and increased grant aid to students. This $35 million

initiative will improve the chances of success for nearly 18,000 students.

? Youth Opportunity Grants and Youth Training Formula Grants. These competitive grants provide comprehensive employment and training assistance to youth, primarily out-of-school youth in high poverty areas. The President's FY2001 budget provides a 50 percent increase in funding to $375 million, enough to serve

85,000 youth in high poverty areas. In addition, the FY2001 budget provides a $22 million increase (to $1.022 billion) for the Youth Activities formula grant program. This level will provide job training and summer job opportunities to about 612,000 disadvantaged young people.

? Youthbuild. This program is targeted to 16-24 year old high school dropouts, and provides disadvantaged young adults with education and employment skills through rehabilitating and building housing for low-income families and homeless people. Funded at $75 million, the Youthbuild programs will provide

opportunities for approximately 3,330 trainees in 2001.

? Job Corps. Job Corps is the nation's largest and most comprehensive

residential education and job training program targeted at impoverished young people. The FY2001 budget increases funding by $35 million, bringing the total budget to $1.393 billion.

Investments in Job Training to Ensure Economic Opportunity. The President's FY2001 budget expands successful training programs and implements new ones focused on providing needed training for young people, displaced workers and individuals with disabilities.

? Employment of People with Disabilities. The budget proposes a $1,000 tax credit for workers with disabilities to defray costs including improving access to employment and training programs.

? Universal Reemployment Initiative. The Dislocated Worker Training program provides training and support services to help permanently dislocated workers return to productive, unsubsidized employment. The President's FY2001 budget provides an increase of $181 million and provides assistance to almost 1 million dislocated workers. Also included in the budget is $50 million to provide reemployment assistance to unemployment claimants.

? Responsible Reintegration for Young Offenders. This new $75 million initiative

in the Department of Labor helps young offenders under age 35 to successfully reintegrate into the mainstream economy. Competitive grants will be made to partnerships between the criminal justice system and local workforce investment systems. This effort will be operated in conjunction with a related initiative at the Department of Justice that focuses on community safety and the supervision

of ex-offenders.

Bureau of Indian Affairs (BIA) School Construction and Repair. The President has

proposed $300 million, more than double the FY2000 enacted level of $133 million,

to replace and repair BIA-funded schools on reservations. This is the largest
investment ever in a single year for BIA school construction and repair. Of
these funds, $126 million would be used to assist in replacing at least six of
the 185 BIA-funded schools on reservations. The remaining $174 million would
provide for much-needed health and safety-related repairs, improvements, and
maintenance that together comprise a roughly $700 million backlog.

Training and Recruiting New Native American Teachers. Only two-thirds of Native
American students successfully complete high school. To address this challenges
the budget provides $10 million for the Education Department to continue the
second year of the Administration's initiative to begin training and recruiting
1,000 new teachers to serve in schools with high concentrations of American
Indian and Alaska Native students.

New American Indian Administrator Corps. The President and the Vice President
propose $5 million for a new Department of Education initiative, the American
Indian Administrator Corps, that will support the recruitment, training, and
in-service professional development of 500 American Indians and Alaska Natives to

become effective school administrators in schools with high populations of Native

American students. As in the Native American teacher initiative,
higher-education institutions are encouraged to form consortia with the tribal
colleges in order to develop this program.

CHILD CARE

The Clinton-Gore Administration's FY2001 budget includes a comprehensive child care initiative to address the struggles our nation's working parents face in finding child care they can afford, trust and rely on. Through unprecedented tax

relief and subsidy support, the President's balanced budget includes a package of

proposals to help working families pay for child care, improve the safety and quality of care, expand after-school programs and promote early learning.

The number of children with parents who work outside of the home is higher than ever before. In 1996, three out of four mothers with young children worked outside of the home, compared to one in four in 1965. During the Clinton-Gore Administration, funding for child care has more than doubled. Still, many eligible children do not receive assistance.

Tax Relief for Over 8 Million Families with Child Care Expenses. The Child and Dependent Care Tax Credit (CDCTC) provides tax relief to those who, in order to work, pay for the care of a child under 13 or for a disabled dependent or spouse.

The President's proposals, which cost $30 billion over 10 years, broaden this tax relief and will help over 8 million families pay their child care expenses:

? Making the Credit Refundable for Nearly Two Million Working Parents. Under current law, a typical family of four with an income under $25,000 is ineligible for credits for child care expenses because it has no income tax liability. Many

such families earn too little to claim the credit, but too much to get the full benefit of child care subsidies. To help these families, the President

proposes
to make the CDCTC refundable for the first time - so that families with no tax
liability can receive up to $2,400 to help offset the cost of child care. This
proposal will assist nearly two million families.

? Increasing the Child Care Tax Credit. For families earning up to $60,000, the
President proposes to increase the maximum level of the CDCTC from 30 percent to
50 percent. This will provide an average additional tax cut of $249 for these
families and eliminate tax liability for nearly all families with incomes below
200 percent of poverty that claim the maximum allowable child care expenses.
Under this proposal, a family of four with an annual salary of $35,000, and child

care expenses of $3,100, would receive a tax credit of $1,395 -- an increase of
$775 over current law. This expansion proposal will help over four million
working families pay for child care.

? Providing Tax Relief to Parents Who Stay at Home. The President will also
propose enabling parents who stay at home with children under age one to take
advantage of the Child and Dependent Care Tax Credit by claiming assumed child
care expenses of $500. This proposal will provide an average tax cut of $154,
benefiting almost two million parents.

Proposing the Largest Head Start Expansion in History. The President's budget
increases funding for Head Start by $1 billion - the largest funding increase
ever proposed for the program - to provide Head Start and Early Head Start to
approximately 950,000 children. Head Start prepares low-income children for a
lifetime of learning by providing early, comprehensive child development
services.

Universal After-School for Students in the Most Need. The President and Vice

President propose to invest $1 billion in the 21st Century Community Learning
Centers program to help ensure that every child in every failing school can have
a safe place to learn during the after- school and summertime hours. This more
than doubles the FY2000 investment. The Administration's budget will maintain
the commitment to serving all children, but will dedicate much of the increase to

help those children most in need of academic assistance as part of a comprehensive approach to help low-achieving students meet high academic
standards. The budget provides sufficient funding to make after- or summer-school programs universally available to all students attending Title I
school identified as low-performing, nearly tripling the number of children
served by the program to 2.5 million.

Helping Low-Income Families Afford Child Care. The President's budget boosts the

Child Care and Development Block Grant by $817 million in FY2001, enabling the
program to provide child care subsidies to nearly 150,000 more children next
year. These new funds, combined with the child care funds provided in welfare
reform, will enable the program to serve over 2.2 million children in 2001, an
increase of nearly one million since 1997.

Promoting Early Learning. The President's budget includes $3 billion over five
years for the Early Learning Fund to help improve child care quality and early
childhood education for children under five years old. The Early Learning Fund
will provide community grants for activities that foster cognitive development,
improve child care quality and promote readiness for school. Resources could be
used to help child care providers get training or certification, facilitate licensing or accreditation of child care centers, and reduce child-to-staff
ratios.

Supporting High-Quality Early Childhood Educators. The President's

budget
includes $30 million to ensure that well-trained professionals are teaching our
young children. The Early Childhood Professional Development initiative will
provide competitive grants to local partnerships that can pull together universities, local school districts and child care providers. The initiative
would focus on equipping early childhood educators with the tools they need to
help children develop vital language and literacy skills.

Supporting Parents in Higher Education by Offering College Campus Based Child
Care. To help low-income parents pursue higher education, the President's budget

includes $15 million -- a $10 million increase over last year's funding level --
to provide an additional 150 college campuses with grants to support the
establishment or expansion of child care services. States may also use a share
of the Child Care and Development Block Grant for this purpose.

Creating New Child Care Tax Incentives for Businesses. In his budget, President
Clinton will also propose a new tax credit for businesses that provide child care

services for their employees. These services could include: building or

expanding child care facilities, operating existing facilities, training child
care workers, or providing child care resource and referral services. The credit

covers 25 percent of qualified costs (and 10 percent of resource and referral
service expenses), but may not exceed $150,000 per year per business. This tax
credit costs $1.4 billion over 10 years.

HEALTH CARE

The Clinton-Gore Administration's FY2001 budget includes investments to address
the nation's long-term care needs, improve the quality of care, expand

the
Administration's commitment to biomedical research, and safeguard and improve the

public health.

Addressing the Nation's Multi-faceted Long-term Care Needs. The President's
FY2001 budget will include a $28 billion, 10-year investment in long-term care.
The initiative tackles the complex problem of long-term care that affects
millions of elderly, people with disabilities, children with special needs and
the families who care for them. Its centerpiece is a $3,000 tax credit for
people with long-term care needs or their caregivers -- the budget triples the
credit over last year's proposal. In addition to the tax credit, the initiative
will: (1) provide funding for services which support family caregivers of older
persons; (2) improve equity in Medicaid eligibility for people in home- and
community-based settings; (3) encourage partnerships between low-income housing
for the elderly and Medicaid; and (4) encourage the purchase of quality private
long-term care insurance by Federal employees. This initiative complements the
Administration's effort, spearheaded by the Vice President, to improve the
quality of care in nursing homes.

Assuring the Quality of Health Care. Since he took office, President Clinton has

been aggressive in his efforts to promote patients' rights and ensure the
delivery of high-quality health care.

? Patients' Bill of Rights. Over the coming year, the President will continue to

challenge the Congress to finally finish the overdue job of passing patients'
rights legislation that includes critical protections such as: guaranteed access
to needed health care specialists; access to emergency room services when and

where the need arises; continuity of care protections so that patients will not
have an abrupt transition in care if their providers are dropped; access to a
fair, unbiased and timely internal and independent external appeals process to
address health plan grievances; and an enforcement mechanism that ensures
recourse for patients who have been harmed as a result of a health plan's
actions. Last fall, over 60 Republicans joined virtually every Democrat in the
House in voting for the Norwood-Dingell Patients Bill of Rights. This strong,
enforceable, patient protections bill should not be watered down in a manner that

makes it ineffective and unworthy of signing by including provisions that further

segment healthy from unhealthy populations without significantly expanding
coverage for the currently uninsured.

? Protecting Medical Privacy. The Clinton-Gore Administration will also continue

to act to protect the privacy of Americans' private medical information. This
year the Administration will issue historic, final rules that will legally
guarantee key privacy protections: notice of data uses; consent before records
are used for non-medical purposes; patient access to records; proper security;
and effective enforcement. In addition, the President will continue to advocate
for strong Federal action on this issue and encourage Congress to pass

legislation that ensures that this private information will not be used to

discriminate against Americans seeking employment, being evaluated for promotion,

or purchasing health insurance.

New Initiatives. The President's FY2001 budget includes new initiatives to
improve health care quality.

? Preventing Medical Errors and Improving Quality of Care. The

FY2001 budget
responds to the President's request to act aggressively to develop new avenues
for the prevention of medical errors. It will include new funds to improve
medical errors prevention, patient safety research, reporting and information
dissemination. More detailed information about these initiatives, as well as
additional actions the Administration is currently reviewing, will be outlined in

the Quality Interagency Task Force's response to the President, scheduled to be
released early this year.

? Protecting Patients Purchasing Prescription Drugs Over the Internet. This
initiative would invest $10 million in new funds in the investigation,
identification, and prosecution of entities selling unapproved new drugs,
counterfeit drugs, prescription drugs without a valid prescription, expired or
illegally diverted pharmaceuticals, and the marketing of products based on
fraudulent health claims. It would certify internet pharmacy sites that meet all

state and Federal requirements. It would also update the current penalty
structure to create new civil money penalties for dispensing without a valid
prescription over the internet or for selling drugs without Federal
certification; and provide FDA with new administrative subpoena authority in
order build a case against offenders.

Supporting Biomedical Research. The President's FY2001 budget includes almost
$19 billion, an increase of $1 billion over last year's funding level, for
biomedical research at the National Institutes of Health (NIH). Two years ago,
the President called for an increase of almost 50 percent over 5 years in the NIH

budget as part of his Research for America Fund. Since that time, the NIH budget

has increased by over $4.3 billion and with the funding proposed by the President

this year, the Administration will be one year ahead of schedule in reaching the
50 percent goal. As a result, NIH now supports the highest levels of research
ever on nearly all types of disease and health conditions. In addition, the
budget proposes to repeal the provision enacted for 2000, which would delay the
availability of 2000 funds for NIH and other HHS programs.

Safeguarding and Improving the Public Health. President Clinton's FY2001 budget
affirms the Administration's commitment to improving public health and invests in

several priorities including: new efforts to combat HIV and AIDS; food safety
programs; additional efforts to combat emerging infectious diseases; family
planning efforts nationwide; efforts to promote childhood immunizations; a
Medicare demonstration project on cancer clinical trials; mental health and
substance abuse prevention activities; and improving the nation's response to the

threat of bioterrorism.

? Combating the Spread of HIV / AIDS and Other Diseases. The President's FY2001
budget calls for an additional $100 million investment in AIDS prevention, care,
public health infrastructure, and education in the African and Asian countries
that have been hit the hardest by the disease. It also includes a new tax credit

for sales of vaccines for malaria, tuberculosis, and AIDS to accelerate the
development of these vaccines, building upon a proposed $50 million investment in

the Global Alliance for Vaccines and Immunization (GAVI). Finally, the President

will call upon the World Bank to dedicate up to $900 million annually to expand
immunization, treat common diseases, and build delivery systems for basic health

services. The President's budget also invests an additional $125 million in the
Ryan White Program, an increase of almost 8 percent over last year's funding
level, to provide primary medical care, drugs critical to treatment, and other
support services for people living with HIV and AIDS. The budget also includes
an additional $50 million for HIV prevention, community intervention to encourage

individuals at risk to avoid behaviors that can result in the transmission of the

disease and increase the number of people who know their HIV status.

