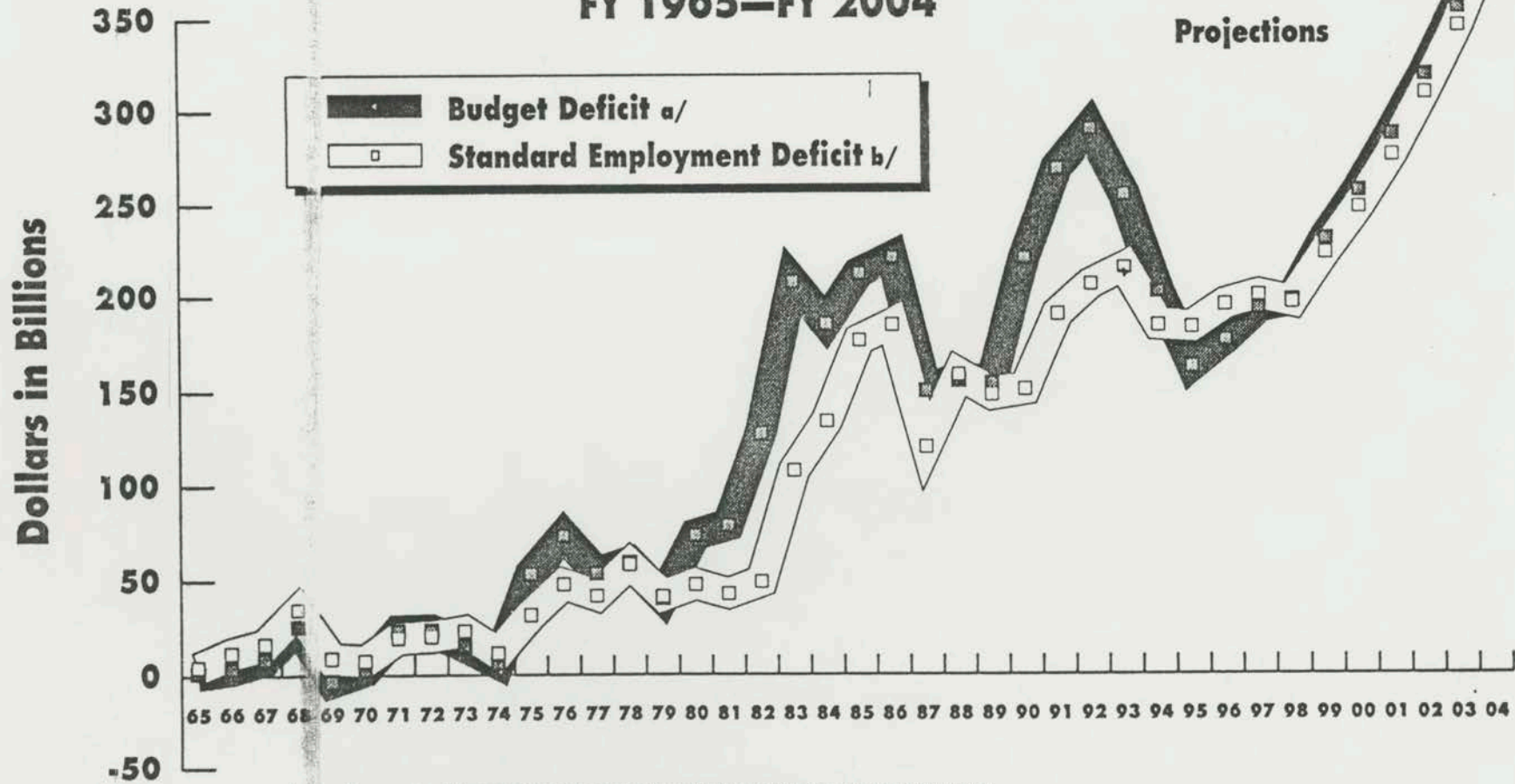


Total Budget Deficit and Standardized-Employment Deficit

FY 1965—FY 2004



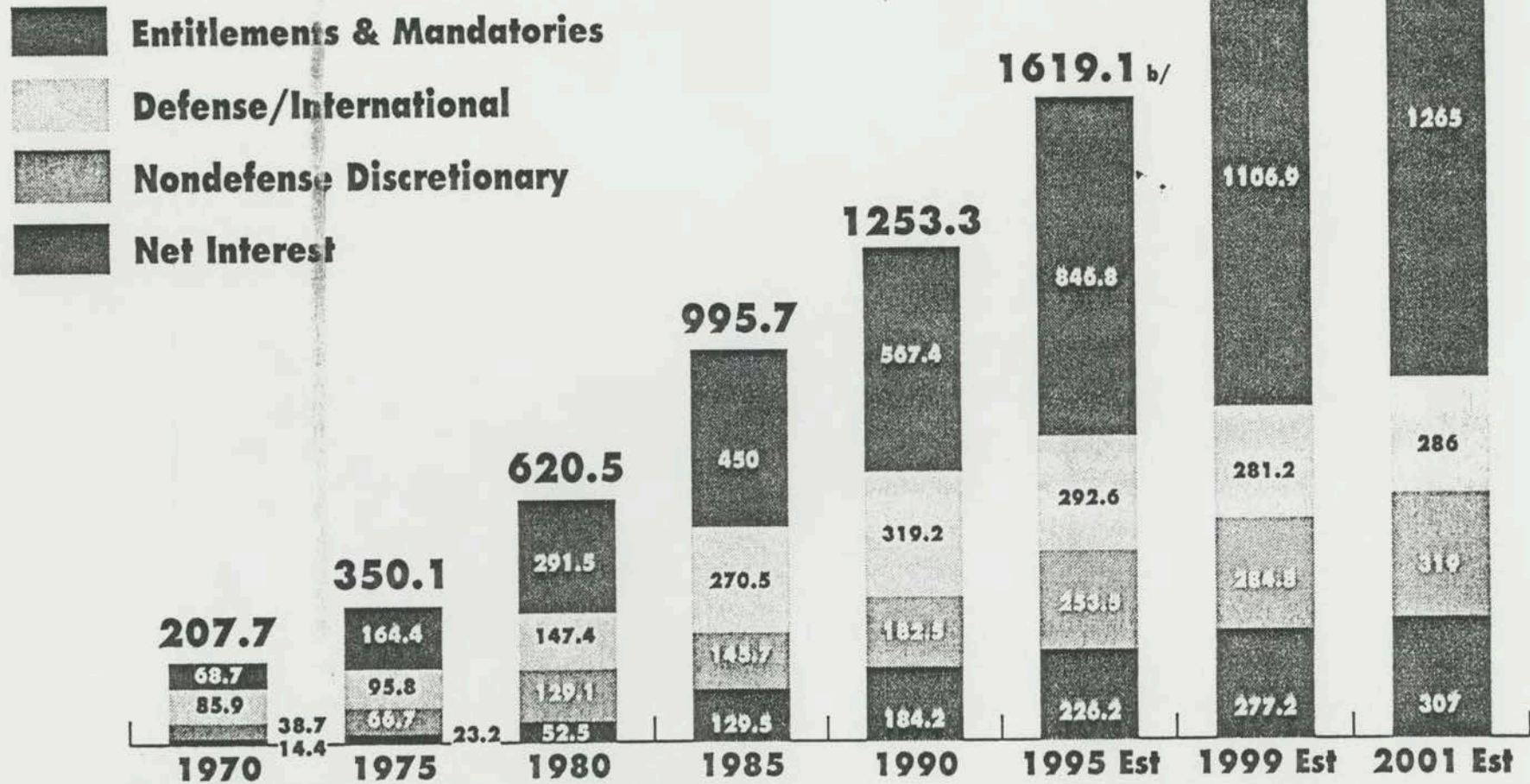
Source: Congressional Budget Office; The Economic and Budget Outlook: Update, August 1994

a/ total unified Federal Budget Deficit includes off-budget Federal entities deficits.

b/ the level of the Federal government budget deficit that would occur under current law if the economy were operating at potential GDP. It produces measures of underlying fiscal policy by removing the influence of cyclical factors from the budget deficit.

Major Components of the Budget

FY 1970 — FY 2001
(Outlays in Billions of Dollars) ^{a/}



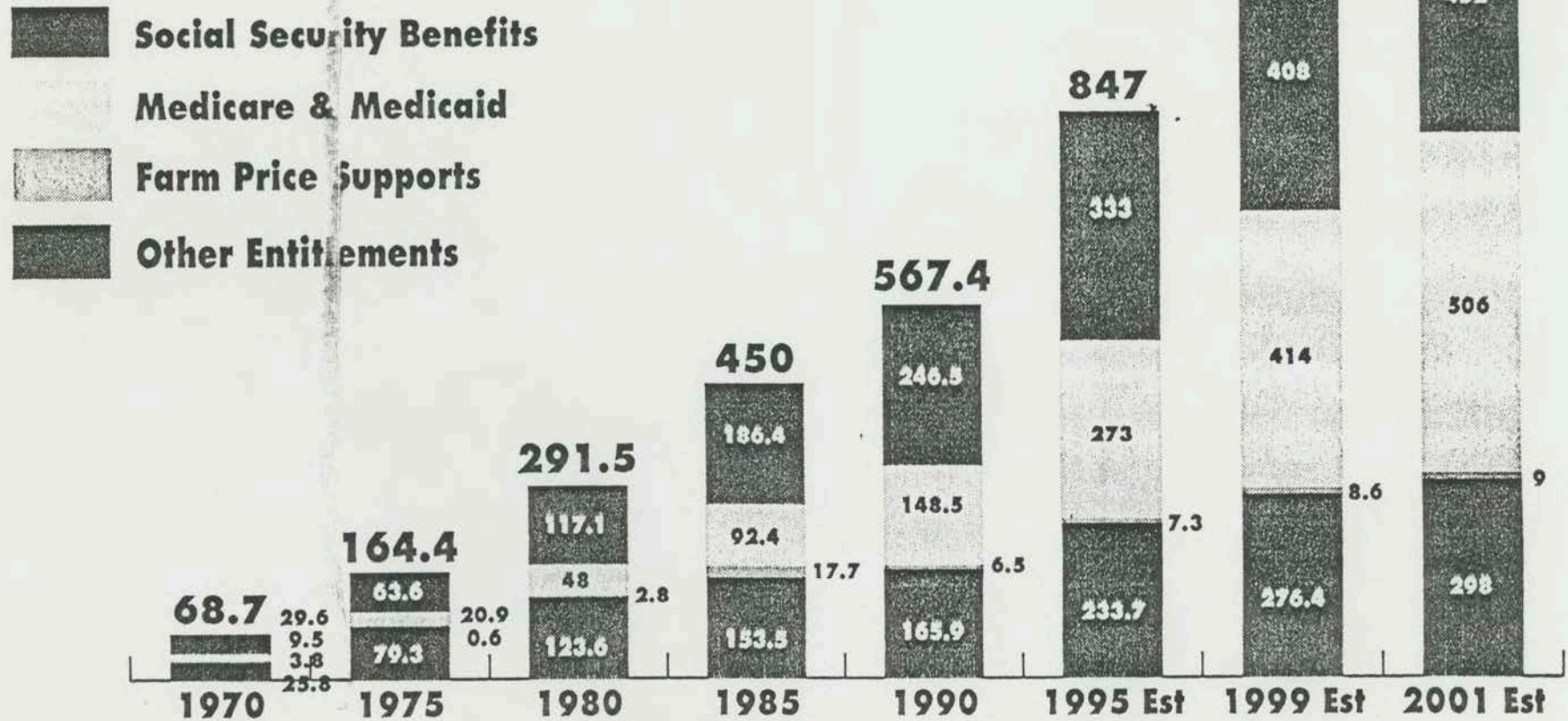
Source: Historical data and CBO revised Baseline, August 1994.