? Enhancing the Nation's Food Safety System. A total of $422 million is included

in the President's budget for his interagency food safety initiative -- a $68
million, or 19 percent, increase over FY2000 enacted. The initiative includes
funding for the U.S. Department of Agriculture (USDA) and the Department of
Health and Human Services (HHS) to: achieve annual inspections of high-risk
domestic food establishments; expand the number of imported food exams; enhance
the national network of public health laboratories capable of subtyping foodborne

pathogen DNA for rapid response to disease outbreaks (PulseNet); and expand
research, risk assessment and education activities. Funding is also included for

HHS and USDA to begin implementation of the Egg Safety Action Plan adopted by the

President's Council on Food Safety.

? Major Increase in the War on Emerging Infectious Diseases: This initiative will

dedicate an additional $20 million, a 45 percent increase over the FY2000 funding

level, to further the development of a national electronic disease surveillance

network to track newly emerging infectious diseases, such as West Nile-like
encephalitis, and new strains of influenza, and provide essential information to
public health clinics, hospitals, and health care providers. Funds will also be
used to enhance local investigations, education, and focused disease monitoring
nationwide, and promote the dissemination of new software for outbreak detection.

? Increasing Family Planning Efforts Nationwide: The FY2001 budget will invest an

additional $35 million, a 16 percent increase over the FY2000 funding level, for
grants to family planning clinics providing reproductive health services and
clinical care to over 5 million low income women. These new funds will be used
to prevent over a million unintended pregnancies year by improving the delivery
of comprehensive reproductive health services, including STD and cancer screening

and prevention, and HIV prevention, education and counseling; providing
educational programs that encourage adolescents to postpone of sexual activity;
increase the accessibility of contraceptive counseling and services; increasing
efforts to provide effective contraceptives to those in need; and developing
partnerships with other community based providers to conduct outreach to
adolescents at risk. In addition, the budget continues the requirement that
health plans in Federal Employee Health Benefits Programs (FEHBP) offer a full
range of contraceptive options.

? Promoting Childhood Immunizations: The budget proposes almost $1 billion for
childhood immunizations, including the Vaccines for Children program and CDC's
discretionary immunization program. The incidence of vaccine-preventable
diseases among children, such as diphtheria, tetanus, measles, and polio, is at
an all-time low.

? Establishing Medicare Cancer Clinical Trial Demonstration: The budget gives
more Americans access to these cutting-edge cancer treatments and encourages
higher participation in clinical trials by establishing a three-year, $750

million demonstration program. Medicare beneficiaries who participate in certain

cancer clinical trials will have their routine patient care costs covered for
those trials.

? Expanding Substance Abuse Activities: The budget includes a $82 million
increase for the prevention and treatment of substance abuse, a 50 percent
increase from the FY 1993 enacted level. These new funds continue the
Administration's commitment to expand substance abuse treatment for thousands of
under-served Americans. To help communities address gaps in substance abuse
services for emerging areas of need, the budget proposes an additional $54
million for Targeted Capacity Expansion grants. With this increase and an
additional $31 million in funding for the Substance Abuse Block Grant, the budget

will provide treatment for another 15,000 individuals. In addition, in
JanuarY2001, the FEHBP's benefit structure will, for the first time, provide for
parity in the provision of mental health and substance abuse benefits, illnesses
which have long been given less favorable treatment by the health care industry.

? Increasing Federal Support for Improving the Mental Health of All Americans:
According to the December 1999 Surgeon General's Report on Mental Health, one in
five Americans is living with a mental health disorder. This report states that
the fundamental components of effective service delivery are broadly agreed upon,

but in short supply. The budget includes a new investment of $100 million for

mental health services, an increase of 16 percent over last year's funding level
and a 90 percent increase since 1993.

? Improving Asthma Treatment for Low-income Children: The budget proposes $100
million in demonstration grants ($50 million in FY2001 and $50 million in FY2002)

to States test innovative asthma disease management techniques for children
enrolled in Medicaid to help these children receive the most appropriate care,
and keep their asthma in check.

ENVIRONMENT

The Clinton-Gore Administration FY2001 budget proposes a record $42.5 billion in
FY2001 to protect our natural resources, our communities and families, and the
global environment. The proposed environment budget represents an 11 percent
increase over FY2000 and a 36 percent increase over FY 1993. It includes major
initiatives to preserve America's lands legacy, combat global warming, protect
tropical forests, end childhood lead poisoning, and build more livable communities

A Permanent Lands Legacy for America. In FY2000, the President secured $652
million, a 42 percent increase for his Lands Legacy initiative. For FY2001, the
President is proposing $1.4 billion, the largest one-year investment ever in
conserving America's land and coastal resources. In addition, the President is
proposing a new, protected budget category to preserve this higher level of
funding in future years. More than half this dedicated funding would be used to
support state and local conservation efforts. For FY2001, the President
proposes:

? Helping Communities Protect Wildlife and Open Space. The President's budget

proposes $521 million, almost four times current funding, to help state, local,
and tribal governments protect wildlife and local green spaces. Priorities
include protecting threatened farmland, working forests, wetlands, and urban
parks. This includes a new $100 million grant program to help states protect
non-game wildlife.

? Saving Natural and Historic Treasures. $450 million, a 7 percent increase, for

Federal acquisition and protection of critical lands, including: wildlife-rich
bayous in the Lower Mississippi Delta, giant sequoias in California's Sierra
Nevada, Civil War battlefields, the historic Lewis and Clark trail, fragile
Southern California desert, and the Florida Everglades.

? Providing Special Assistance to Coastal Areas. $429 million, a 159 percent
increase, to protect ocean and coastal resources, including $100 million for a
new program to help coastal states address environmental impacts of existing
offshore oil and gas development, and $100 million to help state, local and
tribal efforts to restore coastal salmon in the Pacific Northwest.

Meeting the Challenge of Global Warming. The President is proposing $2.4 billion

-- a 42 percent increase -- to combat global climate change, and $1.7 billion for

scientific research into factors influencing climate and the likely consequences
of global warming. Highlights include:

? Promoting Clean Energy at Home and Abroad. $289 million to develop
technologies that convert crops and other "biomass" into clean fuels and other
products; and over $200 million, a 105 percent increase, to promote the export of

clean energy technologies to developing nations.

? Moving New Technology into the Marketplace. The budget proposes $9 billion
over 10 years in tax relief to encourage the purchase of energy-efficient cars,
homes, and appliances, and the production of wind, solar, and biomass power.

? Advancing Clean Energy Research. $1.4 billion, a 30 percent increase, to
develop and deploy renewable energy and energy efficiency technologies for the
buildings, transportation, industry and utility sectors; and to research coal and

natural gas efficiencies and carbon sequestration.

? Helping Local Clean Air Efforts. $85 million for a new Clean Air Partnership
Fund for state and local projects that reduce both greenhouse gases and air
pollutants like soot and smog.

Protecting Forests and Biodiversity Around the World. The President is proposing

$150 million for a new Greening the Globe initiative to help stem the loss of
forests worldwide -- especially tropical forests, which support more than half
the known species on earth. The initiative will help developing nations
strengthen their economies by preserving their forests. It includes:

? Targeted Conservation Investments. $100 million, a 60-percent increase, for
programs at the U.S. Agency for International Development (USAID) that help more
than 60 countries in Africa, Asia, and Latin America conserve their forests and
other natural areas.

? Debt-for-Nature Swaps. $37 million, almost three times current funding, to
relieve developing countries of debt owed to the United States when they commit
to invest in forest conservation.

? Research and Wildlife Protections. $10 million to protect wildlife habitat and

research causes and prevention of forest fires; $3 million to protect endangered

elephants, tigers, and rhinos.

? Monitoring Forest Loss from Space. A new program led by USAID and NASA to
compile the first comprehensive satellite maps of the world's tropical forests,
and to work with national and international partners to regularly monitor and
report on future changes in forest cover.

Building Livable Communities. The President is proposing $9.3 billion, a 14
percent increase, for the Administration's Livable Communities initiative, which
helps communities grow in ways that enhance their quality of life and ensure
strong, sustainable economic growth. Priorities include:

? Community Transportation Choices. $9.1 billion to help ease traffic
congestion, including a record $6.3 billion for light rail and other transit
systems; $1.6 billion for innovative local programs that ease congestion while
reducing air pollution; and $468 million for an expanded passenger rail fund.

? Better America Bonds. The President is proposing Federal tax credits to pay
the interest on $10.75 billion in bonds over 5 years for investments by State,
local, and tribal governments. The bonds can be used to preserve green space,
create or restore urban parks, protect water quality and clean up brownfields
(abandoned industrial sites). The cost is $3.billion 1 over 10 years.

? Crime Data Sharing. $125 million for grants to state and local governments to
improve public safety through data sharing and the use of advanced crime-solving
technologies.

? "Smart Growth" Partnerships. $25 million to promote strategic regional "smart

growth" planning in urban and rural communities.

Protecting Children From Lead Poisoning. The President is proposing $165 million

to launch a 10-year strategy to end childhood lead poisoning by eliminating lead
hazards, strengthening enforcement, advancing research, and improving health
monitoring and intervention. FY2001 priorities include:

? Making Homes Lead-Safe. $120 million, a 50 percent increase, for grants and
other Housing and Urban Development efforts to reduce lead paint hazards in
low-income homes with children under six.

? Increased Enforcement. $6 million for the Environmental Protection Agency and
the Department of Justice to increase public education and enforcement of
lead-disclosure rules.

Promoting Conservation on the Farm. The President is proposing $3 billion, a
$1.3 billion increase over currently authorized levels, for voluntary programs
that help farmers protect water quality and wildlife habitat. A new $600 million

Conservation Security Program would provide additional income to family farmers
who adopt comprehensive plans to curb erosion and protect water supplies from
polluted runoff. Other proposed increases would expand efforts to restore
habitat, preserve streamside buffer zones, and protect farmland threatened by
sprawl.

Restoring the Great Lakes. The President is proposing a new $50 million
initiative to help state and local governments restore polluted "areas of

concern" in the Great Lakes so they can be used for fishing, swimming, boating
and urban redevelopment. Matching grants could be used to clean up contaminated
sediments, control stormwater, restore wetlands, acquire greenways and buffers,
and control polluted runoff. State or local governments would provide at least

40 percent of project costs, resulting in a total investment of more than $80
million.

WORKING FAMILIES

Since 1993, the Clinton-Gore Administration has worked hard to reduce poverty and

increase opportunity for our most disadvantaged families. The overall poverty
rate fell to 12.7 percent in 1998, with 7.7 million fewer people in poverty than
in 1993. The child poverty rate has declined from 22.7 percent to 18.9 percent
-- the largest five year drop in nearly 30 years. But despite the strongest
economy in a generation, there are still millions of workers struggling to raise
a family and make ends meet. The President believes that parents who work hard
and play by the rules should not have to raise their children in poverty.

President Clinton's FY2001 budget proposes to create new initiatives and expand
upon existing programs to help give working families the opportunities they need
to partake of our country's prosperity.

Expanding the Earned Income Tax Credit (EITC) to Even Better Reward Work and
Family. President Clinton proposes a $23 billion plan to expand the Earned
Income Tax Credit to reward work and family. According to estimates by the
Department of the Treasury, this EITC expansion would provide tax relief for 6.8
million hard-pressed working families, providing up to $1,200 in additional tax
relief for some of them. The President's proposal would build on his 1993 EITC
expansion, which provided a tax cut for 15 million families and made EITC even
more effective at encouraging work and reducing poverty, by:

? increasing benefits for families with three or more children;
? expanding the credit for married, two-earner couples;
? rewarding families that are working hard to move into the middle class by

lowering the phaseout rate; and
? encouraging savings through simplification.

Increasing the Minimum Wage. The President again proposes a $1 increase in the
minimum wage. This proposal, which builds upon President Clinton's 1996 minimum
wage increase, would help 10 million Americans -- 70 percent of whom are adults
and 60 percent of whom are women. For a full-time, year-round worker at the
minimum wage, this would mean an additional $2,000 per year.

Individual Development Accounts. Since 1992, the President has supported the
creation of Individual Development Accounts (IDAs) to empower individuals to save

for a first home, post-secondary education, or to start a new business. In 1998,

the President signed into law legislation authorizing a five-year $125 million
demonstration program. The President's budget provides $25 million for IDAs in
FY2001. The Administration will also propose to allow low-income working
families to use IDAs to save for a car that will allow them to get or keep a job.

Retirement Savings Accounts (RSAs) To Help Families Save and Invest And Expand
Pension Coverage for Small Businesses. The President's Retirement Savings
Accounts (RSAs) proposal will give 76 million Americans the opportunity to build
wealth and save for their retirement through a progressive tax cut. This
proposal builds on the successful model of Individual Development Accounts
(IDAs), extending generous matches to all low- and moderate-income families to
encourage them to develop savings and assets. A person who participated for 40
years in this savings program could accumulate over $266,000 -- enough to produce

$24,000 a year of income in retirement. This proposal would cost $54 billion
over 10 years.