^{a/} Total on-plus off-budget expenditures for the four major categories, excluding offsetting receipts and deposit insurance.
^{b/} Total spending, excluding offsetting receipts, assumes compliance with 1993 adjusted discretionary spending cap.

Major Components of the Entitlements & Other Mandatory Programs

FY 1970 – FY 2001

(Outlays in Billions of Dollars)

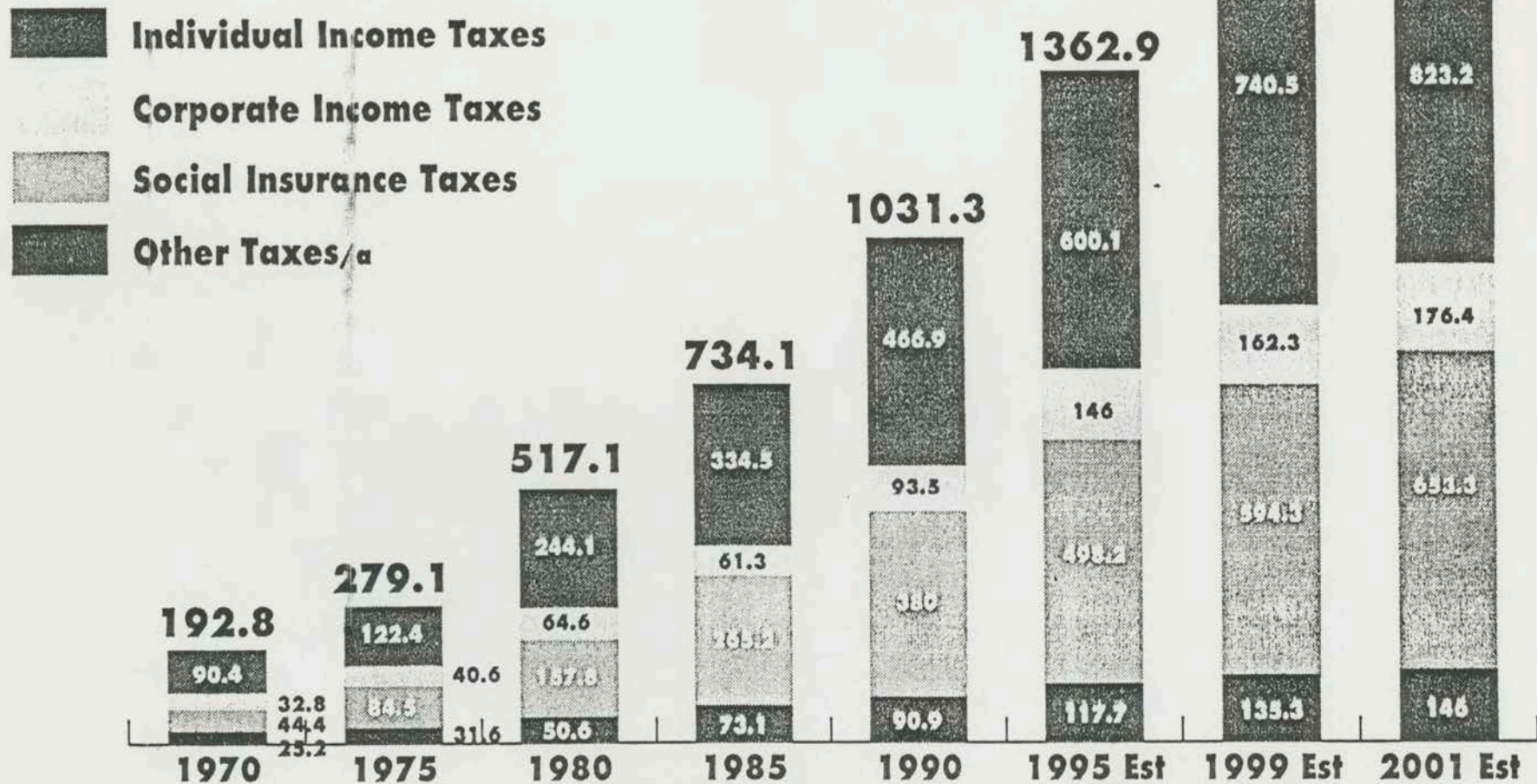


Source: Historical data and CBO: The Economic & Budget Outlook: An Update, August 1994.

Major Components of Federal Revenues

FY 1970 — FY 2001

(Revenues in Billions of Dollars)



Source: Historical data and CBO, *The Economic & Budget Outlook, An Update, August 1994.*
 a/ Includes excise taxes, estate and gift taxes, customs duties, and miscellaneous receipts.

Current Policy Federal Budget Estimates as a Percent of GDP

| | 1993 | 1999 | Change |
|-----------------------------|------|------|--------|
| Deficit | 4.0 | 2.7 | -1.3 |
| Revenues | 18.3 | 19.0 | -0.6 |
| Outlays | 22.4 | 21.7 | -0.7 |
| Outlays by category: | | | |
| Defense | 4.6 | 3.0 | -1.6 |
| Nondefense: | | | |
| Discretionary | 3.9 | 3.6 | -0.2 |
| Mandatory: | | | |
| Health-related | 3.5 | 4.9 | +1.4 |
| Retirement | 5.9 | 5.7 | -0.2 |
| Other | 1.3 | 1.3 | -- |
| Subtotal nondefense | 14.6 | 15.5 | +0.9 |
| Net interest | 3.2 | 3.2 | -- |

SOURCE: Congressional Budget Office (August 1994).

NOTE: Revenue increases are shown as negative because they reduce the deficit.

THE NEED FOR A NEW FEDERALISM:
A State-Federal Legislative Agenda for the 104th Congress

George V. Voinovich
Governor of Ohio

November 1994

I. UNFUNDED FEDERAL MANDATES

Introduction

Unfunded federal mandates are placing severe pressure on taxpayers across the country, crippling state, city, and county budgets from Maine to California, and forcing governors and local officials to reorder their own budget priorities. Unfunded mandates are federal programs enacted by Congress, but with one major catch -- they must be financed and implemented with state and local resources.

Activism in government is not always a bad thing, provided that those who advocate such activism are prepared to accept responsibility for its costs. What burdens state and local governments is activism on the cheap, and what outrages state governments is Congress' insistence that new federal policy initiatives be paid out of state budgets.

Through increasing use of this budgetary sleight of hand, Congress compels states and local governments to fund programs Washington cannot because of the persistent budget deficit. The result is trickle-down taxes, an erosion of governmental accountability at all levels, and reduced effectiveness of government programs.

The Scope of the Problem

Mandates have become pervasive in recent years. While state and local governments were forced to comply with only 19 new mandates between 1970 and 1986, since the late-'80s the Congress has passed into legislation some 72 mandates. There is seemingly no end to the burden that Washington is inclined to pass on to state and local governments.

In 1993, Ohio released a comprehensive study identifying the burdens imposed by mandates. This study, the first of its kind nationwide, analyzed the harmful effects imposed by unfunded mandates and determined that federal mandates will cost the State \$356 million in 1994 and over \$1.74 billion from 1992-95.

This is just the tip of the iceberg. Barring serious reform, other states and local governments, and their taxpayers, can expect similar burdens from Washington in the years ahead. To be sure, unfunded mandates will cost the nation's cities and counties nearly \$88 billion over five years, consuming about one-quarter of all locally raised revenue by 1998.

Federal mandates also interfere with one of the most fundamental tasks of government -- setting priorities. Perhaps the most glaring example for states is the forced trade-off between Medicaid and education funding. In the past five years, education declined as a share of state spending at a time when nearly everyone acknowledges that improving our schools is one of government's highest priorities. Many states cannot spend a greater share of tax dollars on education because new Medicaid mandates consume more and more state resources -- about one-third of states' budgets.

There is an implicit assumption in Washington that all states need to address specific problems in specific ways. One glaring example of this "one-size-fits-all" mentality is in the area of substance abuse programs. The Congress requires that 35 percent of the money allocated to substance abuse must be spent on alcohol abuse services and 35 percent must be spent on drug abuse services. But of the 35 percent spent on drug programs, a least half must be spent on programs for intravenous drug users. States that do not have a large problem with intravenous drug users are still forced to spend money on these programs or face the loss of all federal aid. In effect, important decisions for the states are being made by a vast, arrogant bureaucracy in Washington.

While most mandates may reflect well-intentioned policy goals, many impose excessive costs without any discernible benefit. For example, recent federal highway law requires states to use a scrap tire additive in highway pavement, a mandate that by 1997 will cost the states \$1 billion. Incredibly, this mandate was enacted without any assessment of its effects, and experts have real questions about the durability, recyclability, and potentially harmful environmental effects of rubberized asphalt.

In case after case, states and local communities have developed affordable, effective programs that meet local needs only to face orders from Washington that require questionable changes to conform to federal guidelines. For example, while some states have developed thorough, comprehensive solid waste management plans, they are still required to change most of their landfill rules to comply with federal standards that in some respects are

weaker than the states'. To make matters worse, state regulators increasingly are being forced to spend time fulfilling burdensome federal paperwork requirements, inhibiting their ability to clean up and close landfill sites that pose environmental risks.

City and local governments, in particular, are heavily burdened by environmental mandates. Columbus, Ohio determined that 14 environmental mandates will cost the city \$1.6 billion during the coming decade -- that represents \$856 per year for every household for 10 years. This figure obviously does not include additional mandates that Congress might decide to impose in the future.

The Safe Drinking Water Act, which is responsible for many of these costs, requires the federal Environmental Protection Agency to identify 25 new substances every three years that local systems must test for in their water supply. Cities from coast to coast are now forced to bear the costs of testing their drinking water for substances that have literally been banned for decades.

States and local governments are also forced to fulfill public policy responsibilities that are largely federal in nature. For example, while the federal government readily acknowledges that illegal immigration is a national responsibility, the states are nonetheless forced to pay for failed federal immigration policies. The State of California has determined that the cost of educating illegal immigrants in California public schools in fiscal years 1994-95 is \$1.5 billion. The cost of providing emergency health care to this same population is \$395 million over those years. Mandates associated with illegal immigration are only part of the burden on California taxpayers. The State has estimated that federal mandates on California in the current fiscal year is nearly \$8 billion.

As the burden of unfunded mandates worsens each day, the overall relationship between Washington and the states continues to erode. In addition to mandates, a spate of new regulations and administrative rules on state and local governments over the past decade have caused countless problems for both government and business. Virtually every state or local official is painfully aware of the simple fact that while regulatory relief has been enacted in certain areas, these minor successes are counterbalanced by new federal requirements that do nothing but place added burden on the American taxpayer.