Tax Incentives For Small Businesses To Offer High-Quality Pension Coverage. In an effort to encourage more small businesses to offer pensions for their employees, the budget provides for a 50 percent tax credit for three years of qualified contributions to employees' pensions. This provision would cost $17 billion over 10 years.

Reducing the Marriage Penalty for Married, Two-Earner Couples By Increasing the Standard Deduction by More Than $2,000. The President will propose to increase the standard deduction for two-income married couples to twice that of single filers, providing substantial tax relief for 9.1 million married couples. When fully phased in, this change would result in a $2,150 increase in the standard deduction. The President's proposal would also increase the standard deduction by $500 for single-earner married couples and by $250 for single filers. Both elements of the President's plan would cost $45 billion over 10 years and benefit

42.1 million families.

Alternative Minimum Tax Relief: The President will propose in his budget a $33 billion proposal over 10 years to correct serious design flaws in the individual Alternative Minimum Tax (AMT) that increasingly hurt middle-income families with children who play by the rules. It complicates their tax preparation and raises their tax bills. The President's proposal will take over 9 million families per year off the AMT when fully phased in.

Helping Families Afford to Take Family Leave. The President's budget includes a $20 million family leave initiative to fund roughly 15 competitive planning grants for states and other interested entities to explore ways to make parental leave and other forms of family leave more affordable and accessible for American

workers. Today, many workers face barriers, such as financial barriers, to
taking advantage of unpaid leave. A 1996 Study by the Commission on Family and
Medical Leave found that loss of wages was the most significant barrier to
parents taking advantage of unpaid leave following the birth or adoption of a
child. The President's budget request will enable states and others to identify
in more detail the workers who need financial assistance to take parental leave
or other forms of family leave and to evaluate and develop options to aid these
workers.

Helping Low-Income Working Families Get to Work. Transportation to work is a
barrier for many low-income families. Some families need a car to get to work,
but owning a car can often be the one item that makes a household ineligible for
food stamps. The President's budget will make it easier for working families to
own a reliable vehicle and receive food stamps by allowing states to conform
their food stamp vehicle policy with a more generous TANF vehicle policy. The
Administration will also propose to allow low-income working families to use IDAs

to save for a car that will allow them to get or keep a job. In addition, the
Administration supports expanding public transit as a reliable form of
transportation. The budget proposes to double Access to Jobs transportation
funding to $150 million to expand grants to communities to develop innovative
public transportation solutions that help more low-income workers and welfare
recipients get to work.

Helping Millions Move from Welfare to Work. In 1992, President Clinton promised
to end welfare as we know it, and now more than three years after the enactment
of the welfare reform law, we've seen revolutionary changes to promote work and
responsibility: the number of Americans on welfare is at its lowest

level since
1969 -- 30 years ago -- as millions of people move from welfare to work. Since
January 1993, the welfare rolls have fallen by more than half, from 14.1 million
to 6.9 million. More than 1.3 million welfare recipients went to work in 1998
alone. The 12,000 business participating in the Welfare to Work Partnership
launched by the President in 1997 have hired nearly 650,000 former welfare
recipients. The Federal government is also doing its share: in 1997, the
President asked the Vice President to lead the Federal hiring initiative to hire
10,000 welfare recipients over four years, and today, we've far exceeded that
goal, hiring more than 16,000 people at a time when the Federal workforce is the
smallest it has been in thirty years.

Helping More Long-term Recipients Move from Welfare to Work. Because of the
President's leadership, the 1997 Balanced Budget Act included $1.5 billion in
each of years 1998 and 1999 for Welfare-to-Work grants to help long-term welfare
recipients and certain non-custodial parents go to work and support their
children. Currently, grantees have up to three years to spend the funds and
fully implement these important efforts. The President's budget allows grantees
an additional two years to spend these existing funds.

Ensuring Equal Pay. According to the Department of Labor, the average woman who
works full-time earns approximately 75 cents for each dollar that an average man
earns. For women of the color, the gap is even wider. This gap is attributable,

in part, to differing levels of experience, education, and skill. However, even
after accounting for these factors, a significant pay gap still remains between
men and women in similar jobs. On January 24, the President announced a $27
million Equal Pay Initiative in his FY2001 budget, an increase of $12 million

over FY2000. The Initiative requests $10 million for the Equal Employment
Opportunity Commission (EEOC) to provide training and technical assistance to
about 3,000 employers on how to comply with equal pay requirements and to launch
a public service announcement campaign on wage issues. The Initiative also
dedicates $10 million for the Department of Labor (DOL) to train women in
nontraditional jobs, including high-tech jobs and other skill shortage
occupations. Lastly, the Initiative provides $7 million for DOL to help

employers assess and improve their pay policies, support public education
efforts, provide for projects in non-traditional apprenticeships, and implement
industry partnerships. The President also called on Congress again to pass the
Paycheck Fairness Act, which would strengthen wage discrimination laws, provide
for new collection of data on wage issues, and provide for additional research,
training, and public education efforts on this important subject.

Creating Initiatives to Collect More Child Support. Since the President took
office, child support collections have nearly doubled, from $8 billion in 1992 to

$15.5 billion in 1999. Today, parents who owe child support have their wages
garnished, their bank accounts seized, and their tax refunds withheld. To build
on this success, the budget contains several new measures to get parents to pay
the child support they owe and to ensure more support goes directly to families.

Parents who owe past-due child support will have their gambling winnings
intercepted. If they are delinquent, they will have their vehicles booted, they
will have a harder time obtaining or renewing a passport, and they can be
prohibited from enrolling as a Medicare provider. The proposals also provide
incentives for states to pass through more child support payments directly to
families, so that families leaving welfare can keep all the payments,

and
families still working their way off can keep up to $100 a month. Finally, the
budget will require that child support orders be updated more frequently. In
total, these initiatives will bring in nearly $2 billion more for families.

Fathers Work/Families Win Grants. The President's budget will contain $255
million in new competitive grants in FY2001 to promote responsible fatherhood and

support working families, critical next steps in reforming welfare and reducing
child poverty. This budget will encourage responsible fatherhood through $125
million in "Fathers Work" grants to put approximately 40,000 non-custodial
parents (mainly fathers) who owe child support to work and help them connect with

their children. As part of this effort, states will need to put in place
procedures allowing them to require more parents who owe child support to pay or
go to work. The President's budget will also contain $130 million in "Families
Win" grants to help about 40,000 low-income parents stay in their jobs, move up
the career ladder, and remain off cash assistance. An important part of these
grants will be to improve families' access to food stamps, health care,
childcare, and other critical support for working families. Of these amounts,
$10 million will be set-aside for applicants from Native American workforce
agencies. This proposal complements other budget initiatives to ensure that
low-income working families have access to the health care coverage and
nutritional assistance they need.

Second Chance Homes. The budget includes $25 million in new funds to support
"second chance homes," adult-supervised and supportive living arrangements, for
unmarried teen parents and their children who cannot live at home or with other
relatives. States will be able to use these funds, as they can other Social
Services Block Grant (SSBG) funds, to support services provided by

faith-based
and community-based organizations. (Overall, the budget increases SSBG funds by
$75 million over current law.) This new initiative will be the latest of the
Administration's efforts to break the cycle of dependency and reduce teen
pregnancy, which have resulted in the lowest teen pregnancy rates on record and
an 18 percent decline in teen birth rates from 1991 to 1998.

Homeless Initiative. Homeless persons do not participate fully in important
health and other programs for which they are eligible. The President's budget
proposes legislation for a new $10 million initiative that would improve homeless

individuals' access to mainstream programs that will help them move toward
self-sufficiency. Demonstration grants would be awarded to several states to
improve access to and provide coordination among mainstream programs such as
Medicaid, State Children's Health Insurance Program (SCHIP), Temporary Assistance

for Needy Families, Food Stamps, the Workforce Investment Act, and the Mental
Health and Substance Abuse Block Grants. The budget also proposes $1.2 billion
for homeless assistance programs at the Department of Housing and Urban
Development, including $105 million for 18,000 homeless vouchers.

COMMUNITY EMPOWERMENT

The United States is currently in the midst of the longest expansion in its
history. The strength and duration of this expansion have helped bring economic
opportunity to millions of people once cut off from the economic mainstream. But

too many urban and rural areas have not participated in this growth. Working
with the private sector and state and local governments, the President is
committed to help these communities participate in our country's

economic
prosperity. The Clinton-Gore Administration's FY2001 budget proposes an expanded

New Markets initiative and Empowerment Zone program, a new program known as First

Accounts, creation of the new Delta Regional Authority, new initiatives to close
the Digital Divide, efforts to expand opportunities to Native Americans as well
as other programs that will provide distressed communities with additional
opportunities to succeed.

The New Markets Initiative. The President's budget provides tax credits and
loans guarantee incentives to stimulate $22 billion of new private capital
investments in economically distressed communities around the country and build a

network of private investment institutions to funnel credit, equity and technical

assistance to businesses in America's new markets. In addition, the budget
proposes a new initiative, known as First Accounts that will provide low-cost
bank accounts for working families.

? More Than Doubling the New Markets Tax Credit. The President proposes to more
than double the New Markets tax credit to spur $15 billion in new investment in
community development in economically distressed areas. An entity making new
equity investments in a selected community development project would be eligible
for a tax credit worth 25 percent of the cost of the investment. A variety of
vehicles providing equity and credit to businesses in underserved areas would be
eligible. The total cost of the tax credits amounts to $5 billion over 10 years.

? Expanded Empowerment Zones. The proposed expanded wage credits, tax
incentives, and new round of urban and rural EZs will extend and improve economic

growth in the 31 existing urban and rural Empowerment Zones, administered by the
Department of Housing and Urban Development (HUD) and the U.S. Department of
Agriculture (USDA), and support the proposed third round of 10 new Empowerment
Zones to be designated in 2001. The total cost of these proposals will be $4.4
billion over 10 years.

? America's Private Investment Companies (APICs). Modeled after the Overseas
Private Investment Corporation's (OPIC) successful investment fund program, the
President's budget proposes $37 million to allow APICs to provide guaranteed debt

to private investment companies, licensed by HUD, to help leverage private equity

capital and lower the cost of capital for investments in low- and moderate-income

communities. For every dollar that private investors provide, the government
will guarantee two dollars in debt to expand the APIC's pool of capital available

for making investments and enhance the return on those investments to the private

investors. APICs will make equity investments in larger businesses that are
expanding or relocating in inner cities and rural areas.

? New Market Venture Capital Firms (NMVCs). The budget proposes $52 million to
allow
NMVC firms to match the equity of private investors with Government-guaranteed
debt and technical assistance funding to cultivate the growth of smaller firms.
NMVC would invest in smaller growth companies that can also benefit from expert
management assistance.

? Creation of First Accounts. The President's budget proposes $30 million for
the Department of Treasury to pilot strategies to help low- and

moderate-income
Americans benefit from basic financial services. Treasury will work with
financial institutions and others: (1) to encourage the creation of low-cost
bank accounts (First Accounts); (2) to expand access to automatic teller machines

in safe, secure, and convenient locations, including U.S. Post Offices, in
low-income neighborhoods; (3) to educate low-income Americans about the benefits
of having a bank account, managing household finances, and building assets. The
First Accounts initiative complements Treasury's Electronic Transfer Accounts
(ETAs) -- low-cost, electronic banking accounts for "unbanked" Federal benefit
recipients -- by reaching those not eligible to participate in the ETA program
because they are not Federal benefit recipients.

? Other Elements of New Markets. Other elements in the budget include:
increasing the funding for SBA's microenterprise lending program to $50 million;
$15 million to fund PRIME -- a program authorized last year to provide technical
assistance to low-income entrepreneurs; boosting CDFI funding to $125 million;
expanding support to $6.6 million for BusinessLINC to encourage large businesses
to work with small businesses in new markets; and providing $5 million to
establish a New Markets University Partnerships pilot project which, under the
auspices of HUD, would provide Universities with funding to develop local
community partnerships, assistance to intermediaries, and technical and business
development assistance to new and existing firms. In addition, to better serve
Native American communities, the President will provide additional funding to
expand the New Markets initiative to Indian Country.

Native American Initiative. In order to better serve Native American communities

in this millennium and to honor the Federal government's trust

responsibility to
tribes, the President's budget includes an increase of $1.2 billion over FY2000
-- the largest increase ever - for a total of $9.4 billion for key new and existing programs assisting Native Americans and Indian reservations. Some of
the highlights include:

? Bureau of Indian Affairs (BIA) School Construction and Repair. The President
has proposed $300 million, more than double the FY2000 enacted level of $133
million, to replace and repair BIA-funded schools on reservations. This is the
largest investment ever in a single year for BIA school construction and repair.

? Increased Funding for Tribal Colleges. The budget proposes increased funding
of $25 million for the Nation's tribal colleges for a total of $77 million.

? Indian Health Service. The President's budget proposes $2.6 billion, an
increase for the Indian Health Service (IHS) of $230 million or 10 percent over
the FY2000 enacted level.

? Improving Law Enforcement in Indian Country. The budget proposes $439 million,

an increase of $103 million over FY2000, for the Departments of Justice and
Interior for the third year of the President's Indian Country Law Enforcement
Initiative. The initiative will improve public safety for the over 1.4 million
residents on the approximately 56 million acres of Indian lands.

? Building Roads and Bridges in Indian Country. The Transportation Department
(DOT) will expand its program to improve roads and bridges on Indian
reservations. The President's budget proposes to give the Indian Reservations
Roads program the full authorization amount of $275 million with an additional
$74 million from a highway receipts account for a total of $349

million, which is

an increase of $117 million over the previous year. This will allow Tribes to
address the estimated backlog of $4 billion in needs on these roads and bridges.