In the final analysis, the debate over federal mandates is not about the environment, health care, entitlement programs or any other single issue. It is about our government's structure and the interaction of its various pieces. And today the argument for federal micromangement of state and local affairs is weaker than ever before.

Towards a Solution

Governors, mayors, county officials, and state legislators are working together to fight mandates and to pool their lobbying clout in Washington. The restoration of this state-local partnership has significant implications for resolving a broad array of challenges that result from federal encroachment of state and local responsibilities.

A majority of the House and Senate cosponsored mandate relief bills introduced in the 103rd Congress. President Clinton, himself a former governor, has repeated his intention to work with governors and local officials to end the proliferation of mandates.

However, past congresses have continued to pass, and President Clinton continues to sign, legislation that imposes unfunded mandates. Over the past two years more than a dozen mandates were enacted that impose new cost burdens on states and local governments, including several the President claimed as major accomplishments during his most recent State of the Union address.

The new state-local partnership led to the introduction of the Federal Mandate Accountability and Reform Act of 1994. Slightly different forms of this legislation were passed by clear and overwhelming majorities of the Senate Governmental Affairs Committee and the House Government Operations Committee. Despite near-universal support, this legislation was denied consideration on the House and Senate floors by a coalition of special interests and the congressional Democrat leadership.

The bill requires the Congressional Budget Office to prepare an estimate of the costs of new mandates to states and local governments if the total cost exceeds \$50 million. It also erects a series of impediments that both discourages and makes Congress more accountable for imposing new mandates. In effect, the bill requires the Congress to go on record in support of imposing specific mandates. These mechanisms would allow state and local officials to enhance their political and procedural leverage to defeat unfunded mandate proposals.

While this bill is the toughest, most effective mandate relief bill ever considered by Congress, it is clear that states and local communities would like future legislation to be even more far-reaching. Given the prevailing sentiment of the 104th Congress, passage of meaningful mandate relief legislation should be one of the top legislative priorities in 1995 of the new congressional leadership.

The bottom line is that a firm commitment from Congress and the President is necessary to end this irresponsible practice. No longer can the nation afford the trickle-down tax burden and service reductions necessary to fund programs dictated by Washington. After two centuries of change and progress, the constitutional vision of a true federal-state partnership must be restored.

II. A LEGISLATIVE BLUEPRINT FOR THE 104th CONGRESS

Restoring balance in state-federal relations is perhaps the most important national reform that could be undertaken by the 104th Congress.

The following proposals represent a blueprint for attaining mutual goals of empowering states and local governments and the efficient, orderly reduction of the federal government.

A. BLOCK GRANTS

Responding to the demands of various special interest groups, there are more separate streams of funding to states and localities than ever before -- 578 separate grant programs. There are 154 federal job training and employment service programs alone, each with its own set of requirements and bureaucrats.

While it is necessary to maintain separate programs to protect vulnerable populations, consolidating many duplicate programs would increase states' flexibility to meet local needs while reducing red tape and needless bureaucratic costs.

In 1991, President Bush proposed consolidating several federal grant programs to states and merging them into an omnibus block grant. Block grant consolidation made sense then, and it makes sense now.

B. BUDGET REFORM

Governors agree that congressional action is needed to reduce the federal budget deficit. However, random, across-the-board application of these reforms could have significant, burdensome implications for states.

Entitlement Caps

The imposition of federal caps to restrain the growth of entitlement spending would constitute the single most burdensome unfunded mandate on already strained budgets.

Well-reasoned, systematic reforms undertaken in partnership with states to provide maximum flexibility are necessary to curb funding for entitlement programs to avoid simply transferring the cost burden from the federal budget to state ledgers.

Balanced Budget Amendment

Federal support for state and local grant programs would be a certain casualty under a constitutional amendment to require a balanced budget unless accompanied by companion reforms. Simply reducing assistance in the absence of a fundamental reordering of state and federal responsibilities would cause substantial disruptions and reductions in necessary government services.

As partners in implementing most federal funded programs, the federal government should work with states on a new covenant determining the appropriate level of government to be responsible for delivering government services.

C. WELFARE REFORM

National reforms should not be financed by increasing state burdens. For example, states should not be forced to develop massive public service employment programs that will be costly, administratively burdensome, and possibly ineffective. Similarly, terminating federal assistance for certain vulnerable populations, such as unwed teenage mothers, would saddle the states with billions of dollars in new costs.

Within a reformed welfare system, participation rates must be realistic, and no reform strategy should be financed through federal caps on assistance programs. Excess costs of programs such as emergency assistance would simply be passed on to the states.

Time limits must be carefully structured, and state consultation will be needed to craft a program that addresses challenges to implementation.

Waivers

Preserving and enhancing flexibility to experiment is the first priority of states with regard to welfare reform. The 1115 process for welfare waivers must be protected and streamlined. Unfortunately, rather than streamlining waiver consideration, the Clinton Administration has recently added a number of requirements for approval of welfare waivers. Several reforms that currently require waivers, such as expanding earned income disregards, should be available through the simpler state option process.

Food Stamps

States need flexibility to innovate in order to reduce welfare rolls. Proposals to impose strict limits on states' ability to experiment with the food stamp program are counterproductive to this overall goal. Limitations on the number of states permitted to implement food stamp cashout demonstration projects should be lifted.

The Clinton Administration is encouraging states to implement electronic benefits transfer (EBT) systems to deliver food stamps and other benefits more efficiently. However, efforts to move forward have been hampered by the Federal Reserve's decision to apply cumbersome regulations. These regulations would change current policy by making states responsible for replacing federal benefits claims as lost. Application of this regulation will cost states an estimated \$800 million yearly.

D. HEALTH REFORM

Because states provide health care to millions of Americans through the Medicaid program, and because as much as one-third of states' budgets are spent on health care services, decisions made in the context of national health reform will have an enormous impact on states.

Waivers

Currently, states can experiment with Medicaid innovations through the 1115 waiver process. That process must be streamlined to remove burdensome obstacles to innovations that improve the health care delivery system and increase access to services.

Entitlement Caps

Several reform proposals call for caps on federal Medicaid spending. If the federal government decides to limit its Medicaid exposure, states must be similarly protected, or billions of dollars in excess costs will simply be shifted. Before caps are considered, states would like to fully explore managed care and other cost control options.

Managed Care

In order to run Medicaid managed care programs, states must apply for federal waivers which must be renewed every two years. Managed care should be made possible through a simple state plan amendment.

Market Reform and ERISA

The Employee Retirement Income Security Act preempts all self-insured health plans from state regulations, preventing states from implementing reforms including minimum benefits packages, standard data collection systems, and uniform claims forms. ERISA flexibility would dramatically expand state health reform options and allow states the ability to develop and implement their own health reforms.

Boren Amendment

Court decisions have interpreted the amendment in such a way that unrealistic Medicaid reimbursement rates are required for hospitals and nursing homes. States support changing the legislation to control Medicaid institutional rates.

E. FEDERAL RULEMAKING

Cost Benefit Analysis

Recent studies have found that federal regulations impose hundreds of billions of dollars in costs on the national economy on an annual basis, all too often with negligible benefits.

Excessive federal regulations not only burden state and local governments, they impose an unacceptable drag on our nation's economic competitiveness, inhibiting job creation, investment and innovation.

Congress should undertake a systematic cost benefit study on federal regulations to make recommendations for eliminating or modifying regulations that impose undue cost burdens relative to their benefit to society.

Federal Advisory Committee Act

States and local governments are severely disadvantaged during the federal regulatory process as a result of the Federal Advisory Committee Act.

This legislation essentially treats states and local governments as special interests, despite the fact that they have the responsibility of implementing most federal programs and enforces federal regulations.

State and local governments should be given special consultative opportunities before federal regulations are issued in order to enhance efficiency and reduce burdensome regulatory mandates.

F. ENVIRONMENT

With federal and state resources becoming more limited, it is critical that states have the ability to prioritize risks, assess costs and have the flexibility for implementing federal requirements by using innovative programs to meet those requirements.

Risk Assessment-Cost Benefit Analysis

This is essential for setting priorities and allocating resources to solve serious safety, health and environmental problems. It would require EPA, when making final rules, to estimate a regulation's impact on human health or ecological risk, compare the rule to other risks to which the public is exposed and estimate the costs of implementation.

Risk assessment-cost benefit analysis would be a common-sense approach to addressing environmental standards in a cost-effective manner, ensuring that they are based on sound scientific analysis.

For example, U.S. EPA currently is reviewing the Great Lakes Water Quality Initiative. An independent study estimated direct compliance costs for Great Lakes states between \$500 million and \$2.3 billion -- without contributing to meaningful toxic reductions. Given these findings, EPA should take advantage of the flexibility contained in the law to issue policy guidance, not prescriptive new rules.

In another area, EPA should be required to use risk assessment when selecting new contaminants for regulation. Currently EPA is required to regulate 25 new contaminants every three years, making local water systems test for substances that are not utilized in that region, which imposes costly, unreasonable burdens on many communities.

Clean Water Act

While these programs are important for our waterways, there is a large gap between the funding needed to run effective programs and available federal assistance.

Given the increasing share of state dollars needed to carry out federal mandates, we must strike a better balance between state and federal roles and provide less prescriptive measures for states to implement programs.

States also need more flexibility to carry out federal requirements, such as use of the State Revolving Fund and voluntary nonpoint source program. These have proven to be successful, innovative and efficient measures to meet Clean Water Act goals.

Safe Drinking Water Act

Small communities bear a tremendous financial burden from Safe Drinking Water Act mandates for increased monitoring and treatment.

State and local governments need relief through a change in the standard-setting process, allowing EPA to consider public health risk reduction benefits as well as costs when setting standards. Currently, EPA is required to set standards at the level achieved by the very best technology affordable to large water systems. This change alone could save hundreds of millions of dollars a year, while protecting public health.

Superfund

Superfund law should be restructured so that fewer resources are utilized determining liability and more on actual cleanup.

States have demonstrated that they are very effective in cleaning up contaminated sites. And because states are contributing increased resources into the Federal Superfund program, they need more flexibility and authority for selecting sites for cleanup, selecting remedies and conducting cleanup activities.

States clean up approximately twenty times more contaminated sites than the federal government does under Superfund. Mandating increased state investments in the federal Superfund program is counterproductive. Such proposals will only serve to limit the number of sites that are cleaned up nationally under the voluntary program.

Clean Air Act

The states, local governments and industry have worked vigorously to implement the Clean Air Act at considerable cost. However, many rules promulgated under the Clean Air Act Amendments of 1990 have questionable legal or statutory basis, are inflexible in their design and enforcement, needlessly bureaucratic and often of dubious environmental value. U.S. EPA regularly delays issuance of rules and guidance, yet still prescribes unrealistic compliance deadlines. These rules have had a profound, unnecessarily harmful impact on state environmental planning and on private sector economic development efforts alike.

States are opposed to needlessly punitive Clean Air enforcement actions, such as the withholding of states' federal highway funds.

EPA rules must provide maximum flexibility to states and industry in implementing workable Clean Air programs while minimizing their cost of compliance.

U.S. EPA's revised Title V permitting program rules for industrial sources provide an excellent illustration of states' and the private sector's frustrations with federal Clean Air rules. In August 1994, EPA issued permitting regulations that contradicted the two-year old EPA guidelines upon which many states had designed their federally-mandated permit programs.

The revised Title V rules are far more complex and far-reaching, will be infinitely more difficult for states and industry to administer and will not benefit the environment significantly. Proposed Title V changes would triple the permitting burden of industry and states for such "minor modifications" as adding a single spray paint nozzle in a factory.

Absent more flexible, constructive federal Clean Air Act implementation policies, states must weigh the possibility of statutory relief, either through litigation or by requesting that the Act be reopened in the 104th Congress.

November 21, 1994

HOW DO WE BALANCE THE FEDERAL BUDGET
REALIZING THAT THE BULK OF THE ALTERNATIVES WE HAVE
ARE LAID OUT ON THE CHARTS ACCOMPANYING THIS COVER PAGE

1. Big Four Entitlements Plus Interest
2. Ten Largest Entitlements Plus Interest
3. Top Fifteen Federal Outlays to States
4. Top Fifteen Appropriated Programs

Senator Bob Packwood

OTHER RETIREMENT) PLUS INTEREST, 1964 - 2004

AS A PERCENT OF TOTAL FEDERAL SPENDING

(IN BILLIONS OF DOLLARS, ROUNDED TO THE NEAREST BILLION)

| | <u>1964</u> | <u>1974</u> | <u>1984</u> | <u>1994</u> | <u>2004</u> |
|---|-------------|--------------|--------------|--------------|----------------|
| Medicare | \$0 | \$11 | \$61 | \$158 | \$434 |
| Medicaid | \$0 | \$6 | \$ 20 | \$84 | \$250 |
| Social Security | \$16 | \$55 | \$176 | \$317 | \$528 |
| Other Retirement* | \$3 | \$11 | \$38 | \$63 | \$100 |
| Interest | <u>\$8</u> | <u>\$21</u> | <u>\$111</u> | <u>\$202</u> | <u>\$368</u> |
| TOTAL | \$27 | \$104 | \$406 | \$824 | \$1,680 |
| Total Federal Spending | \$118 | \$269 | \$852 | \$1,467 | \$2,488 |
| Big 4 Entitlement Spending plus Interest as a % of Total Spending | 23% | 39% | 48% | 56% | 67% |
| Deficit | \$6 | \$6 | \$185 | \$202 | \$397 |

* Civilian and Military Retirement

Source: Office of Management and Budget, Budget of the United States Government, Fiscal Year 1995, February 1994. Congressional Budget Office, The Economic and Budget Outlook: An Update, August, 1994.

TEN LARGEST ENTITLEMENT PROGRAMS PLUS
INTEREST: 1995 PROJECTIONS

| | | | |
|-----|---|---------------------|------------------|
| 1. | Social Security: | \$333 billion | |
| 2. | Medicare: | \$177 billion | |
| 3. | Medicaid: | \$96 billion | |
| 4. | Other retirement programs: | \$65 billion | |
| 5. | Unemployment compensation: | \$22 billion | |
| 6. | Food Stamps: | \$26 billion | |
| 7. | Supplemental Security Income: | \$24 billion | |
| 8. | Family support payments: | \$18 billion | |
| 9. | Veterans' benefits: | \$17 billion | |
| 10. | Earned Income Tax Credit: | <u>\$17 billion</u> | |
| | Total: | | \$796 billion |
| | Interest | | \$226 billion |
| | Total: Ten Largest Entitlements Plus Interest | | \$1.022 trillion |

NOTE: Total may not add due to rounding.

SOURCE: Congressional Budget Office, The Economic and Budget Outlook, An Update, August 1994.

TOP FIFTEEN FEDERAL OUTLAYS TO STATES
(By Program, FY 95 Estimate)

| | | |
|--------------|--|------------------------|
| 1. | Grants to States for Medicaid (HHS) | \$96.4 billion |
| 2. | Federal Aid to Highways (DOT) | \$18.0 billion |
| 3. | Family Support Payments to States (HHS) | \$16.9 billion |
| 4. | Subsidized Housing Programs (HUD) | \$7.9 billion |
| 5. | State Child Nutrition Programs (Dept. Ag) | \$7.6 billion |
| 6. | Education for the Disadvantaged (Education) | \$6.9 billion |
| 7. | Expiring Section 8 Contracts (HUD) | \$4.5 billion |
| 8. | Children and Families Services Program (HHS) | \$4.1 billion |
| 9. | Community Development Grants (HUD) | \$4.1 billion |
| 10. | Training/Employment Services (Labor) | \$3.7 billion |
| 11. | Supplemental Feeding Programs (Dept. Ag) | \$3.6 billion |
| 12. | Foster Care/Adoption Assistance (HHS) | \$3.3 billion |
| 13. | Social Services Block Grant (HUD) | \$3.2 billion |
| 14. | Special Education (Education) | \$3.0 billion |
| 15. | Low Income Housing (HUD) | <u>\$2.6 billion</u> |
| TOTAL | | \$185.8 billion |

SOURCE: Office of Management and Budget, The Budget for Fiscal Year 1995 -- Historical Tables, February 1994.

TOP FIFTEEN APPROPRIATIONS
(By Program, FY 95 Estimate)

| | | |
|--------------|---|------------------------|
| 1. | Defense Programs | \$273.0 billion |
| 2. | Assisted Housing Programs (HUD) | \$19.5 billion |
| 3. | Federal Aid to Highways (DOT) | \$16.5 billion |
| 4. | Veterans Medical Care (Veterans) | \$16.2 billion |
| 5. | Student Financial Assistance (Education) | \$7.8 billion |
| 6. | Education for the Disadvantaged (Education) | \$6.9 billion |
| 7. | Space Flight Research/Develop. (NASA) | \$6.6 billion |
| 8. | Training/Employment Services (Labor) | \$4.9 billion |
| 9. | Space Flight Control/Communications (NASA) | \$4.8 billion |
| 10. | Disaster Relief | \$4.2 billion |
| 11. | Children/Family Services (HHS) | \$4.2 billion |
| 12. | Community Development Grants (HUD) | \$4.1 billion |
| 13. | Tax Law Enforcement | \$4.1 billion |
| 14. | Special Supplemental Food Program/WIC | \$3.2 billion |
| 15. | Energy supply, Research and Develop. (DOE) | <u>\$3.2 billion</u> |
| TOTAL | | \$379.2 Billion |

SOURCE: Congressional Budget Office, Congressional Research Service
November 1994.

That's why Republican House candidates have pledged, in writing, to vote on these 10 common-sense reforms.

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We've listened to your concerns, and we hear you loud and clear.

On the first day of Congress, a **Republican House** will:

- Force Congress to live under the same laws as every other American
- Cut one out of every three congressional committee staffers
- Cut the congressional budget

Then, in the first 100 days, we will vote on the following 10 bills:

- 1. Balanced budget amendment and line-item veto:** It's time to force the government to live within its means and to restore accountability to the budget in Washington.
- 2. Stop violent criminals:** Let's get tough with an effective, believable and timely death penalty for violent offenders. Let's also reduce crime by building more prisons, making sentences longer and putting more police on the streets.
- 3. Welfare reform:** The government should encourage people to work, *not* to have children out of wedlock.
- 4. Protect our kids:** We must strengthen families by giving parents greater control over education, enforcing child support payments and getting tough on child pornography.
- 5. Tax cuts for families:** Let's make it easier to achieve the American Dream, save money, buy a home and send the kids to college.
- 6. Strong national defense:** We need to ensure a strong national defense by restoring the essential parts of our national security funding.
- 7. Raise the senior citizens' earning limit:** We can put an end to government age discrimination that discourages seniors from working if they choose.
- 8. Roll back government regulations:** Let's slash regulations that strangle small businesses, and let's make it easier for people to invest in order to create jobs and increase wages.
- 9. Common-sense legal reform:** We can finally stop excessive legal claims, frivolous lawsuits and overzealous lawyers.
- 10. Congressional term limits:** Let's replace career politicians with citizen legislators. After all, politics shouldn't be a lifetime job.

After these 10 bills, we'll tackle issues such as common-sense health care reform, tax rate reductions and improvements in our children's education.

Done

Done

Done

Done

Done

Done

Done

Done

Done

Done

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MEMORANDUM

NOVEMBER 21, 1994

TO: SENATOR DOLE
FROM: JO-ANNE
SUBJ: TOMORROW'S SCHEDULE

Attached is revised schedule for tomorrow's trip to Williamsburg.

The schedule reflects the meetings tentatively arranged for you after the Plenary Session with Governors Wilson, Symington and Voinovich. We are continuing to have difficulty with the Wilson and Symington meetings, because of their plane schedules for their departure from Virginia. Voinovich seems completely flexible. What you may have to do with Wilson and Symington is break out of the Plenary Session and meet individually with them before the noon adjournment. Their staff people have been told to look for Sheila Burke and work it out with her.

REVISED FINAL

Contact: Mo Taggart
504/861-7365
Beep 800/946-4646
pin # 1115689
Jo-Anne Coe
703/845-1714

SENATOR DOLE SCHEDULE -- NOVEMBER 22, 1994 -- WILLIAMSBURG, VA

TUESDAY, NOVEMBER 22, 1994

8:10 am DEPART Watergate for National Airport
Driver: Wilbert

8:25 am ARRIVE airport and proceed to departing aircraft
FBO: Signature
703/419-8440

8:30 am DEPART Washington for Williamsburg, VA/Williamsburg/Jamestown
Airport

FBO: Williamsburg/Jamestown
Aircraft: ~~King Air 200~~ (charter) KING AIR 100
Tail number: 760 NP 1911 L
Flight time: 35 minutes
Pilots: Dave Trick
David Ondrejko
Seats: 6-8
Manifest: Senator Dole
Senator Domenici
Senator Packwood
Senator Kassebaum
Elaine Franklin
Contact: Bob Hawthorne
Martinair Charter
703/486-0001
703/419-5402 fax

NOTE: If weather is bad, they will have to land the plane at the Newport News/Williamsburg Regional Airport which is approximately a 20 minute drive to the Williamsburg Lodge.