? Tribal Infrastructure Projects. The President and the Vice President propose
$49 million, an increase of $46 million over FY2000, for the Department of
Commerce's Economic Development Administration (EDA) to fund infrastructure,
planning, and public works projects.

? Addressing the Digital Divide. To encourage Native Americans to pursue careers

in information technology and other science and technology fields, the budget
provides $10 million, to be administered by the National Science Foundation, for
grants to tribal colleges for networking and access, course development, student
assistance, and capacity building.

? Bureau of Indian Affairs (BIA) Contract Support Costs. Within the overall BIA
increase, the budget continues to support Tribal self-determination by proposing
$134 million, a $9 million or 7 percent increase over 2000 for contract support
costs. This funding provides $5 million for new and expanded contracts and $129
million for existing contracts.

? Trust Services. The Administration is committed to improving trust services
and management through its trust reform efforts at the Interior Department. The
budget proposes $108 million, a 48 percent increase over 2000, for improved trust

services in the BIA for activities such as probate, real estate appraisals, and
other services.

? Indian Trust Fund Balances. The Administration is committed to

resolving
disputed Indian trust fund account balances through informal dispute resolution
and supports the unique government-to-government relationship that exists in
Indian trust land management issues. After Tribal consultations, BIA submitted
its "Recommendations of the Secretary of the Interior for Settlement of Disputed
Tribal Accounts" to Congress in November 1997. Legislation reflecting these
recommendations was proposed in 1998, but not enacted. The Department will
continue efforts to resolve trust fund account balances.

? Trust Land Management. As part of BIA's commitment to resolving trust land
management issues, Interior worked with Congress in 1999 to repropose legislation

(S. 1586) to establish an Indian Land Consolidation program to address the
ownership fractionation of Indian land. In addition to $13 million for the
Indian Land Consolidation program, the budget provides $83 million for DOI's
Office of Special Trustee, including the trust management improvement project.
Current activities include verifying individual Indian's account data and
converting these data to a commercial-grade accounting system.

Creation of the Delta Regional Authority. In the Mississippi Delta, poverty
remains at 175 percent of the national average. The President's budget proposes
$153 million for the creation of a new Delta Regional Authority, modeled after
the successful Appalachian Regional Commission, to bring the resources of a
Federal-State partnership to the fight for economic growth in the region. This
partnership will help bring the infrastructure and job training needed to make
the Nation's prosperity a reality in the Delta.

Closing the Digital Divide. Access to computers and the Internet and the ability

to effectively use this technology are becoming increasingly important

for full
participation in America's economic, political and social life. Unfortunately,
unequal access to technology and high-tech skills by income, educational level,
race, and geography could deepen the divisions that exist within American
society. The President's budget proposes a comprehensive package to help bridge
the Digital Divide and to help create more digital opportunity for all Americans.

These initiatives include $2 billion in tax incentives to encourage private
sector activities such as computer donations, and $380 million in new and
expanded initiatives to serve as a catalyst for public-private partnerships
designed to increase access, training and applications for low-income families.

Expanding Housing Vouchers and Opportunities for Hard Pressed Working Families.
The President's budget will include $690 million for 120,000 new housing vouchers

to subsidize the rents of low-income families. These housing vouchers subsidize
the rents of low-income Americans, enabling them to move closer to job
opportunities -- many of which are being created far from where these families
live. Of the 120,000 new housing vouchers, 32,000 will be targeted to families
moving from welfare to work, 18,000 to homeless individuals and families, and
10,000 to low-income families moving to new housing constructed through the Low
Income Housing Tax Credit (LIHTC), with the remaining 60,000 vouchers allocated
to local areas to help address the large unmet need for affordable housing.
These new vouchers build on the 110,000 new housing vouchers secured through the
President's leadership over the past two years. In addition, the President's
budget proposes to increase the Low-Income Housing Tax Credit volume cap from
$1.25 per capita to $1.75 per capita and to index the cap to inflation after

2001,which will provide additional incentives to build and make an additional
180,000 units of affordable housing available to working families over the next
five years.

Supporting Community Empowerment Fund (CEF). The CEF/EDI, funded at $100 million

in FY2001, working in tandem with the Section 108 loan guarantee program, funded
at $30 million in FY2001, will work with a new pilot program beginning in 2000 to

create loan pools to improve the securitization of Section 108 loans.

AmeriCorps and Encouraging Community Service. Since the start of his
Administration, the President has encouraged and facilitated community service.
Over 150,000 young people have participated in AmeriCorps -- they have helped to
immunize more than a million people; taught, tutored or mentored 4.4 million
children; helped build some 11,000 homes; and truly sparked a new spirit of
public engagement across the land. The President's budget includes over $850
million for the Corporation for National Service. This increase of nearly $120
million keeps AmeriCorps on track for the President's goal of 100,000 members
each year bY2004. The budget will also include a new "AmeriCorps Reserves"
program, modeled after the military reserves, and designed to engage former Corps

members in times of need. The budget also includes $15.5 million in new
initiatives that reward innovations in youth service, as well as additional
resources to encourage service by senior citizens, and to engage students in
service through a new "Community Coaches" program.

Encouraging Philanthropy. The budget includes a comprehensive package of new tax

proposals to encourage philanthropy. The budget proposes allowing non-itemizers

to take a tax deduction for charitable giving. New rules will make it easier for

charitable foundations to make gifts in times of need. In addition, the budget
proposes making it easier for individuals to donate appreciated assets like
securities and real property. These proposals would cost $14 billion over 10
years.

Strengthening Non-profits' Role in Community Development. Already many
faith-based and community-based organizations partner with government to help our

nation's families, but the President and Vice President believe we should do
more, and their budget proposes to increase the involvement of religiously
affiliated and community-based organizations in after-school, housing, community
development, criminal justice, welfare reform, teen pregnancy prevention, and
juvenile justice programs, consistent with the constitutional line between church

and state.

Helping More Long-term Recipients Move from Welfare to Work. Because of the
President's leadership, the 1997 Balanced Budget Act contained $3 billion for
Welfare-to-Work grants to help long-term welfare recipients and certain
non-custodial parents go to work and support their children. To fully implement
these important efforts, the President's budget allows grantees an additional two

years to spend these existing funds.

Helping Low-Income Working Families Get to Work. Transportation to work is a
barrier for many low-income families. Some families need a car to get to work,
but owning a car can often be the one item that makes a household ineligible for
food stamps. The President's budget will make it easier for working families to

own a reliable vehicle and receive food stamps by allowing states to conform
their food stamp vehicle policy with a more generous TANF vehicle policy. The
Administration will also propose to allow low-income working families to use IDAs

to save for a car that will allow them to get or keep a job. In addition, the
Administration supports expanding public transit as a reliable form of transportation. The budget proposes to double Access to Jobs transportation
funding to $150 million to expand grants to communities to develop innovative
public transportation solutions that help more low-income workers and welfare
recipients get to work.

Homeless Initiative. Homeless persons do not participate fully in important
health and other programs for which they are eligible. The President's budget
proposes legislation for a new $10 million initiative that would improve homeless

individuals' access to mainstream programs that will help them move toward
self-sufficiency. Demonstration grants would be awarded to several states to
improve access to and provide coordination among mainstream programs such as
Medicaid, State Children's Health Insurance Program (SCHIP), Temporary Assistance

for Needy Families, Food Stamps, the Workforce Investment Act, and the Mental
Health and Substance Abuse Block Grants. The budget also proposes $1.2 billion
for homeless assistance programs at HUD, including $105 million for 18,000
homeless vouchers.

FROM DIGITAL DIVIDE TO DIGITAL OPPORTUNITY

Access to computers and the Internet and the ability to use this technology
effectively are becoming increasingly important for full participation in

America's economic, social and political life. Unfortunately, there is strong
evidence of a "digital divide"-- unequal access to technology by income,
education level, race, and geography. In 1998, those with a college degree were
more than eight times more likely to have a computer at home and nearly sixteen
times as likely to have home Internet access as those with an elementary school
education. This growing divide also cleaves our community along income, ethnic,
and geographic lines, with affluent, white, and urban/suburban households
enjoying better computer and Internet access than their African-American,
Hispanic, less affluent and more rural counterparts.

Private sector competition and rapid technological progress are powerful forces
to bridge the digital divide and make Information Age tools available for more
and more Americans. By working with the private sector and community-based
organizations, the Administration can accelerate the trend toward expanded
access. But we also need to give people skills to use technology and to promote
content and applications of technology that will help empower under-served
communities. Building on their past successes in bridging the digital divide,
President Clinton and Vice President Gore propose the following initiative to
help accomplish these goals:

Tax incentives to encourage private sector involvement. The budget proposes $2
billion over 10 years in tax incentives to encourage private sector donation of
computers, sponsorship of community technology centers, and technology training
for workers, including:

? Encouraging companies to donate computers. The President proposes to extend
and expand the tax deduction that gives companies an incentive to donate
computers to schools, libraries and computer technology centers. This enhanced

deduction allows companies to deduct more than the cost of their donation. Under

current law, this deduction applies to donations of computers to schools only and

expires after the year 2000. The President's proposal would extend this
provision through June 30, 2004 and expand it to donations to public libraries or

community technology centers in Empowerment Zones, Enterprise Communities, and
high-poverty areas.

? Promoting corporate sponsorship of schools, libraries and community technology
centers. The President proposes tax relief to encourage companies to sponsor
schools and community technology centers in Empowerment Zones, Enterprise
Communities, and targeted low-income areas. The President's proposal would
allocate credits for $16 million in corporate sponsorship to each of the 31
existing Empowerment Zones and 10 proposed new Empowerment Zones and $4 million
in corporate sponsorship for each of the more than 80 Enterprise Communities. In

total, the President's proposal would help support up to nearly $1 billion in
annual sponsorships to help improve schools and community technology centers.

? Supporting technology training for workers. The President's proposal would
provide targeted tax relief to encourage companies to provide computer training,
workplace literacy, or other basic education for employees who lack the basic
skills to succeed in the modern workplace. Companies would be allowed to take a
20 percent tax credit for up to $5,250 in annual expenses per employee. Eligible

employees generally would not have received a high school degree or its
equivalent.

Teacher training. The budget proposes $150 million to help train new teachers
entering the workforce to use technology effectively in the classroom. Under the

leadership of President Clinton and Vice President Gore, the United States has
made enormous progress in connecting schools to the Internet and increasing the
number of modern computers in the classroom. However, access to computers and
the Internet will not help students achieve high academic standards unless
teachers are as comfortable with a computer as they are with a chalkboard.
President Clinton's budget calls for $150 million in Department of Education
grants -- double last year's investment of $75 million -- to achieve this goal.

Community Technology Centers. The President proposes $100 million to create up
to 1,000 Community Technology Centers in low-income urban and rural communities.

The President's budget more than triples the Department of Education's support
for Community Technology Centers -- from $32.5 million in FY2000 to $100 million
in FY2001. This initiative, championed by Congresswoman Maxine Waters, was
initially funded at $10 million in FY 1999. It aims to help close the "digital
divide" by providing computers and Information Age tools to children and adults
who can not afford them at home.

Public/private partnerships. The President's budget includes a new $50 million
Department of Commerce pilot program to expand access to computers and the
Internet for low-income families and to give these families the skills they need
to use these new Information Age tools effectively. This new program will
provide competitive grants to public-private partnerships at the local level.

Innovative applications of technology. President Clinton's budget will increase

the investment in the Department of Commerce's highly-successful Technology
Opportunities Program (TOP) to $45 million -- triple the current level of $15
million. Applications might include public health information systems that raise

childhood immunization rates in inner cities, tele-mentoring for at-risk youth,
and electronic networks that strengthen local communities by fostering
communication and collaboration.

High-speed networks in underserved communities. High-speed Internet access is
becoming as important to the economic vitality of a community as roads and
bridges are today. The President proposes a new $25 million program at the
Department of Commerce and the Department of Agriculture to accelerate, through
grants and loan guarantees, private sector deployment of broadband networks in
under-served urban and rural communities.

Native Americans and information technology. The President proposes $10 million
to prepare Native Americans for careers in information technology and other
technical fields. The National Science Foundation will support efforts by tribal

colleges to increase the number of Native Americans who are prepared to pursue
careers in information technology and other technical fields.

RESEARCH & DEVELOPMENT

President Clinton and Vice President Gore include a nearly $3 billion increase in

the "Twenty-First Century Research Fund" in their FY2001 budget, including a $1
billion increase in biomedical research at the National Institutes of Health and
double the largest dollar increase for the National Science Foundation in its 50
year history. These investments will ensure that science and

technology will
continue to fuel economic growth and allow Americans to lead longer, healthier
lives. These investments also will enable America to continue to lead in the
21st century by increasing support in all scientific and engineering disciplines,

including biomedical research, nanotechnology, information technology, clean
energy, and university-based research. Specifically, this infusion of funds will

enable researchers to tackle important scientific and technological challenges.

The Benefits of Technology for America. Technology has helped fuel American
prosperity, improved the lives of American families, and enabled us to learn more

about the world around us.

? American Prosperity in the 21st Century. With rapid growth, increased
productivity and rising standards of living, the U.S. economy is thriving, in
large part because of our technological leadership. Science and technology have
become the engine of America's economic growth: information technology alone
accounts for 1/3 of U.S. economic growth, and is creating jobs that pay almost 80

percent more than the average private-sector wage. Many of the technologies that

are fueling today's economy are the result of government investments in the
1960's and 1970's.