9:05 am ARRIVE Williamsburg/Jamestown Airport
FBO: Williamsburg/Jamestown
804/229-9256

TUESDAY, NOVEMBER 22, 1994

PAGE 2

9:10 am DEPART airport for Williamsburg Lodge
 Drivers: Provided by Governors Association and State Police
 804/253-4043 or 804/221-8407
 804/221-8418 fax
 Contact: 1st Sgt. Bob Deeds
 Drive time: 10 minutes
 Location: 310 South England Street

9:20 am ARRIVE Williamsburg Lodge
 804/229-1000
 804/220-7799 fax

9:25 am- ATTEND Republican Governors Association Annual Conference
 12:15 pm Plenary Session
 Location: Virginia Room
 Attendance: 500
 Event runs: 9:00-12:00 pm
 Press: Open
 Facility: U Shaped table
 Podium and mic
 Headtable: Senator Dole
 Haley Barbour
 Governor John McKernan, Jr.
 Governor George Allen
 Governor Mike Leavitt
 Format: Governor McKernan gives opening remarks
 and introduces Congressman Gingrich
 Congressman Gingrich gives remarks
 Governor McKernan introduces Senator Dole
 Senator Dole gives remarks
 National Policy Forum with Republican Governors
 Moderated by: Haley Barbour
 Presiding: Governors Allen and Voinovich
 Observations & Comments: Senator
 Domenici & Rep. John Kasich
 Contact: Jim Baker
 804/221-8400
 Bonnie
 202/863-8587

TUESDAY, NOVEMBER 22, 1994**PAGE 3**

- 12:05 PM PROCEED TO MEETING ROOMS D, E & F
(Downstairs from Virginia Room)
- 12:10 PM-
12:30 PM **TENTATIVE:**
MEETING WITH GOVERNOR WILSON
Contact: David Wetmore or Pat Clarey
202/624-5270
Williamsburg: 804/229-1000
- 12:35 PM-
1:00 PM **TENTATIVE:**
MEETING WITH GOVERNOR SYMINGTON
Contact: Karen Vanzuchi
602/542-1307
John Kelly, Dir. of Fed'l & State Relns
804/229-1000
- 1:05 PM-
1:30 PM MEETING WITH GOVERNOR VOINOVICH

CONTACT: Paul Russo or Paul Mifsud
804/229-1000
- 2:10 pm DEPART Williamsburg Lodge for Williamsburg/Jamestown Airport
Drivers: Provided by Governors Association and State Police
804/221-8407
Drive time: 10 minutes
- 2:20 pm ARRIVE Williamsburg/Jamestown Airport
FBO: Williamsburg/Jamestown
804/229-9256

TUESDAY, NOVEMBER 22, 1994

PAGE 4

2:25 pm DEPART Williamsburg for Washington/National

FBO: Signature
Aircraft: King Air 200 (charter)
Tail number: 760 NP
Flight time: 35 minutes
Pilots: Dave Trick
David Ondrejko
Seats: 6-8
Manifest: Senator Dole
Senator Domenici
Senator Packwood
Senator Kassebaum
Congressman Gingrich
Elaine Franklin
Contact: Bob Hawthorne
Martinair Charter
703/486-0001
703/419-5402 fax

3:00 pm ARRIVE Washington/National
FBO: Signature
703/419-8440

3:05 pm DEPART airport for Capitol
Driver: Wilbert

3:20 pm ARRIVE Capitol

REPUBLICAN GOVERNORS

Alabama
Arizona
California
Connecticut
Idaho
Illinois
Iowa
Kansas
Massachusetts
Michigan
Minnesota
Mississippi
Montana
New Hampshire
New Jersey
New Mexico
New York
North Dakota
Ohio
Oklahoma
Pennsylvania
Rhode Island
South Carolina
South Dakota
Tennessee
Texas
Utah
Virginia
Wisconsin
Wyoming

Fob James
Fife Symington
Pete Wilson
John Rowland
Phil Batt
Jim Edgar
Terry Branstad
Bill Graves
William Weld
John Engler
Arne Carlson
Kirk Fordyce
Marc Raciot
Steve Merrill
Christine Todd Whitman
Gary Johnson
George Pataki
Ed Schaefer
George Voinovich
Frank Keating
Tom Ridge
Lincoln Almond
David Beasley
Bill Janklow
Don Sundquist
George Bush, Jr.
Mike Leavitt
George Allen
Tommy Thompson
Jim Geringer

*Foundations of
Federalism*

Republican
Governors
Conference
1994



Williamsburg, Virginia

**MEMORANDUM FOR REPUBLICAN GOVERNORS
REPUBLICAN GOVERNORS-ELECT**

**FROM: GOVERNOR JOHN R. McKERNAN, JR.
CHAIRMAN, REPUBLICAN GOVERNORS ASSOCIATION**

DATE: NOVEMBER 11, 1994

**RE: RGA ANNUAL CONFERENCE
NOVEMBER 19-22, 1994**

*The powers not delegated to the United States
by the Constitution, nor prohibited by it to the
States, are reserved to the States respectively,
or to the people.*

Ratified Dec. 15, 1791

This year's Republican Governors Association Conference will focus on the role that Republican Governors will play in restoring the balance of power reserved to the states in the American system of government. Moreover this RGA Conference will be one of the first opportunities for party leaders, analysts, and the press to discuss the results of the 1994 gubernatorial mid-term elections and what these results will mean for the Republican Party and the states.

Registration materials and forms have been sent to the governors, governors-elect, staff, RGA Club members, and potential attendees. Final planning is now underway by Governor Allen's Virginia Host Committee for exciting social events for governors and attendees throughout historic Colonial Williamsburg.

Excluding the weekend social activities and the opening press conference on Sunday afternoon, this year's RGA Conference will be structured around three plenary sessions: one on Monday morning, November 21, followed by a second session Monday afternoon. The third plenary session will be Tuesday morning, November 22.

There will also be two breakfast meetings on Monday and Tuesday mornings, a luncheon between sessions on Monday, and a Commonwealth Dinner on Monday evening. We will also have a Governors and Governors-Elect meeting Sunday afternoon prior to the opening press conference.

While there will be multiple political messages that could come out of this year's RGA conference entitled "Foundations of Federalism," the most obvious focus of the conference will be carried by the sheer momentum from this year's election results. Following your suggestions from our questionnaires, with the exception of our first session on the election results, the entire RGA conference will revolve around the issue of federalism. Politically, we will frame our plenary sessions to advance the Republican Governors' newfound strength in numbers while exploring a "Re-Federalism" dimension and focus on the role of the states and how the 10th Amendment has been discarded during recent policy-making in Washington. Using these plenary sessions, our objective will be to openly discuss the erosion of the 10th Amendment and the incursions by Congress and the Courts. We'll discuss legislative, legal, and constitutional solutions and recommend how fiscal freedom can be restored to the states.

In past RGA Conferences, we have had good press the first day by devoting our opening plenary session to campaign politics and examining winning campaign strategies and the results of the year's elections. This session will set the tone for the conference, but will also define the results for the party nationally and the states. Now that Republicans control the majority of governorships for the first time since 1970, this session will be entitled, "The 1994 Elections: Republican Governors, Now *America's* Majority."

Haley Barbour, Chairman of the Republican National Committee, has agreed to keynote this session. We will then have a series of polling presentations by winning pollsters and an analysis of the 1994 electorate.

Former United States Attorney General William Barr will speak at our luncheon to begin our overarching message of Federalism.

Our Monday afternoon session will be entitled "A Forum on Federalism: Republican Governors Leading America's Future." We'll hear from a series of speakers including Washington Legal Foundation's Dan Popeo regarding 10th Amendment cases and opportunities; Malcolm Forbes, Jr., on how federal policies undo state efforts to promote growth and jobs; and Kate O' Beirne, Vice President of Government Relations at the Heritage Foundation. Alvin Toffler, author of *The Third Wave*, will discuss how the states are better prepared for the future.

Plenary session III on Tuesday morning will be entitled, "A Forum on Federalism: Listening to America's Republican Governors." Now that Republicans have majorities in both the U.S. Senate and the House, we'll begin Tuesday's session by hearing from Bob Dole and Newt Gingrich on their plans for working with a majority of Republican Governors and what this new strength will mean for legislative proposals that directly affect the states. While the central discussion in this plenary session will be a continuation on federalism, we all realize that the current problems of federalism are intertwined at the federal budget level. Since the federal budget will quickly dominate the 104th Congress, Republican Governors need to have the strongest influence in setting priorities. We have invited Senator Pete Domenici and Congressman John Kasich, Chairmen of their respective budget committees, to listen to our success stories and how our innovative downsizing of government could be applied to the federal government. You may want to bring to the conference examples of what you have implemented or proposed for streamlining government and privatization. This is also a good opportunity to discuss mandate relief and transfers of management to the states.

Find affixed a tentative schedule and agenda for this year's RGA Conference. You will be informed of additional changes that may occur before the conference. You may also be aware of the National Governors' Association new governors meeting in West Virginia before our conference. The RGA will provide bus transportation from the Greenbrier to Williamsburg on Saturday evening, November 19, if you plan to attend the NGA meeting as well. Our RGA staff office is open in Williamsburg. Please contact Jim Baker at 804/221-8400 if you need to make any logistical plans for the RGA Conference.

Conference Schedule

Tentative Agenda
1994 RGA Conference
"Foundations of Federalism"
Williamsburg, Virginia
November 19-22, 1994

SATURDAY, NOVEMBER 19

- 11:00 a.m.-6:00 p.m. **Conference Registration**
- *East Gallery*
- 11:00 a.m.-6:00 p.m. **Media Registration**
- *East Gallery*
- 11:00 a.m. **Open time for recreational activities**
- Colonial Williamsburg Tours
(complimentary tickets are available for conference participants)
 - Golf and Tennis availability
(open tennis courts)
 - Jamestown and Yorktown tours
 - Tazewell fitness center
- 3:00 p.m.-7:00 p.m. **Welcome Reception "Football Tailgate Party"**
- *Informal/Casual attire*
 - *West Terrace tent*
 - All conference attendees
- 7:00 p.m. **Dinner on your own at local taverns or Williamsburg Inn**
- Dinner reservation table will be set up at conference registration site - will make reservations for all restaurants/taverns

SUNDAY, NOVEMBER 20

- 9:00 a.m.-7:00 p.m. **Conference Registration**
- *East Gallery*
- 9:00 a.m.-7:00 p.m. **Media Registration**
- *East Gallery*

- 10:00 a.m.-11:00 am **Country Brunch hosted by Governor and Mrs. Allen**
- Governors, Governors-Elect, spouses, RGA club members & sponsors
 - *Regency Dining Room, Williamsburg Inn*
 - *Casual attire*
- Noon **Open time for recreational activities**
- 3:00 p.m. **Meeting for Governors and Governors-Elect only**
- 4:30 p.m. **Opening Press Conference - Foundations of Federalism**
- *Williamsburg Lodge*
- 5:30 p.m. - 7:00 p.m. **Reception - By invitation only**
- *The Capitol*
 - Governors, Governors-Elect, spouses & major sponsors
 - *Business attire*
- 7:15 p.m. - 9:30 p.m. **Private Dinner**
- Governors, Governors-Elect & spouses only
 - "Spirit of Norfolk"
 - *Business attire*
- 7:30 p.m. - 11:30 p.m. **"Taste of Virginia" Reception, Buffet Dinner & Entertainment**
- *Williamsburg Inn*
 - All conference attendees are welcome
 - *Casual attire*

MONDAY, NOVEMBER 21

- 7:30 a.m. **Victory Breakfast**
- Governors, Governors-Elect, spouses, sponsors & RGA club members
 - Introductions of Governors-Elect
 - *Tidewater Room, Williamsburg Lodge*

7:30 a.m.

Continental Breakfast

- All conference attendees are welcome
- *North Gallery, Williamsburg Lodge*

9:00 a.m. - 11:45 a.m.

**Foundations of Federalism -- Plenary Session I
"The 1994 Elections: Republican Governors, Now
America's Majority"**

- Presiding: Governor John R. McKernan, Jr.
- Welcome: Governor George Allen
- Keynote Address: Haley Barbour, Chairman,
Republican National Committee
- Election Review by Political Pollsters
- Analysis of the 1994 Electorate
- *Virginia Room, Williamsburg Lodge*
- All conference attendees

11:00 a.m.

Mrs. Susan Allen & Spouses

- Gallery Tour
- Luncheon
- *DeWitt Wallace Decorative Arts Gallery*

Noon - 1:15 p.m.