? Longer, Healthier Lives for All Americans. In the last 100 years, the life
expectancy of the average American has increased by almost 30 years, as a result
of breakthroughs such as antibiotics. Today, we are on the verge of even greater

scientific advances, and continued investment in health-related research could

lead to greater life expectancies and better quality of life.

? Educating America's High-tech Workforce. The President's investment in
university-based research will help spur innovations in new technologies and
treatment, while preparing the next generation of leaders in science, engineering

and technology.

? Cleaner Energy for a Cleaner Environment. Research can help America create
cleaner sources of energy and energy-efficient technologies, such as fuel cells
that emit only water, cars that get 80 miles per gallon, and bioenergy derived
from new cash crops.

? New Insights into the World Around Us. Increases in funding for science-based
research can lead to amazing breakthroughs in our understanding of the world
around us and beyond.

The President's FY2001 Proposals for Research and Development. In his FY2001
budget the President is proposing a wide range of initiatives and funding
increases for vital investments in research and development:

? $1 billion Increase in Biomedical Research at the National Institutes of Health

(NIH). The President's FY2001 budget includes almost $19 billion, an increase of

$1 billion over last year's funding level, for biomedical research at NIH. In
addition, the President will eliminate the delays in releasing $4 billion in
research funds as required in last year's appropriations bill. This increase
will support research in areas such as diabetes, brain disorders, cancer, genetic

medicine, disease prevention strategies, and development of an AIDS vaccine. It
will also help researchers complete in the near future a first draft of the

entire human genome -- the very blueprint of life. This and other wise investments in science are leading to a revolution in our ability to detect,
treat, and prevent disease. If Congress passes the President's proposal, funding

for NIH will increase by over 80 percent - nearly twice what the NIH budget was
when President Clinton came into office.

? A New $495 Million National Nanotechnology Initiative. The President's budget
proposes an 83 percent increase in nanotechnology research, from $270 million in
FY2000 to $495 million in FY2001. Nanotechnology -- the ability to manipulate
individual atoms and molecules - could revolutionize the 21st century in the same

way that the transistor and the Internet led to the Information Age. Increased
investments in nanotechnology could lead to breakthroughs such as molecular
computers that can store the contents of the Library of Congress in a device the
size of a sugar cube, new materials ten times stronger than steel and a fraction
of the weight, and the ability to detect cancerous tumors that are a few cells in

size.

? A $675 Million Increase in the National Science Foundation - Double the Largest

Dollar Increase in NSF's History. The President's FY2001 budget includes $4.6
billion for research and education investments at the National Science Foundation

(NSF). This represents a $675 million (17 percent) increase over current funding

levels. If Congress approves this investment, it would double the largest dollar

increase ever for the Foundation, and NSF funding would have increased by 66
percent since President Clinton took office. This increase will boost
university-based research and ensure balanced support for all science

and
engineering disciplines. NSF accounts for half of all non-health university-based research.

? An Almost $600 Million Increase in Information Technology Research. The
President's FY2001 budget provides $2.3 billion for IT R&D, almost $600 million
more than last year's appropriations and a billion dollars more than the FY 1999
appropriation. This is the second year of the Administration's "Information
Technology for the Twenty-First Century" initiative. This increase in information technology research could lead to advances such as high-speed
wireless networks that can bring distance learning and telemedicine to isolated
rural areas; and supercomputers that can more accurately predict tornadoes and
hurricanes, and more rapidly develop life-saving drugs. These investments are
consistent with the recommendations of the President's Information Technology
Advisory Committee, a committee of experts in industry and academia which has
called on the government to substantially increases its investment in long-term
information technology research. Previous Federal investments in information
technology research have led to today's Internet, the first "point and click" Web

browser, advanced microprocessors, and the technology for many of today's
Internet search engines.

? Promoting Bioenergy and Bio-based Products. The President's FY2001 budget
proposal includes a new initiative in research and development in bio-based
technologies, which convert crops, trees, and other "biomass" into a vast array
of fuels and products. The initiative provides an increase of more than $93
million over the amounts available for FY2000 -- a 47 percent increase. The
initiative supports the President's goal of tripling U.S. use of biobased
products and bioenergy bY2010. Reaching the President's goal would generate
billions of dollars of new income for farmers and diversify and

strengthen the
rural economy producing 50,000 new, high-technology jobs in small processing
plants in rural America and up to 130,000 such jobs in biopower, bioproducts, and

biofuels industries. It would also lower the emissions of greenhouse gases by
100 million tons, equal to the amount emitted by 70 million cars.

? Weapons of Mass Destruction (WMD) Preparedness and Critical Infrastructure
Preparedness R&D. The President's budget provides $501 million, a $28 million
increase, for WMD preparedness. This will enhance our efforts to prevent, detect

and respond to the release of weapons of mass destruction. The budget also
includes $606 million, a $145 million increase, to improve the safety and
security of the Nation's "critical infrastructure." This is the power, communications, information, transportation and other systems on which our
economy and quality of life depend.

? Integrated Science for Ecosystem Challenges. The budget proposes $747 million
- a $90 million increase over FY2000 -- to support environmental research to
improve our understanding of the factors that result in ecosystem decline and
biodiversity loss, and to design more effective options to prevent future
declines.

SAFE COMMUNITIES

America has the lowest crime rate in a generation. The Clinton-Gore Administration's FY2001 budget proposes a series of measures to continue to make
progress toward the goal of making America the safest large country in the world.

21st Century Policing Initiative. The President's COPS program has funded
100,000 more community police for our streets. The 21st Century Policing

Initiative builds on that success by:

? providing resources for communities to hire and redeploy up to 50,000 more
police for our streets by FY2005, targeting new officers to crime "hot spots";

? giving law enforcement access to the latest crime-fighting and crime-solving
technologies, such as improved police communications, crime mapping software,
laptop computers, and crime lab improvements;

? funding new state and local prosecutors to work with local law enforcement and
the community to combat local crime problems; and

? engaging all sectors of the community to prevent and fight crime by funding
partnerships with probation parole officers, schools and faith-based organizations.

Stopping Crime by Stopping Drugs. Offenders under the influence of drugs or in
the pursuit of money to feed a drug habit commit many crimes. To break the
vicious cycle of drugs and crime, the President's budget provides more funding to

help states to implement tough, rigorous systems of drug testing, punishment, and

treatment of offenders under criminal justice supervision. The President's $215
million initiative would double current funding for this initiative to move more
offenders off of drugs and away from crime. Studies show that offenders who
complete drug-treatment are 70 percent less likely to commit crime. The
initiative will also fund innovative drug courts and intensive drug treatment for

state prisoners with the most serious drug problems.

Safe Schools. While overall school and youth crime continues to decline, recent
incidents of tragic violence in our nation's schools reminds us that we can do
more. The budget reaffirms the President's commitment to school

safety by
calling for a significant expansion of his Safe Schools/Health Students

Initiative. The President's initiative, first launched at the White House Conference on School Safety in 1998, helps communities to develop and implement
community-wide responses to school and youth violence. The program joins
principals, parents, police and others in the community in comprehensive
strategies to address youth violence in and out of school. The budget provides a

$100 million increase for this initiative, investing a total of nearly $250
million in this signature program.

Supervising Released Offenders: Project Reentry. The need for greater

supervision of the 500,000 inmates who will leave prison this year and reenter
local communities is significant: two-thirds of all prisoners are re-arrested for

new offenses within three years of release. The President's budget contains $60
million for community supervision initiative to create "reentry partnerships" and

"reentry courts" to address community safety concerns, lower recidivism rates,
and promote responsible fatherhood among offenders returning to communities. The

initiative is complemented by $75 million in Responsible Reintegration for Young
Offenders grants from the Department of Labor as well as $10 million in SAMHSA
targeted capacity expansion grants for substance abuse and mental health services

at the Department of Health and Human Services.

Reauthorization of the Violence Against Women Act. In 1994, the President signed

into law the Violence Against Women Act (VAWA I), an historic piece of Federal
legislation that contains a broad array of ground-breaking laws to combat the

epidemic of violence against women. The Clinton Administration has awarded over
$1.3 billion in VAWA grants since 1994. The President called on Congress to
reauthorize this historic piece of legislation this year, as part of his Crime
bill, in order to ensure that these programs and prevention strategies continue
in this millennium. The President's budget also includes $516 million in order
to combat domestic violence - $296 million for the Department of Justice and $220

million for the Department of Health and Human Services.

Improving Law Enforcement in Indian Country. The budget proposes $439 million,
an increase of $103 million over FY2000, for the Departments of Justice and
Interior for the third year of the President's Indian Country Law Enforcement
Initiative. The initiative will improve public safety for the over 1.4 million
residents on the approximately 56 million acres of Indian lands. This funding
will increase the number of law enforcement officers on Indian lands, provide
more equipment, expand detention facilities, enhance juvenile crime prevention,
and improve the effectiveness of tribal courts. Although violent crime has been
declining nationally for several years, it has been on the rise in Indian
country. According to the Department of Justice, American Indians are the
victims of violent crimes at more than twice the rate of all U.S. residents.
Recognizing this, the President made a major commitment to improve law
enforcement in Indian country.

Fighting Gun Crime with the Largest National Gun Enforcement Initiative in
History. The President's strategy of combating gun violence has helped lead to a

35 percent decline in gun crime. Building on that success, the President's
budget includes $280 million for the largest national gun enforcement initiative
in history. The initiative specifically includes:

? 500 New ATF Agents and Inspectors. The President's initiative includes the
largest increase ever in ATF agents and inspectors, with new agents to crack down

on violent gun criminals and illegal gun traffickers at guns shows, gun stores
and on the streets and more firearms inspectors to target unscrupulous gun
dealers who supply firearms to criminals and juveniles.

? Over 1,000 Federal, State, and Local Gun Prosecutors. The President's
initiative will fund more than 1,000 new Federal, state and local prosecutors to
incarcerate gun criminals. Specifically, the President's budget will provide
funding for 1,000 new state and local gun prosecutors to work closely with
communities, law enforcement, and Federal prosecutors on gun-related crimes. In
addition, over 100 more Federal gun prosecutors in the offices of U.S. Attorneys,

and 20 gun enforcement teams will be funded in high gun crime areas across the
nation to coordinate enforcement efforts and maximize tough Federal sentences
against armed career criminals and illegal gun traffickers.

? Comprehensive Crime Gun Tracing. To move toward tracing every crime gun in
America, 250 local law enforcement agencies will receive training and tracing
equipment to facilitate comprehensive tracing. In addition, the Administration's

successful Youth Crime Gun Interdiction Initiative (YCGII), which helps law
enforcement crack down on traffickers that illegally supply guns to young people,

will be expanded from 38 to 50 cities across the country.

? New National Integrated Ballistics Information Network. The President's budget

will more than triple current funding for ballistics testing programs to launch

the first-ever national ballistics network -- to support the deployment of 150
ballistics imaging units to law enforcement, helping to link bullets and shell
casings to the criminal guns they were fired from.

? Local Anti-Gun Violence Media Campaigns. To help communities send a strong
message to combat gun crime and violence, the budget funds $10 million in
matching grants to support local anti-violence media campaigns highlighting
penalties for breaking gun laws, safe storage of firearms and preventing child
access.

Funding Innovative Smart Gun Technology. The accidental gun death rate for
children under 15 in the U.S. is nine times higher than in 25 other
industrialized nations combined. To help prevent accidental gun death and
injuries of children who obtain access to guns, gun theft, and other unauthorized

uses, the President's budget provides $10 million to fund the expansion, testing
and replication of "smart" gun technologies. These state-of-the-art gun safety
precautions can limit a gun's use to its adult owner or other authorized users.

Strengthening Brady Background Checks. The President's budget provides $70
million to double funding to improve state criminal history records and improve
the speed and accuracy of Brady background checks. In addition, $5 million will
fund a National Instant Notification (NIN) system to help police apprehend
criminals attempting to illegally purchase firearms.

Keeping Used Police Guns Out of the Hands of Criminals. To end the resale of
used police guns and seized firearms on civilian markets where criminals may gain

access to them, the budget provides $10 million for one-time grants to help law
enforcement meet budgetary constraints on the condition that they agree to halt

the practice of resales.

UNITED STATES LEADERSHIP IN THE WORLD

At the start of a new century, the United States is faced with new opportunities
and new challenges as a global leader and the world's strongest force for peace
and prosperity. American leadership has been instrumental in seizing new
opportunities for peace, including reversing ethnic cleansing and restoring
stability to the Balkans; ending bloodshed in Northern Ireland; brokering peace
in the Middle East between Israel and its neighbors; restoring democracy in East
Timor; supporting Russia's transformation to democracy and free markets; and
integrating China into the international community. U.S. leadership has also
been decisive in meeting new challenges and combating new threats such as weapons

proliferation, terrorism, and drug-trafficking. The Clinton-Gore Administration's FY2001 budget seeks to build upon past success to advance
America's leadership position in the world, funding a number of new initiatives
designed seize the new opportunities and face the new challenges the 21st century

presents.

Promoting Peace and Democracy Abroad.

? Kosovo. After reversing the campaign of ethnic cleansing by leading the NATO
alliance to victory against Serb forces, the President remains committed to
finishing the job by restoring peace and prosperity to the region. His budget
proposes $175 million to help the people of Kosovo build a democratic society,
strengthen their economy, and create new employment opportunities. The members
of the European Union will bear the lion's share of the aid money, but the United

States must contribute as well. FY2000 emergency supplemental appropriations of
$624 million will be used for economic and democratic reform activities in
Kosovo, Croatia, and Montenegro, as well as to provide additional assistance to
the democratic opposition in Serbia. This funding will also provide critical
support needed in 2000 for the UN Mission in Kosovo (UNMIK) and to build secure
U.S. diplomatic facilities in Kosovo, Bosnia, and Albania.