Luncheon

- Governors, Governors-Elect, RGA club members &
sponsors
- Remarks: Former U.S. Attorney General
William Barr
- *Williamsburg Lodge, Tidewater Room*

Noon - 1:15 p.m.

Luncheon

- Chiefs of Staff, Washington Directors, Staff
Directors & Policy Advisors
- Rooms D-E

1:30 p.m. - 4:00 p.m.

Foundations of Federalism -- Plenary Session II
"A Forum on Federalism: Republican Governors
Leading America's Future"

- Introductory Remarks: Governor John R. McKernan, Jr.
- Moderated by Governor Mike Leavitt
Presiding: Governor George Allen
- Dan Popeo, Washington Legal Foundation
- Malcolm S. (Steve) Forbes, Jr.
- Kate O'Beirne, Heritage Foundation
- Alvin Toffler, author and futurist
- *Virginia Room, Williamsburg Lodge*
- All conference attendees

4:15 p.m. - 5:15 p.m.

Meeting, Governors & Governors-Elect Only

- *Tidewater Room, Williamsburg Lodge*

4:15 p.m. - 5:15 p.m.

Meeting, Chiefs of Staff & Washington
Directors

- *Rooms D-E*

6:00 p.m. - 7:00 p.m.

Governor's Palace Reception

- Governors, Governors-Elect, spouses, sponsors & RGA club members
- *Governor's Palace*

7:00 p.m. - 11:00 p.m.

Commonwealth Dinner

- All conference attendees & invited guests
- Entertainment by the Statler Brothers
- *Business attire*
- *William & Mary Hall*

TUESDAY, NOVEMBER 22

- 8:00 a.m. **RGA Business Breakfast**
- **Governors and Governors-Elect only**
 - *Rooms D-E*
-
- 8:00 a.m. - 9:00 a.m. **Breakfast hosted by Mrs. Susan Allen**
- **Spouses, RGA club members & sponsors**
 - *Tidewater Room, Williamsburg Lodge*
-
- 9:00 a.m. - 12:00 noon **Foundations of Federalism -- Plenary Session III**
"A Forum on Federalism: Listening To
America's Republican Governors"
- **Presiding: Governor John R. McKernan, Jr.**
 - **Bob Dole, GOP *Majority* Leader-Elect**
 - **Newt Gingrich, House *Speaker-Elect***
 - **National Policy Forum With Republican Governors**
Moderated By Haley Barbour, Chairman, NPF
Presiding: Governor George Allen and Governor
George V. Voinovich
Observations & Comments: Senator Pete Domenici
***Chairman*, Senate Budget Committee**
Representative John Kasich,
***Chairman*, House Budget Committee**
 - *Virginia Room*
 - **All conference attendees**
-
- 12:00 noon **Elections & Closing remarks**
- **All conference attendees**
-
- 12:15 p.m. - 1:00 p.m. **Get Away Lunch**
- ***North Gallery, Auditorium Foyer***

VOINOVICH MEMO

TO: Senator Dole
FR: Kerry

RE: Voinovich Memo

*Attached is material provided by Governor Voinovich on his
call for a "New Federalism."

To: Ted Hollingsworth -

**THE NEED FOR A NEW FEDERALISM:
*A State-Federal Legislative Agenda for the 104th Congress***

**George V. Voinovich
Governor of Ohio**

November 1994

I. UNFUNDED FEDERAL MANDATES

Introduction

Unfunded federal mandates are placing severe pressure on taxpayers across the country, crippling state, city, and county budgets from Maine to California, and forcing governors and local officials to reorder their own budget priorities. Unfunded mandates are federal programs enacted by Congress, but with one major catch -- they must be financed and implemented with state and local resources.

Activism in government is not always a bad thing, provided that those who advocate such activism are prepared to accept responsibility for its costs. What burdens state and local governments is activism on the cheap, and what outrages state governments is Congress' insistence that new federal policy initiatives be paid out of state budgets.

Through increasing use of this budgetary sleight of hand, Congress compels states and local governments to fund programs Washington cannot because of the persistent budget deficit. The result is trickle-down taxes, an erosion of governmental accountability at all levels, and reduced effectiveness of government programs.

The Scope of the Problem

Mandates have become pervasive in recent years. While state and local governments were forced to comply with only 19 new mandates between 1970 and 1986, since the late-'80s the Congress has passed into legislation some 72 mandates. There is seemingly no end to the burden that Washington is inclined to pass on to state and local governments.

In 1993, Ohio released a comprehensive study identifying the burdens imposed by mandates. This study, the first of its kind nationwide, analyzed the harmful effects imposed by unfunded mandates and determined that federal mandates will cost the State \$356 million in 1994 and over \$1.74 billion from 1992-95.

This is just the tip of the iceberg. Barring serious reform, other states and local governments, and their taxpayers, can expect similar burdens from Washington in the years ahead. To be sure, unfunded mandates will cost the nation's cities and counties nearly \$88 billion over five years, consuming about one-quarter of all locally raised revenue by 1998.

Federal mandates also interfere with one of the most fundamental tasks of government -- setting priorities. Perhaps the most glaring example for states is the forced trade-off between Medicaid and education funding. In the past five years, education declined as a share of state spending at a time when nearly everyone acknowledges that improving our schools is one of government's highest priorities. Many states cannot spend a greater share of tax dollars on education because new Medicaid mandates consume more and more state resources -- about one-third of states' budgets.

There is an implicit assumption in Washington that all states need to address specific problems in specific ways. One glaring example of this "one-size-fits-all" mentality is in the area of substance abuse programs. The Congress requires that 35 percent of the money allocated to substance abuse must be spent on alcohol abuse services and 35 percent must be spent on drug abuse services. But of the 35 percent spent on drug programs, a least half must be spent on programs for intravenous drug users. States that do not have a large problem with intravenous drug users are still forced to spend money on these programs or face the loss of all federal aid. In effect, important decisions for the states are being made by a vast, arrogant bureaucracy in Washington.

While most mandates may reflect well-intentioned policy goals, many impose excessive costs without any discernible benefit. For example, recent federal highway law requires states to use a scrap tire additive in highway pavement, a mandate that by 1997 will cost the states \$1 billion. Incredibly, this mandate was enacted without any assessment of its effects, and experts have real questions about the durability, recyclability, and potentially harmful environmental effects of rubberized asphalt.

In case after case, states and local communities have developed affordable, effective programs that meet local needs only to face orders from Washington that require questionable changes to conform to federal guidelines. For example, while some states have developed thorough, comprehensive solid waste management plans, they are still required to change most of their landfill rules to comply with federal standards that in some respects are

weaker than the states'. To make matters worse, state regulators increasingly are being forced to spend time fulfilling burdensome federal paperwork requirements, inhibiting their ability to clean up and close landfill sites that pose environmental risks.

City and local governments, in particular, are heavily burdened by environmental mandates. Columbus, Ohio determined that 14 environmental mandates will cost the city \$1.6 billion during the coming decade -- that represents \$856 per year for every household for 10 years. This figure obviously does not include additional mandates that Congress might decide to impose in the future.

The Safe Drinking Water Act, which is responsible for many of these costs, requires the federal Environmental Protection Agency to identify 25 new substances every three years that local systems must test for in their water supply. Cities from coast to coast are now forced to bear the costs of testing their drinking water for substances that have literally been banned for decades.

States and local governments are also forced to fulfill public policy responsibilities that are largely federal in nature. For example, while the federal government readily acknowledges that illegal immigration is a national responsibility, the states are nonetheless forced to pay for failed federal immigration policies. The State of California has determined that the cost of educating illegal immigrants in California public schools in fiscal years 1994-95 is \$1.5 billion. The cost of providing emergency health care to this same population is \$395 million over those years. Mandates associated with illegal immigration are only part of the burden on California taxpayers. The State has estimated that federal mandates on California in the current fiscal year is nearly \$8 billion.

As the burden of unfunded mandates worsens each day, the overall relationship between Washington and the states continues to erode. In addition to mandates, a spate of new regulations and administrative rules on state and local governments over the past decade have caused countless problems for both government and business. Virtually every state or local official is painfully aware of the simple fact that while regulatory relief has been enacted in certain areas, these minor successes are counterbalanced by new federal requirements that do nothing but place added burden on the American taxpayer.

In the final analysis, the debate over federal mandates is not about the environment, health care, entitlement programs or any other single issue. It is about our government's structure and the interaction of its various pieces. And today the argument for federal micromangement of state and local affairs is weaker than ever before.

Towards a Solution

Governors, mayors, county officials, and state legislators are working together to fight mandates and to pool their lobbying clout in Washington. The restoration of this state-local partnership has significant implications for resolving a broad array of challenges that result from federal encroachment of state and local responsibilities.

A majority of the House and Senate cosponsored mandate relief bills introduced in the 103rd Congress. President Clinton, himself a former governor, has repeated his intention to work with governors and local officials to end the proliferation of mandates.

However, past congresses have continued to pass, and President Clinton continues to sign, legislation that imposes unfunded mandates. Over the past two years more than a dozen mandates were enacted that impose new cost burdens on states and local governments, including several the President claimed as major accomplishments during his most recent State of the Union address.

The new state-local partnership led to the introduction of the Federal Mandate Accountability and Reform Act of 1994. Slightly different forms of this legislation were passed by clear and overwhelming majorities of the Senate Governmental Affairs Committee and the House Government Operations Committee. Despite near-universal support, this legislation was denied consideration on the House and Senate floors by a coalition of special interests and the congressional Democrat leadership.

The bill requires the Congressional Budget Office to prepare an estimate of the costs of new mandates to states and local governments if the total cost exceeds \$50 million. It also erects a series of impediments that both discourages and makes Congress more accountable for imposing new mandates. In effect, the bill requires the Congress to go on record in support of imposing specific mandates. These mechanisms would allow state and local officials to enhance their political and procedural leverage to defeat unfunded mandate proposals.

While this bill is the toughest, most effective mandate relief bill ever considered by Congress, it is clear that states and local communities would like future legislation to be even more far-reaching. Given the prevailing sentiment of the 104th Congress, passage of meaningful mandate relief legislation should be one of the top legislative priorities in 1995 of the new congressional leadership.

The bottom line is that a firm commitment from Congress and the President is necessary to end this irresponsible practice. No longer can the nation afford the trickle-down tax burden and service reductions necessary to fund programs dictated by Washington. After two centuries of change and progress, the constitutional vision of a true federal-state partnership must be restored.

II. A LEGISLATIVE BLUEPRINT FOR THE 104th CONGRESS

Restoring balance in state-federal relations is perhaps the most important national reform that could be undertaken by the 104th Congress.

The following proposals represent a blueprint for attaining mutual goals of empowering states and local governments and the efficient, orderly reduction of the federal government.

A. BLOCK GRANTS

Responding to the demands of various special interest groups, there are more separate streams of funding to states and localities than ever before -- 578 separate grant programs. There are 154 federal job training and employment service programs alone, each with its own set of requirements and bureaucrats.

While it is necessary to maintain separate programs to protect vulnerable populations, consolidating many duplicate programs would increase states' flexibility to meet local needs while reducing red tape and needless bureaucratic costs.

In 1991, President Bush proposed consolidating several federal grant programs to states and merging them into an omnibus block grant. Block grant consolidation made sense then, and it makes sense now.

B. BUDGET REFORM

Governors agree that congressional action is needed to reduce the federal budget deficit. However, random, across-the-board application of these reforms could have significant, burdensome implications for states.

Entitlement Caps

The imposition of federal caps to restrain the growth of entitlement spending would constitute the single most burdensome unfunded mandate on already strained budgets.

Well-reasoned, systematic reforms undertaken in partnership with states to provide maximum flexibility are necessary to curb funding for entitlement programs to avoid simply transferring the cost burden from the federal budget to state ledgers.

Balanced Budget Amendment

Federal support for state and local grant programs would be a certain casualty under a constitutional amendment to require a balanced budget unless accompanied by companion reforms. Simply reducing assistance in the absence of a fundamental reordering of state and federal responsibilities would cause substantial disruptions and reductions in necessary government services.

As partners in implementing most federal funded programs, the federal government should work with states on a new covenant determining the appropriate level of government to be responsible for delivering government services.

C. WELFARE REFORM

National reforms should not be financed by increasing state burdens. For example, states should not be forced to develop massive public service employment programs that will be costly, administratively burdensome, and possibly ineffective. Similarly, terminating federal assistance for certain vulnerable populations, such as unwed teenage mothers, would saddle the states with billions of dollars in new costs.

Within a reformed welfare system, participation rates must be realistic, and no reform strategy should be financed through federal caps on assistance programs. Excess costs of programs such as emergency assistance would simply be passed on to the states.

Time limits must be carefully structured, and state consultation will be needed to craft a program that addresses challenges to implementation.

Waivers

Preserving and enhancing flexibility to experiment is the first priority of states with regard to welfare reform. The 1115 process for welfare waivers must be protected and streamlined. Unfortunately, rather than streamlining waiver consideration, the Clinton Administration has recently added a number of requirements for approval of welfare waivers. Several reforms that currently require waivers, such as expanding earned income disregards, should be available through the simpler state option process.

Food Stamps

States need flexibility to innovate in order to reduce welfare rolls. Proposals to impose strict limits on states' ability to experiment with the food stamp program are counterproductive to this overall goal. Limitations on the number of states permitted to implement food stamp cashout demonstration projects should be lifted.

The Clinton Administration is encouraging states to implement electronic benefits transfer (EBT) systems to deliver food stamps and other benefits more efficiently. However, efforts to move forward have been hampered by the Federal Reserve's decision to apply cumbersome regulations. These regulations would change current policy by making states responsible for replacing federal benefits claims as lost. Application of this regulation will cost states an estimated \$800 million yearly.

D. HEALTH REFORM

Because states provide health care to millions of Americans through the Medicaid program, and because as much as one-third of states' budgets are spent on health care services, decisions made in the context of national health reform will have an enormous impact on states.

Waivers

Currently, states can experiment with Medicaid innovations through the 1115 waiver process. That process must be streamlined to remove burdensome obstacles to innovations that improve the health care delivery system and increase access to services.

Entitlement Caps

Several reform proposals call for caps on federal Medicaid spending. If the federal government decides to limit its Medicaid exposure, states must be similarly protected, or billions of dollars in excess costs will simply be shifted. Before caps are considered, states would like to fully explore managed care and other cost control options.

Managed Care

In order to run Medicaid managed care programs, states must apply for federal waivers which must be renewed every two years. Managed care should be made possible through a simple state plan amendment.

Market Reform and ERISA

The Employee Retirement Income Security Act preempts all self-insured health plans from state regulations, preventing states from implementing reforms including minimum benefits packages, standard data collection systems, and uniform claims forms. ERISA flexibility would dramatically expand state health reform options and allow states the ability to develop and implement their own health reforms.

Boren Amendment

Court decisions have interpreted the amendment in such a way that unrealistic Medicaid reimbursement rates are required for hospitals and nursing homes. States support changing the legislation to control Medicaid institutional rates.

E. FEDERAL RULEMAKING***Cost Benefit Analysis***

Recent studies have found that federal regulations impose hundreds of billions of dollars in costs on the national economy on an annual basis, all too often with negligible benefits.

Excessive federal regulations not only burden state and local governments, they impose an unacceptable drag on our nation's economic competitiveness, inhibiting job creation, investment and innovation.

Congress should undertake a systematic cost benefit study on federal regulations to make recommendations for eliminating or modifying regulations that impose undue cost burdens relative to their benefit to society.

Federal Advisory Committee Act

States and local governments are severely disadvantaged during the federal regulatory process as a result of the Federal Advisory Committee Act.

This legislation essentially treats states and local governments as special interests, despite the fact that they have the responsibility of implementing most federal programs and enforces federal regulations.

State and local governments should be given special consultative opportunities before federal regulations are issued in order to enhance efficiency and reduce burdensome regulatory mandates.

F. ENVIRONMENT

With federal and state resources becoming more limited, it is critical that states have the ability to prioritize risks, assess costs and have the flexibility for implementing federal requirements by using innovative programs to meet those requirements.

Risk Assessment-Cost Benefit Analysis

This is essential for setting priorities and allocating resources to solve serious safety, health and environmental problems. It would require EPA, when making final rules, to estimate a regulation's impact on human health or ecological risk, compare the rule to other risks to which the public is exposed and estimate the costs of implementation.

Risk assessment-cost benefit analysis would be a common-sense approach to addressing environmental standards in a cost-effective manner, ensuring that they are based on sound scientific analysis.

For example, U.S. EPA currently is reviewing the Great Lakes Water Quality Initiative. An independent study estimated direct compliance costs for Great Lakes states between \$500 million and \$2.3 billion -- without contributing to meaningful toxic reductions. Given these findings, EPA should take advantage of the flexibility contained in the law to issue policy guidance, not prescriptive new rules.

In another area, EPA should be required to use risk assessment when selecting new contaminants for regulation. Currently EPA is required to regulate 25 new contaminants every three years, making local water systems test for substances that are not utilized in that region, which imposes costly, unreasonable burdens on many communities.

Clean Water Act

While these programs are important for our waterways, there is a large gap between the funding needed to run effective programs and available federal assistance.

Given the increasing share of state dollars needed to carry out federal mandates, we must strike a better balance between state and federal roles and provide less prescriptive measures for states to implement programs.

States also need more flexibility to carry out federal requirements, such as use of the State Revolving Fund and voluntary nonpoint source program. These have proven to be successful, innovative and efficient measures to meet Clean Water Act goals.

Safe Drinking Water Act

Small communities bear a tremendous financial burden from Safe Drinking Water Act mandates for increased monitoring and treatment.

State and local governments need relief through a change in the standard-setting process, allowing EPA to consider public health risk reduction benefits as well as costs when setting standards. Currently, EPA is required to set standards at the level achieved by the very best technology affordable to large water systems. This change alone could save hundreds of millions of dollars a year, while protecting public health.

Superfund

Superfund law should be restructured so that fewer resources are utilized determining liability and more on actual cleanup.

States have demonstrated that they are very effective in cleaning up contaminated sites. And because states are contributing increased resources into the Federal Superfund program, they need more flexibility and authority for selecting sites for cleanup, selecting remedies and conducting cleanup activities.

States clean up approximately twenty times more contaminated sites than the federal government does under Superfund. Mandating increased state investments in the federal Superfund program is counterproductive. Such proposals will only serve to limit the number of sites that are cleaned up nationally under the voluntary program.

Clean Air Act

The states, local governments and industry have worked vigorously to implement the Clean Air Act at considerable cost. However, many rules promulgated under the Clean Air Act Amendments of 1990 have questionable legal or statutory basis, are inflexible in their design and enforcement, needlessly bureaucratic and often of dubious environmental value. U.S. EPA regularly delays issuance of rules and guidance, yet still prescribes unrealistic compliance deadlines. These rules have had a profound, unnecessarily harmful impact on state environmental planning and on private sector economic development efforts alike.

States are opposed to needlessly punitive Clean Air enforcement actions, such as the withholding of states' federal highway funds.

EPA rules must provide maximum flexibility to states and industry in implementing workable Clean Air programs while minimizing their cost of compliance.

U.S. EPA's revised Title V permitting program rules for industrial sources provide an excellent illustration of states' and the private sector's frustrations with federal Clean Air rules. In August 1994, EPA issued permitting regulations that contradicted the two-year old EPA guidelines upon which many states had designed their federally-mandated permit programs.

The revised Title V rules are far more complex and far-reaching, will be infinitely more difficult for states and industry to administer and will not benefit the environment significantly. Proposed Title V changes would triple the permitting burden of industry and states for such "minor modifications" as adding a single spray paint nozzle in a factory.

Absent more flexible, constructive federal Clean Air Act implementation policies, states must weigh the possibility of statutory relief, either through litigation or by requesting that the Act be reopened in the 104th Congress.

Agriculture/Land Use

November 17, 1994

TO: Senator Dole
FROM: Mike Torrey
SUBJECT: Governor's Conference

GATT...Undoubtedly agriculture is moving towards a world market, especially if GATT passes. We know the European Union wants to accelerate the elimination of export subsidies. The Administration will probably consider this. However, we must be cautious in our approach. Eliminating all export subsidies overnight could make the grain markets volatile in the near term. Farmers would need some stability which of course could be provided through the farm bill.

FARM BILL...You may be asked about the future of the farm bill. Agriculture will certainly do what it can to meet any budget cuts. That aside, the removal of Senator Leahy as Chair of the Ag Committee is a change in philosophy and direction of the committee. Unfortunately, Senator Leahy agreed with the environmental groups who believed farmers were polluting the environment. I anticipate Senator Lugar's approach will be to devise ways to scale back ag program spending and keep a viable program in place to deal with the ups and downs of the market place. There will most likely be cuts proposed by the Administration and possibly by the Entitlement Commission which reports in December. Budget numbers will drive the farm bill debate. There is strong pressure from the right (Senator Gramm, the Heritage Foundation) to reduce and even eliminate farm programs. This would be devastating for agriculture if we did it overnight. Land prices would drop and we could see a repeat of the 80's. Instead, if Congress decides to reduce the farm program, they should do so gradually and over time.

BOTTOMLINE...Congress must address the farmers bottomline. Although deficiency payments are a source of income, additional regulation also affects farmers -- i.e. the Clean Water Act, Safe Drinking Water Act, Endangered Species Act. I suspect Republican's will devise ways to minimize the impact of this legislation on farmers.

PRIVATE PROPERTY RIGHTS...There are some concerns that the only reason Republicans pushed this legislation was to force a vote from Democrats. That aside, upon your approval, we can reintroduce your private property rights act which requires agencies to conduct takings impact assessments when promulgating regulations. Senator Gramm will reintroduce legislation which would require government agencies to compensate individuals when there is a taking. This legislation has support from the right.

WAR ON THE WEST...Secretary Babbit has not yet indicated whether he will work with Republicans. He may proceed with the regulatory process by announcing in January the final rule on

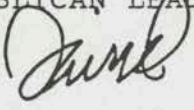
Rangeland Reform. We know his reform will, among other things, increase grazing fees. This reform will take affect in March, 1995. Opponents will have 2 options. 1) Introduce legislation to place a moratorium on the rule (probably the best bet). 2) Introduce legislation to codify the Executive Order that allows for current policy.