? Southeast Europe Initiative. The political and economic integration of the
Balkans into Europe and the global community is critical for lasting peace in
Europe. The budget requests in the Support for Eastern European Democracies
account $428 million for this fundamental initiative, including $96 million that
will help to promote the democratic opposition of Serbia and to provide
assistance to Montenegro. Approximately $6 million of U.S. assistance will go to

accelerating the integration of Southeast Europe's countries into the global
trading system by breaking down barriers to trade and investment.

? Middle East Peace. This year the President brokered a peace agreement between
Israel and the Palestinians to implement key provisions of the Wye River Accords,

launched permanent settlement talks, and restarted the Israel-Syria track of
Middle East peace. His budget reflects his commitment to a lasting peace in the
region by requesting funds of $1.8 billion from the Economic Support Fund (ESF)
and $3.4 billion from Foreign Military Financing (FMF) to provide a strong
support for the next phase of negotiations between Israel and its neighbors.

Meeting Threats.

? Expanded Threat Reduction Initiative (ETRI). This effort to contain the spread

of weapons of mass destruction (WMD) from the former Soviet Union and to promote
stability has already helped to: deactivate nearly 5,000 nuclear warheads;
eliminate nuclear weapons from Ukraine, Belarus, and Kazakhstan; strengthen
security of nuclear weapons and materials; tighten export controls and detect
illicit trafficking; and engage former Soviet weapons scientists in productive
civilian research. Despite this considerable progress, more help is needed. The

President has requested $974 million for ETRI, including programs administered by

the Departments of State, Defense, and Energy. These funds will support science
centers, enhance border control and regional security efforts to decrease
smuggling of technology or materials, expand protection of fissile material, and
accelerate closure of nuclear weapons production facilities.

? Colombia Assistance. To assist Colombian President Andres Pastrana combat drug

traffickers in his country and stem the flow of cocaine and other narcotics to
the United States, the President's budget proposed a substantial increase in
assistance to this embattled partner. The budget proposed to increase assistance

programs through 2000 emergency supplemental appropriations of $954 million and
2001 new funding of $318 million in the international affairs and other budget
areas. Funds will be used to support President Pastrana's "Plan Colombia" in
enhancing alternative development, strengthening civil justice and democratic
institutions, and providing military assistance.

? Transnational Threats. Global security is threatened by the proliferation of
weapons of mass destruction (WMD) and terrorism. The budget proposes $194
million to support international efforts to combat the spread of weapons of mass

destruction through several programs and a global network of sensors to detect
nuclear explosions. The budget also includes funding for the Korean Peninsula
Energy Development Organization, which will construct two proliferation-resistant

nuclear power reactors in North Korea. The Administration is strengthening its
fight against terrorism by increasing funding for new embassies overseas,
upgrading physical security at our most at-risk posts, and the destruction of
small arms abroad. The Comprehensive Nuclear Test Ban (CTBT) also remains an
important element of the global nonproliferation regime. The Administration is
committed to working to create the conditions for a successful vote to approve
the CTBT in the Senate.

Expanding Trade.

? Trade Agreements. The Administration is committed to opening markets and
integrating the global economic system, which has become a key element of
continuing economic prosperity here at home. The budget proposes significant
increases for efforts by our trade negotiators to promote open markets and a
fair, rules-based trading system. Securing passage of permanent Normal Trade
Relations with China to implement the historic trade agreement reached between
our two countries last November is critical to achieving the goal of expanded
trade and a legislative priority of the Administration this year. In addition,
the President urges Congress to enact the African Growth and Opportunity Act and
the Caribbean Basin Initiative enhancement legislation, which would facilitate
the integration of these important developing regions into the world economy
through preferential trading arrangements and expand opportunities for American
firms, as well as the Balkans trade initiative and the extension of the Generalized System of Preferences.

Reaching Out to the Developing World.

? Debt Forgiveness. The Administration this year helped to lift those in the
world's poorest countries by forgiving $500 million in debt and forging agreement

among G-8 industrialized countries to provide additional debt relief through the
expanded Heavily Indebted Poor Country (HIPC) initiative. The President led this

effort with a proposal that remains at the forefront of this issue with his
commitment to forgive 100 percent of the debt owed to the U.S. by the world's
poorest countries, a majority of them in sub-Saharan Africa. To fulfill this
pledge, the Administration is requesting $600 million for a U.S. contribution to
the HIPC trust fund over three years, including a $210 million supplemental
request in FY2000. The budget also includes $37 million for the Tropical Forest
Initiative, to use debt relief funds in support of conservation.

? Making Vaccines More Accessible. In his September 1999 address to the UN
General Assembly, the President called for a concerted effort to make vaccines
more widely available in the developing world, where more than three million
children die each year from vaccine-treatable diseases. As an important first
step, the budget proposes a $50 million contribution to the Global Alliance for
Vaccines and Immunizations, where the money will be used to purchase existing
vaccines and ensure their safe delivery. This initiative will be complemented by

increased funding for the National Institute of Health to accelerate the
development of vaccines for major infectious diseases. In addition, the

President's budget proposes a new tax credit that will encourage the development
of vaccines for diseases that occur primarily in the developing world.

? Child Labor. In December of last year, the President signed, with Senate

advice and consent, the ILO's convention to ban abusive child labor. This year,
he proposes to take these efforts to a new level, providing $110 million to
support international efforts to eliminate child labor through a comprehensive
strategy with three inter-related components: (1) increasing the U.S.
contribution to the ILO's International Programme for the Elimination of Child
Labor by 50 percent to $45 million; (2) establishing a new $55 million bilateral
educational assistance program to promote school rather than work in areas where
exploitative child labor is prevalent; and (3) doubling -- to $10 million --
Customs Service resources to enforce the ban on the importation of goods made
with forced or indentured child labor.

Anti-Sweatshop Initiative. President Clinton's FY2001 budget includes a $5
million grant program at the State Department that will fund innovative programs
to eliminate unhealthy and abusive labor conditions in sweatshops around the
world, particularly in foreign factories that produce consumer goods for the
American market.

AMERICA'S ARMED FORCES

President Clinton and Vice President Gore are committed to maintaining a strong
and capable military that protects our freedoms and fortifies our global
leadership role in the 21st century. To achieve this, President Clinton last
year initiated a long-term, sustained increase in defense spending by providing
additional resources of $112 billion over six years to protect our high level of
military readiness and procure modern and effective weapons systems. This year's

budget continues this increase in defense spending, providing discretionary
funding of $292.2 billion in 2001. This represents an increase in $11.3 billion

over the proposed 2000 level and $4.8 billion over the 2001 level assumed in the
2000 budget.

Enhancing Military Readiness. The current high level of readiness is the
Administration's top defense priority. Increased funding will enable the
Services to support unit operations and joint exercises, meet their required
training standards, maintain their equipment in top condition, recruit and retain

quality personnel, and procure sufficient spare parts and other equipment. The
Department of Defense (DoD) continues to monitor its current and future readiness

through the Senior Readiness Review process, which ensure that DoD leadership
remains well informed about force preparedness issues.

? Operations and Support Programs. This proposed increase in resources will
ensure that we keep pace with the latest advances to protect against and prepare
for new and emerging threats, including the use of chemical and biological
weapons, other weapons of mass destruction, and efforts to weaken the critical
infrastructure of our nation. This budget will also increase procurement of
modern, effective weapons systems and provides pay, benefits, and quality of life

improvements for our servicemen and women.

? Contingency Operations. The budget proposes $4.4 billion in 2001 for ongoing
contingency operations -- limited military operations in conjunction with our
allies -- in Bosnia, Kosovo, and Southwest Asia. This funding will allow DoD to
avoid redirection of funds from standard operations and maintenance programs to
contingency operations, which could undermine the readiness of our fighting
forces.

Modernizing Weapons Systems. The United States military must

maintain its status

as the best equipped in the world. Weapons systems modernization, both in the
form of upgrades to existing systems and in the form of research, development and

procurement of new systems, continues to be a high Administration priority. The
budget achieves that goal by providing $60.3 billion for the procurement program,

which is $6.1 billion more than the 2000 level.

? Modernizing Ground Forces. Army modernization efforts will address the need to

maintain a force capable of accomplishing a wide range of missions from
contingencies, to its primary mission of defeating adversaries in a major theater

war. The budget supports plans to: transform units to deploy more easily than
the heavy tank and mechanized infantry divisions, incorporate digital
communications equipment into weapons systems to strengthen battlefield planning
and execution, and to extend the life and improve battlefield performance of
primary combat systems by integrating new navigation and data transfer
technology.

? Modernizing Naval Forces. The budget continues procurement of several ship
classes, including $3.1 billion for three DDG-51 Aegis Destroyers, and $1.5
billion for two LPD-17 Amphibious Transport Dock ships. The Navy budget also
funds modernization of the nuclear aircraft carrier fleet by providing $4.1
billion to procure the tenth Nimitz-class nuclear aircraft carrier and $700
million to fund the first phase of modernization for second Nimitz-class carrier.

? Modernizing Air Forces. Substantial investment in new tactical combat aircraft

is necessary for the United States to maintain its ability to dominate battles.
The budget supports three new aircraft programs: $3.1 billion for 42 F/A-18E/F
Super Hornets, which will become the Navy's principal fighter/attack aircraft;
$2.5 billion for 10 F-22 Raptors, the Air Force's new air superiority fighter;
and $857 million to start advanced development and research for the Joint Strike
Fighter, which is designed to produce a family of aircraft for the Air Force,
Navy and Marine Corps.

Developing Missile Defenses. The Administration intends to determine this year
whether to deploy a limited National Missile Defense (NMD) against ballistic
missile threats to the United States from rogue nations. At the same time, the
President seeks funding for theater missile defense to defend our forces in the
field.

? Defending Against Strategic Ballistic Missiles. The budget proposes $1.9
billion in 2001 for the development, procurement, and construction of an NMD
system to defend all 50 states against an attack. The Administration's
long-range defense plan now provides a total of about $10.4 billion in 2001-2005
for NMD, including additional funding to expand the NMD capability to counter the

rogue threat.

? Developing Missile Defense Technologies. The budget proposes $2.8 billion for
other missile defense technologies and systems, including $1.9 billion for
theater systems to defend against missiles that directly threaten deployed U.S.
and allied forces. While the funding is primarily for research and development
of advanced systems to meet future threats, it includes $0.4 billion in
procurement, the majority of which will be used to purchase an advanced version
of the Patriot missile.

RESTORING FAIRNESS FOR LEGAL IMMIGRANTS

Upon signing the 1996 welfare reform law, the President made a commitment to
reversing unnecessary cuts in benefits to legal immigrants that had nothing to do

with the law's goal of moving people from welfare to work. In 1997, the
President fought for and ultimately was successful in ensuring that the Balanced
Budget Act protects the most vulnerable. In 1998, the President continued his
proposals to reverse unfair cuts in benefits to legal immigrants. The
Clinton-Gore Administration's FY2001 budget continues to fight for restoring
important disability, health, and nutrition benefits to additional categories of
legal immigrants, at a cost of $2.5 billion over five years.

? Disability and Health. The Balanced Budget Act of 1997 and the Noncitizen
Benefit Clarification and Other Technical Amendments Act of 1998 invested $11.5
billion to restore disability and health benefits to 380,000 legal immigrants who

were in this country before welfare reform became law (August 22, 1996). The
President's FY2001 budget proposes to restore eligibility for SSI and Medicaid to

legal immigrants who enter the country after that date if they have been in the
United States for five years and become disabled after entering the United
States. This proposal will cost approximately $1.2 billion and assist an

estimated 53,000 legal immigrants by 2005, about half of whom would be elderly.

? Nutritional Assistance. The Agricultural Research Act of 1998 provided Food
Stamps for 225,000 legal immigrant children, senior citizens, and people with
disabilities who entered the United States by August 22, 1996. The President's
FY2001 budget restores eligibility to legal immigrants in the United States

before August 22, 1996 who either subsequently reach age 65 or who live in a
household with Food Stamp eligible children. This proposal will restore benefits

to about 165,000 legal immigrants by 2005 at a cost of $565 million.

? Health Care for Children and Pregnant Women. Under current law, states have
the option to provide health coverage to legal immigrant children and pregnant
women who entered the country before August 22, 1996. The President's FY2001
budget gives states the option to extend Medicaid or SCHIP coverage to low-income

legal immigrant children and Medicaid to pregnant women regardless of their date
of entry to the country, including those who entered after August 22, 1996. The
proposal would cost $695 million and provide critical health insurance to
approximately 144,000 children and 33,000 women by FY2005. This proposal would
help reduce the number of high-risk pregnancies and ensure healthier children.
The budget's Medicaid/SCHIP FamilyCare initiative also covers legal immigrant
parents of children who are covered by Medicaid or SCHIP.

TOBACCO POLICY

The Clinton-Gore Administration's budget will include important new steps to
reduce youth smoking and hold the tobacco industry accountable. Every year, more

than 400,000 Americans die from tobacco-related diseases; nearly 90 percent of
them started smoking as children. To address this, one of the nation's most
serious public health challenges, the Administration proposes to:

Cut Youth Smoking in Half by Holding the Tobacco Industry Accountable. The
Administration's budget will cut youth smoking in half by charging the tobacco

industry an assessment for every underage smoker. These youth smoking
assessments will provide a strong incentive for tobacco companies to reduce sales

to minors and eliminate advertising encouraging children to smoke. The $3,000
assessment for every smoker under age 18 will be put in place starting in 2004
only if youth smoking has not been cut in half and would remain in effect until
the youth smoking reduction goal has been met. This $3,000 annual assessment
represents twice the lifetime profits the industry is expected to make from
hooking a teen on cigarettes. This policy will significantly reduce youth
smoking when combined with the price increases and public health initiatives
underway as a result of the 1998 state tobacco settlement and other Federal,
state, and local efforts.

In addition to the youth smoking assessments, the Administration's budget
includes a 25 cents per pack excise beginning in FY2001, to raise further the
price of tobacco products from the 45 cent increase agreed to by the states and
the industry in 1998. This increase will help reduce youth smoking and help
achieve the Administration's goal of cutting youth smoking in half. Public
health experts agree that raising the price of cigarettes cuts youth smoking and
recent surveys of youth smoking released by independent experts indicate youth
smoking rates have started to decline since recent price increases were put in
place. In addition to raising the price of cigarettes by 25 cents a pack, the
Administration's budget will include comparable increases in the price of other
tobacco products such as smokeless tobacco and cigars, and will move an already
legislated 5 cents per pack cigarette increase from January 1, 2002 to October 1,

2000.

These proposals will reduce youth smoking, and complement the progress being made

as a result of the 1998 settlement between the states and the industry. These
policies would not affect the $246 billion agreement made between the states and
the tobacco industry.

Help Current Smokers Quit. The Administration's budget will take an important
step to improve the health of low-income Americans by ensuring they have access
to drugs to help them quit smoking. The Administration's budget will ensure
every state Medicaid program covers both prescription and non-prescription
smoking cessation drugs, removing a special exclusion now in law and requiring
states to cover these drugs as they cover all other Food and Drug
Administration-approved drugs. The Federal government would provide the usual
Federal match for these costs, as it does for other Medicaid expenses, and states

could use proceeds from the 1998 tobacco settlement or other funds to pay their
share. Medical research shows that smoking cessation products greatly increase
success rates for those trying to quit smoking, and that quitting has major and
immediate health benefits for smokers of all ages. Through this proposal, the
Administration will ensure millions of low-income Americans have access to
medical treatments that will help them break their addiction to tobacco, at a
Federal cost of $66 million over the next five years.

Support State and Community Efforts to Prevent Youth Smoking. The

Administration's budget will help support tobacco prevention programs in states
and local communities through a $106 million in resources for the Centers for
Disease Control and Prevention (CDC). This funding, a ten-fold increase over
1993 levels, will enable the CDC to work with states and communities to help them

put in place effective programs to prevent tobacco use, particularly among children. This effort is critically important as states begin to decide how to spend the $246 billion they will receive over the next 25 years from the 1998 settlement with the tobacco industry.

Help Enforce Laws Preventing Minors from Purchasing Tobacco Products. The Administration's budget will include $39 million for the Food and Drug Administration (FDA) to help enforce the laws preventing youth under age 18 from purchasing tobacco products. Currently Federal law requires every state to prohibit minors from purchasing tobacco products, and Federal regulations ensure retailers check photo IDs of young people who try to purchase them. These funds will help the FDA work with the states and with retailers to enforce these laws, by providing retailers with informational materials to help them explain the rules to customers and by conducting random checks of retailer compliance.

Support the FDA's Full Authority to Keep Cigarettes Out of the Hands of Children.

The Administration supports full FDA authority to regulate tobacco products in order to halt advertising targeted to children and to curb minors' access to tobacco products. In 1996 the Administration put forward a comprehensive regulation to protect children from tobacco, which the tobacco industry challenged in court. The Administration remains fully committed to the FDA rule.

Recover Tobacco-related Health Care Costs. The Administration firmly supports the Department of Justice's litigation to recover Federal tobacco-related health costs, and the budget contains funds to pay the necessary legal costs. In addition to any remedies imposed by the court to advance public

health,
recoveries from the litigation will be used to assist tobacco farmers and their
communities, to pay Federal tobacco related health costs, and to enhance the
security of Medicare and Social Security for future generations.

Protect Farmers and Farming Communities. The Administration is committed to
protecting tobacco farmers and their communities. The Administration fully
supports the $5 billion settlement to compensate tobacco farmers, which was
agreed to by the states and industry in 1998, as well as the $328 million
included in the Agricultural Appropriations bill for FY2000, and is committed, as

any Federal litigation moves to judgment or settlement, to ensure funds are set
aside for the financial security of tobacco farmers and their communities.

FARM SAFETY NET

Because the 1996 Farm Bill fails to sufficiently support farm family incomes when

crop prices fall or natural disasters strike, the Clinton-Gore Administration's
FY2001 budget includes a comprehensive $11 billion package to strengthen the farm

safety net through 2002 when the next farm bill will be enacted. His proposal
includes counter-cyclical income assistance, crop insurance reform, a major farm
conservation program initiative (much of which extends beyond 2002), and targeted

assistance to certain segments of the farm and rural communities.

Income Assistance. A particular defect of the 1996 Freedom to Farm Act is that
payments are not targeted to farmers in need or increased when farm income is
low. The 2001 Budget's income support initiative will help to

strengthen the
safety net by adding new payment programs to existing farm programs.

? Supplemental Income Payments. The Administration's proposal includes
counter-cyclical farm income support to provide additional payments through the
expected enactment of the next farm bill (through crop year 2001). This would
ensure producers receive at least 92 percent of farm revenue relative to a
five-year average. In order to target payments to family-sized farmers, there
would be a $30,000 combined payment limitation for these counter-cyclical
payments plus AMTA payments. Payments would be available for producers of the
"major" crops (corn, wheat, soybeans, cotton, rice, barley, sorghum). Total
payments on the 2000 and 2001 crop are estimated to be $2.5 billion and $3.1
billion respectively. There would be no reduction to AMTA or LDP payments.

? Freeze Loan Rates. The Secretary of Agriculture will hold U.S. Department of
Agriculture (USDA) marketing assistance loan rates for the 2000 crop year at
their current levels, at a cost of $500 million in FY2001.

? Dairy Program. The budget extends the dairy price-support program, set to
expire in December 2000, through 2002, the end of the current farm bill. This
proposal will cost $150 million in FY2001 and FY2002, respectively.

Conservation Initiatives in the Safety Net Proposal. Providing assistance to
farmers and ranchers who practice environmentally sound land management will
yield benefits to all Americans while increasing farm family income. Through
these USDA programs, participants can receive cost-share assistance, technical
assistance, and in many cases annual payments for high-priority conservation
activities. The proposal -- which increases conservation funding by nearly $1.3
billion over authorized levels in FY2001 -- includes:

? Conservation Security Program. The new Conservation Security Program would provide $600 million in annual payments to farmers and ranchers who implement various conservation practices, with payment levels based on the comprehensiveness

of their conservation plans.

? Environmental Quality Incentives Program (EQIP). The EQIP, a key component of the President's Clean Water Action Plan, provides financial, technical, and educational assistance to farmers and ranchers who wish to implement conservation

practices on land currently in production. The President proposes increasing annual funding for the program from $200 million to $325 million. Half of the funding is used to address livestock-related concerns.

? Wetlands Reserve Program (WRP). The WRP offers technical and financial assistance to farmers who wish to restore and protect agricultural wetlands. There are only 40,000 acres left to enroll in 2001 under the 975,000 acre cap set

by the 1996 Farm Bill. The President proposes enrolling 250,000 acres in each year, beginning in 2001.

? Conservation Reserve Program (CRP). The CRP provides farmers with technical and financial assistance, including annual rental payments, in exchange for removing environmentally sensitive farm land from production and implementing conservation practices such as wildlife habitat restoration and field windbreaks.

The Administration proposes to raise the CRP cap by 3.6 million acres to 40 million acres.

? Conservation Reserve Program "Continuous Sign-up" Bonuses. The Administration plans to offer bonuses totaling up to $100 million in FY2000 and up

to $125
million in fiscal years 2001-2002 to producers who enroll land in CRP through the

"continuous signup." The CRP continuous sign-up allows producers to enroll
certain high priority practices such as grassed waterways, filter strips, and
riparian buffers at any time during the year.

? Farmland Protection Program (FPP). The FPP, part of the President's Lands
Legacy Initiative, provides matching funds to state, local, and Tribal
governments to permanently protect farmland threatened by development from urban
and suburban "sprawl", through the purchase of easements that preserve the land
for farm use. The budget proposes $65 million per year for the FPP.

? Wildlife Habitat Incentives Program (WHIP). For farmers, ranchers, and other
landowners who wish to implement wildlife habitat practices, WHIP offers $50
million in cost-share assistance for up to 75 percent of the habitat restoration
expenses and technical assistance.

? Technical Assistance. The Natural Resources Conservation Service (NRCS) will
provide additional technical assistance to farmers and ranchers to carry out
these enhanced programs.

Crop Insurance Reform. Crop insurance represents a critical risk management tool

for the nation's farmers. In recent years, however, many producers have declined

to participate in the program or signed up for only minimal coverage because of
its expense and shortcomings. The President's budget takes critical steps
towards improving the crop insurance program with the following initiatives:

? Continue Crop Insurance Premium Discounts for the 2001 Crop Year: Premium
discounts on the farmer-paid portion of crop insurance premiums were provided

through emergency appropriations for 1999 and 2000. Evidence demonstrates that
producers have largely invested their premium-discount benefits in higher levels
of insurance coverage. The Farm Safety Net proposal will provide $640 million to

support discounts for the 2001 crop.

? Establish Multi-year Loss Coverage. Multi-year coverage is needed because even

producers with coverage levels as high as 75 percent can find it hard to
withstand losses in consecutive years on which they must absorb a 25 percent
reduction in expected revenue. To address the multi-year loss problem, the
budget includes $100 million for USDA to develop or reinsure a privately
developed policy that addresses the problem of multi-year losses.

? Livestock Insurance Pilot. The majority of U.S. ranchers have not used the
risk management tools available on existing futures and options exchanges because

the size of the contracts available are too large for small operators. The
proposed $100 million pilot would offer price insurance to small ranchers to
protect them against a drop in market prices over the growing period.
Intermediaries, such as crop insurance companies, would sell small "unbundled"
portions of options contracts from the Chicago Mercantile Exchange (CME) on
cattle and hogs. USDA would subsidize the operating expense of the intermediary
and the producer's premiums for this price coverage.

? Waive the "NAP Trigger" in the Noninsured Crop Disaster Assistance Program
(NAP). The budget includes $110 million in 2000 and 2001 to loosen the
eligibility requirements for NAP coverage so that more producers of crops such as

lettuce, mushrooms, and artichokes who suffer significant losses from natural
disasters can qualify for this important risk management tool.

? Risk Management Education (RME). USDA's Risk Management Agency's RME operation

trains producers in the use of new and existing risk management tools and farm
financial management. The budget includes $40 million in FY2001 and 2002 for an
aggressive expansion of RME programs.

? Research & Development. The need for new crop insurance policies on specialty
crops is well recognized in both the Administration and Congress. The

President's budget includes $30 million in FY2001 and FY2002 for USDA R&D on crop

policies that may not be seen as attractive to private developers, while also
providing incentives to private sources of crop insurance R&D.

Other Targeted Assistance. In addition to the proposals identified above, the
President is proposing several smaller, targeted programs to assist rural
communities and producers.

? Rural Empowerment Zone/Enterprise Community Program. The President's budget
includes $15 million in mandatory funding for each of the remaining eight years
of the five Second Round rural Empowerment Zones and twenty Second Round rural
Enterprise Communities.

? Cooperative Development. The proposal would provide financing to cooperatives
for livestock processing and other value-added facilities, so producers can share

in the profits gained through value-added processing of their raw agricultural
commodities.

? Ethanol Subsidies. The CCC will provide up $100 million in 2000, and $150
million in 2001 and 2002, in incentive payments to ethanol and other bioenergy
producers to expand production of biobased fuels. Larger proportional payments

would go to smaller bioenergy producers.

? On-Farm Storage Facility Loans. Recent commodity surpluses have resulted in
storage shortages that can restrict farmers' marketing options and reduce their
profits. In addition, there have been recent requests for farmers to separate
crops grown from genetically modified seeds. USDA will offer producers an
estimated $350 million in Treasury-rate loans in 2000 and $150 million in 2001
and 2002 to build on-farm storage facilities, with a total loan subsidy cost of
$14 million.

BUILDING ONE AMERICA

To help achieve the President's vision of One America, the Clinton-Gore
Administration's FY2001 budget provides funding for a variety of purposes
including: to strengthen civil rights enforcement and programs, to better serve
Native American communities, to provide English language instruction and fairness

to immigrant families, to eliminate health disparities, and to promote educational opportunities and economic development in urban and rural areas.

CIVIL RIGHTS

The FY2001 budget proposes a significant increase for civil rights enforcement to

help ensure equal opportunity for all Americans. The President's budget request
of $698 million for civil rights enforcement agencies represents a 13 percent
increase over last year's funding levels. Highlights of the President's proposal

include

? Department of Justice's Civil Rights Division. The President's budget includes

$98 million for the Department of Justice (DOJ) Civil Rights Division -- an
increase of 86 percent over the 1993 level. The proposed funding will permit the

Justice Department to expand significantly investigations and prosecutions of
criminal civil rights cases (including hate crimes and police misconduct), as
well as fair housing and lending cases. Funds are also included to fund the
Division's enforcement of the ADA.

? Equal Employment Opportunity Commission (EEOC). The budget provides $322
million for the EEOC, 15 percent more than the enacted FY2000 budget. The
majority of increased funding will be dedicated to reducing the backlog of
private sector cases and improving the Federal EEO complaint process.

? Department of Labor's Office of Federal Contract Compliance Programs. The
budget also provides $76 million to encourage Federal contractor compliance.

? Department of Housing and Urban Development's (HUD) Fair Housing Initiatives.
The budget proposes $50 million, a 14 percent increase above last year, for HUD's

efforts to reduce housing discrimination. Of this request, $7.5 million will
support the final year of a three-year, audit-based housing discrimination study
being conducted in 20 communities around the country.

? Department of Agriculture's Office of Civil Rights. The USDA's civil rights
programs increased from $18 million to $21 million, will emphasize outreach to
disadvantaged farmers, involve small and disadvantaged businesses in USDA
programs, increase conflict resolution activities and more effectively process
complaints.

? Department of Education's Office for Civil Rights. The budget proposal of $76

million provides an increase of $5 million over the 2000 enacted budget to fund
staff training and technological improvements to speed the resolution of civil
rights issues.

Ensuring Equal Pay. The President's budget includes a $27 million Equal Pay
Initiative, an increase of $12 million over FY2000. The Initiative requests $10
million for the EEOC to provide training and technical assistance to about 3,000
employers on how to comply with equal pay requirements. The Initiative also
dedicates $10 million for the Department of Labor (DOL) to train women in
nontraditional jobs, including high-tech jobs and other skill shortage
occupations. Lastly, the Initiative provides $7 million for DOL to help

employers assess and improve their pay policies, support public education
efforts, provide for projects in non-traditional apprenticeships, and implement
industry partnerships.

Hate Crimes. The President continues to urge Congress to pass the Hate Crimes
Prevention Act, which would strengthen the existing Federal hate crimes law by
expanding the situations in which the Department of Justice can prosecute
defendants for violent crimes based on race, color, religion, or national origin.

Further, it would expand existing law to cover cases of hate crimes based on
sexual orientation, gender, or disability. The President's budget includes $20
million for training for Federal, state, and local law enforcement to prevent and

respond to hate crimes, and to promote police integrity.

One America Dialogues. The budget proposes $5 million for the Department of
Justice to fund Citizen Academies, where citizens will acquire public safety
problem-solving tools and training and engage in honest and constructive
dialogues on race.

NATIVE AMERICANS

In order to better serve Native American communities in this millennium and to
honor the Federal government's trust responsibility to tribes, the President's
budget includes an increase of $1.2 billion over FY2000 -- the largest increase
ever -- for a total of $9.4 billion for key new and existing programs assisting
Native Americans and Indian reservations. Some of the highlights include:

Bureau of Indian Affairs (BIA) School Construction and Repair. The President has

proposed $300 million, more than double the FY2000 enacted level of $133 million,

to replace and repair BIA-funded schools on reservations. This is the largest
investment ever in a single year for BIA school construction and repair.

Increased Funding for Tribal Colleges. The budget proposes increased funding of
$25 million for the Nation's tribal colleges for a total of $77 million.

Indian Health Service. The President's budget proposes $2.6 billion, an increase

for the Indian Health Service (IHS) of $230 million or 10 percent over the FY2000

enacted level.

Improves Law Enforcement in Indian Country. The budget proposes $439 million, an

increase of $103 million over FY2000, for the Departments of Justice and Interior

for the third year of the President's Indian Country Law Enforcement Initiative.

The initiative will improve public safety for the over 1.4 million residents on
the approximately 56 million acres of Indian lands.

Building Roads and Bridges in Indian Country. The Transportation Department
(DOT) will expand its program to improve roads and bridges on Indian
reservations. The President's budget proposes to give the Indian Reservations
Roads program the full authorization amount of $275 million with an additional
$74 million from a highway receipts account for a total of $349 million, which is

an increase of $117 million over the previous year. This will allow Tribes to
address the estimated backlog of $4 billion in needs on these roads and bridges.

Tribal Infrastructure Projects. The President and the Vice President propose $49

million, an increase of $46 million over FY2000, for the Department of Commerce's

Economic Development Administration (EDA) to fund infrastructure, planning, and
public works projects.

Addressing the Digital Divide. To encourage Native Americans to pursue
information technology and other science and technology fields, the budget
provides $10 million, to be administered by the National Science Foundation, for
grants to tribal colleges for networking and access; course development; student
assistance; and capacity building.

Bureau of Indian Affairs (BIA) Contract Support Costs. Within the overall BIA
increase, the budget continues to support Tribal self-determination by proposing
$134 million, a $9 million or 7 percent increase over 2000 for contract support
costs. This funding provides $5 million for new and expanded contracts and $129
million for existing contracts.

Trust Services. The Administration is committed to improving trust services and

management through its trust reform efforts at the Interior Department. The
budget proposes $108 million, a 48 percent increase over 2000, for improved trust

services in the BIA for activities such as probate, real estate appraisals, and
other services.

Indian Trust Fund Balances. The Administration is committed to resolving
disputed Indian trust fund account balances through informal dispute resolution
and supports the unique government-to-government relationship that exists in
Indian trust land management issues. After Tribal consultations, BIA submitted
its "Recommendations of the Secretary of the Interior for Settlement of Disputed
Tribal Accounts" to Congress in November 1997. Legislation reflecting these
recommendations was proposed in 1998, but not enacted. The Department will
continue efforts to resolve trust fund account balances.

Trust Land Management. As part of BIA's commitment to resolving trust land
management issues, Interior worked with Congress in 1999 to repropose legislation

(S. 1586) to establish an Indian Land Consolidation program to address the
ownership fractionation of Indian land. In addition to $13 million for the
Indian Land Consolidation program, the budget provides $83 million for DOI's
Office of Special Trustee, including the trust management improvement project.
Current activities include verifying individual Indian's account data and
converting these data to a commercial-grade accounting system.

IMMIGRANTS

English Language/Civics Instruction Initiative. Immigrant adults -- and other
adults who have limited-English proficiency -- need access to opportunities to
master English literacy in order to further their education, obtain good jobs,

and become full participants in American society. To this end, President Clinton

is proposing an increase for the English Language/Civics Initiative, an

innovative program to help states and communities provide limited English
proficient (LEP) individuals with expanded access to high-quality English-language instruction linked to civics and life skills instruction. This
important initiative is a powerful tool in building a stronger American community. For FY2001, the Administration's budget request $75 million for this
initiative, a nearly $50 million increase from FY2000 enacted level to help an
additional estimated 250,000 LEP individuals.

Funding and Restructuring INS to Improve Services. In a continuing effort to
improve INS services, this budget provides $35 million to address backlogs in
naturalization, adjustment of status, and other immigration benefit applications.

It establishes a $93 million Immigration Services Capital Investment Account to
fund on-going backlog reduction efforts and to cover major capital acquisitions.

The President also calls on Congress to move forward with a restructuring of the
INS -- along the principles outlined by the Administration -- to improve
immigration service delivery and border enforcement.

Restoring Benefits to Legal Immigrants. The President believes that legal
immigrants should have the same economic opportunity, and bear the same
responsibility, as other members of society. In the Balanced Budget Act of 1997
and the Agricultural Research, Extension and Education Reform Act of 1998, the
President fought for and succeeded in reversing unfair cuts in benefits to legal
immigrants. The FY2001 budget builds on the Administration's progress of
restoring these important benefits by providing $2.5 billion over five years to:
(1) restore SSI and Medicaid to legal immigrants who entered the

United States
after August 22, 1996, have been here for five years, and become disabled after
entry; (2) restore Food Stamp eligibility to legal immigrants who were in the
country before August 22, 1996 and either subsequently reach age 65 or live in a
household with Food Stamp eligible children; and (3) allow states to provide
Medicaid or SCHIP to legal immigrant children and pregnant women regardless of
their date of entry, and to legal immigrant parents of children who are covered
by Medicaid or SCHIP in the proposed FamilyCare program.

EDUCATION

Hispanic Education Action Plan. As part of the Administration's commitment to
raising the educational outcomes of Latino youth, the President again proposes
significant increases to programs within the Hispanic Education Action Plan to
help Latinos excel academically, graduate from high school, go on to college, and

continue on the path to life-long learning. The final budget includes increases
of $823 million for programs that enhance educational opportunity for Latinos,
including: a $416 million increase for Title I, to provide support supplemental
education services for students who have fallen behind in school, in particular
those in high poverty communities; $725 million for TRIO college preparation
programs, an increase of $80 million, which help disadvantaged high school and
college students prepare for, attend, and graduate from college; and $296
million, an increase of $48 million, for the Bilingual Education program to
increase the quality of services offered to limited-English proficient (LEP)
students and provide 8,000 bilingual and ESL teachers with the high quality
in-service and pre-service training they need to teach this special population.

Dual Degree Programs for Minority-Serving Institutions. The FY2001

budget
proposes a new program to increase opportunities for students at minority-serving

institutions. Students would receive two degrees within five years: one from a
minority-serving institution, and one from a partner institution in a field in
which minorities are underrepresented. This new $40 million program will serve
an estimated 3,000 students.

Title I Education for the Disadvantaged. This program provides funds to help
disadvantaged children reach high academic standards. Title I will receive $9.1
billion in FY2001, an $400 million increase over last year's level. The
President's budget also includes an increase of $134 million for the Title I
Accountability Fund bringing total funding to $250 million. The Title I
Accountability Fund supports immediate and significant State and local
interventions in the lowest performing schools to improve school achievement and
promotes public school choice.

HEALTH

Eliminating Racial and Ethnic Disparities in Health. In February 1998, the
President committed the nation to an ambitious goal by the year 2010: eliminate
disparities in six health areas where racial and ethnic minorities are
disproportionately affected, while continuing the progress we have made in
improving the overall health of the American people. As a key part of this
effort, the budget includes $35 million, a 17 percent increase over 2000, for
demonstration projects (begun in 1999) to better address racial disparities in
health.

NEW MARKETS INITIATIVE

The President's budget provides tax credits and loans guarantee incentives to
stimulate $22 billion of new private capital investments in

economically
distressed communities around the country and build a network of private
investment institutions to funnel credit, equity and technical assistance to
businesses in America's new markets. In addition, the budget proposes a new
initiative, known as First Accounts that will provide low-cost bank accounts to
working families.

More Than Doubling the New Markets Tax Credit. The President proposes to more
than double the New Markets tax credit to spur $15 billion in new investment in
community development in economically distressed areas. An entity making new
equity investments in a selected community development project would be eligible
for a tax credit worth 25 percent of the cost of the investment. A variety of
vehicles providing equity and credit to businesses in underserved areas would be
eligible. The total cost of the tax credits amounts to about $5 billion over 10
years.

Expanded Empowerment Zones. The proposed expanded wage credits, tax incentives,
and new round of urban and rural EZs will extend and improve economic growth in
the 31 existing urban and rural Empowerment Zones, administered by HUD and USDA,
and support the proposed third round of 10 new empowerment zones to be designated

in 2001. The total cost of these proposals will be $4.4 billion over 10 years.

America's Private Investment Companies (APICs). Modeled after the Overseas
Private Investment Corporation's (OPIC) successful investment fund program, the
President's budget proposes $37 million to allow APICs to provide guaranteed debt

to private investment companies, licensed by HUD, to help leverage private equity

capital and lower the cost of capital for investments in low- and

moderate-income

communities. For every dollar that private investors provide, the government
will guarantee two dollars in debt to expand the APIC's pool of capital available

for making investments and enhance the return on those investments to the private

investors. APICs will make equity investments in larger businesses that are
expanding or relocating in inner cities and rural areas.

New Market Venture Capital Firms (NMVCs). The budget proposes $52 million to
allow NMVC firms to match the equity of private investors with Government-guarante

ed debt and technical assistance funding to cultivate the growth of smaller
firms. NMVC would invest in smaller growth companies that can also benefit from
expert management assistance.

Creation of First Accounts. The President's budget proposes $30 million for the
Department of Treasury to pilot strategies to help low- and moderate income
Americans benefit from basic financial services. Treasury will work with
financial institutions and others: (1) to encourage the creation of low-cost
bank accounts (First Accounts); (2) to expand access to automatic teller machines

in safe, secure, and convenient locations, including U.S. Post Offices, in
low-income neighborhoods; (3) to educate low-income Americans about the benefits
of having a bank account, managing household finances, and building assets. The
First Accounts initiative complements Treasury's Electronic Transfer Accounts
(ETAs) -- low-cost, electronic banking accounts for "unbanked" Federal benefit
recipients -- by reaching those not eligible to participate in the ETA program
because they are not Federal benefit recipients.

Other Elements of New Markets. Other elements in the budget include: increasing
the funding for SBA's microenterprise lending program to $50 million; $15 million

to fund PRIME -- a program authorized last year to provide technical assistance
to low-income entrepreneurs; boosting CDFI funding to $125 million; expanding
support to $6.6 million for BusinessLINC to encourage large businesses to work
with small businesses in new markets; and providing $5 million to establish a New

Markets University Partnerships pilot project which, under the auspices of HUD,
would provide Universities with funding to develop local community partnerships,
assistance to intermediaries, and technical and business development assistance
to new and existing firms. In addition, to better serve Native American
communities, the President will provide additional funding to expand the New
Markets initiative to Indian Country.

V. CHARTS