ENDANGERED SPECIES ACT...Republican's had the Gorton/Shelby bill which offered a commonsense approach to the ESA. We will look at this legislation in 1995.

Balanced Budget

November 20, 1994

MEMORANDUM TO THE REPUBLICAN LEADER

FROM: David Taylor 
SUBJECT: Balanced Budget Amendment

Summary

The text of the so-called Simon-Craig-Stenholm version of the Balanced Budget Amendment which the Senate voted on last year is attached for your consideration. This version of the amendment was the result of a bipartisan, bicameral compromise. It is the basis of this year's version of the proposed amendment.

- The amendment would require the Federal government to balance its budget each year "beginning with fiscal year 1999 or with the second fiscal year beginning after its ratification, whichever is later." The amendment currently under discussion is expected to go into effect in 2002.
- The proposed amendment stipulates that once the amendment goes into effect, "total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by rollcall vote." In other words, the President and a three-fifths super-majority in both houses must agree to waive the balanced budget amendment in any year.
- The requirement may also be waived in the event of war.
- The President is required to submit a balanced budget to Congress each year.

Legislative History

In March 1994, the Senate voted on the Simon-Craig version of the resolution proposing a balanced budget amendment to the Constitution. A two-thirds vote is required to adopt a proposed Constitutional amendment and send it to the States for ratification. The amendment failed 63-37.

In reviewing last year's vote, 7 Senators voting in favor of the proposed amendment retired or were defeated. In each case, their successors have stated support for a balanced budget amendment. 4 Senators voting against the balanced budget amendment retired. Each of their successors has indicated support for a balanced budget amendment. Assuming there are no switches, it appears that there will be 67 votes in the Senate to adopt a Balanced Budget Amendment to the Constitution and send it to the States for ratification this year.

Other Versions of the Amendment

Many conservatives would prefer that the balanced budget amendment require a three-fifths super-majority vote in both Houses of Congress in order to raise taxes. In the Senate, amendments to a proposed Constitutional amendment may be adopted by a simple majority vote. A two-thirds vote is required to adopt a proposed Constitutional amendment and send it to the States for ratification. So, any amendment which gets more than 50 but less than 67 votes in the Senate, could effectively kill the proposed Constitutional amendment. The House has traditionally avoided this issue by instituting a king-of-the-hill rule for consideration of various balanced budget amendment proposals.

This super-majority requirement to raise taxes would, in my view, be a killer amendment. Based on last year's vote, and the stated positions of all the incoming Senators we potentially have 67 votes for a Constitutional amendment. Several Democrat Senators, most notably Senator Simon, would vote against a balanced budget amendment containing a super-majority tax requirement.

Attachments Text of S.J.Res. 41
 Summary of 1994 Senate Vote on S.J.Res. 41

J.R.41 As reported by Senate committee, October 21, 1993, Senate Report No. 1

II

Calendar No. 245

103d CONGRESS
1st Session

S. J. RES. 41
[Report No. 103-163]

Proposing an amendment to the Constitution of the United States to require a balanced budget.

IN THE SENATE OF THE UNITED STATES

February 4 (legislative day, January 5), 1993

Mr. Simon (for himself, Mr. Hatch, Mr. DeConcini, Mr. Thurmond, Mr. Heflin, Mr. Craig, Mr. Kohl, Mr. Grassley, Ms. Moseley-Braun, Mr. Brown, Mr. Daschle, Mr. Cohen, Mr. Bryan, Mr. Pressler, Mr. Shelby, Mr. Bennett, Mr. Graham, Mr. Smith, Mr. Krueger, Mr. Kempthorne, Mr. Mathews, Mr. Nickles, Mr. Campbell, Mr. Lugar, Mr. Murkowski, Mr. Gregg, Mrs. Feinstein, Mr. Warner, Mr. Chafee, Mr. Simpson, Mr. Robb, Mr. Bingaman, Mr. Boren, Mr. Mack, Mr. Gramm, Mr. Jeffords, Mr. Roth, Mr. McConnell, Mr. Coverdell, Mr. Burns, Mr. McCain, Mr. Packwood, and Mr. Exon) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

October 21 (legislative day, October 13), 1993
Reported by Mr. Biden, without amendment

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States to require a balanced budget.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the

several States within seven years after the date of its submission to the States for ratification:

"Article--

"Section 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"Section 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"Section 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"Section 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"Section 8. This article shall take effect beginning with fiscal year 1999 or with the second fiscal year beginning after its ratification, whichever is later."

SENATE RECORD VOTE ANALYSIS

103d Congress
 2d Session

Vote No. 48

March 1, 1994, 8:19 p.m.
 Page S-2158 Temp. Record

BALANCED BUDGET CONSTITUTIONAL AMENDMENT/Rejection

SUBJECT: A Resolution Proposing an Amendment to the Constitution of the United States to Require a Balanced Budget . . . S.J. Res. 41. Final passage.

ACTION: JOINT RESOLUTION DEFEATED, 63-37

SYNOPSIS: A pertinent vote on this legislation includes No. 47.

As modified, S.J. Res. 41, a resolution proposing an Amendment to the Constitution of the United States to Require a Balanced Budget, proposed the following article as an amendment to the Constitution, to be valid if ratified by three-fourths of the State legislatures within seven years of its approval by Congress:

✦ Section 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

✦ Section 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the number of each House shall provide by law for such an increase by a rollcall vote.

✦ Section 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

✦ Section 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

✦ Section 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

✦ Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts. The power of any court to order relief pursuant to any case or controversy arising under this Article shall not extend to ordering any remedies other than a declaratory judgment or such remedies as specifically authorized in implementing legislation pursuant to this section.

(See other side)

| REPUBLICANS | | | DEMOCRATS | | | NOT VOTING | |
|---------------------------|-------------------------|-----------|---------------------------|---------------------------|--------------|-----------------|---------------|
| Voting Yea (41 or 93%) | Voting Nay (3 or 7%) | | Voting Yea (22 or 39%) | Voting Nay (34 or 61%) | | Republicans (0) | Democrats (0) |
| Bennett | Helms | Hatfield | Bingaman | Akaka | Lautenberg | | |
| Bond | Hutchison | Kassebaum | Boren ✓ | Baucus | Leahy | | |
| Brown | Jeffords | Stevens | Breaux | Biden | Levin | | |
| Burns | Kempthorne | | Bryan | Boxer | Lieberman | | |
| Chafee | Lott | | Campbell | Bradley | Mathews ✓ | | |
| Coats | Lugar | | Daschle | Bumpers | Metzenbaum ✓ | | |
| Cochran | Mack | | DeConcini ✓ | Byrd | Mikulski | | |
| Cohen | McCain | | Dorgan | Conrad | Mitchell ✓ | | |
| Coverdell | McConnell | | Exon | Dodd | Moynihan | | |
| Craig | Murkowski | | Feinstein | Feingold | Murray | | |
| D'Amato | Nickles | | Ford | Glenn | Pell | | |
| Danforth ✓ | Packwood | | Graham | Harkin | Pryor | | |
| Dole | Pressler | | Heflin | Inouye | Reid | | |
| Domenici | Roth | | Hollings | Johnston | Riegle ✓ | | |
| Durenberger ✓ | Simpson | | Kohl | Kennedy | Rockefeller | | |
| Faircloth | Smith | | Moseley-Braun | Kerrey | Sarbanes | | |
| Gorton | Specter | | Nunn | Kerry | Wellstone | | |
| Gramm | Thurmond | | Robb | | | | |
| Grassley | Wallop ✓ | | Sasser ✓ | | | | |
| Gregg | Wamer | | Shelby | | | | |
| Hatch | | | Simon | | | | |
| | | | Wofford ✓ | | | | |

- ◆ Section 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.
- ◆ Section 8. This article shall take effect beginning with fiscal year 2001 or with the second fiscal year beginning after its ratification, whichever is later.

NOTE: A two-thirds majority (67 in the Senate) vote of both Houses of Congress is required to pass a proposal to amend the Constitution. If passed, Congress then submits that proposal to the States for ratification. Congress may either ask the States to call conventions to ratify the proposal, or, alternatively, ask the States' legislatures to approve the measure. If three-fourths of the States approve a proposal, it becomes part of the Constitution.

Those favoring final passage contended:

Senate Resolution 41 is a very clear and constitutionally precise document that will set in motion a process that will bring this Government to the kind of fiscal reality and courage that it has failed to demonstrate for over 30 years. In good years and bad, Congress and the Executive Branch have abandoned the tacit constitutional principle that budgets should be balanced. The Federal Government has gone on an orgiastic deficit spending spree, amassing a crushing debt burden for future generations to pay. That debt is now so large that it threatens to bankrupt America and leave our children with the legacy of a banana republic. The basic unsustainability of this reckless behavior has been apparent for years, yet every attempt to rein in the Federal Government's profligacy has failed. Some blame Congress, others blame the President, but all are to blame, and pointing at each other with dirty fingers will not help. The pat line that a constitutional amendment is no substitute for courage provides little comfort, because we believe we are witnessing a systemic failure that works to preclude such courage. We need the systemic solution offered by this constitutional amendment.

This debate antedates our current fiscal troubles; in fact, it goes back to the drafting of our Constitution. The argument was raised that unless the Constitution clearly limited the ability of the Federal Government to borrow from future generations, a time would come when the legislature would find that it could meet the demands for greater spending and lower taxes by borrowing money from as yet unborn, and thus not voting, generations to pay. This argument did not hold sway, because a majority of the Framers felt that the limited size and enumerated powers of government, the limits on the money supply created by a gold standard, the moral imperative of the "unwritten Constitution," and the House's exclusive power to originate bills raising revenue all would act to prevent the accumulation of debt.

The most ardent opponent of deficit spending among this Nation's founders was Thomas Jefferson. In his words, "The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." Thomas Jefferson was originally in favor of an absolute prohibition on deficit spending, but slightly moderated his position after he became President and went into debt to make the Louisiana Purchase.

The economic conclusions our colleagues have drawn from this purchase are grossly distorted. They allege that because the Federal budget was \$7.8 million at the time, and the territory was purchased for \$15 million, an equivalent action today would be for President Clinton to propose adding an extra \$3 trillion in deficit spending in one year. This arithmetic has numerous faults. First, the Federal Government today spends about 24 percent of Gross Domestic Product, but in Jefferson's day it spent only 1.63 percent. Thus, Jefferson spent in one year only close to 5 percent of GDP, which is a far smaller burden than the annual 24 percent Congress now annually inflicts. Second, the Louisiana Purchase was a tremendous revenue-generator. From the very first year, revenues from land sales and tax collections were greater than interest costs. Proceeds were eventually instrumental in virtually eliminating the entire Federal debt by 1834-1835. Third, the debt was repaid starting 15 years after the loan was given (at the insistence of the lenders; President Jefferson wanted to repay it earlier), which was within the timeframe of 19 years that President Jefferson had stated should serve as the measure of a generation when paying for one's own debts. Fourth, Jefferson took office with a national debt of \$81 million and left office with that debt reduced to \$57 million. Fifth, he asked and received a three-fifths majority vote from Congress to approve the loan, which is equivalent to the requirement in this constitutional amendment. In sum, this deficit spending was treated as an extraordinary circumstance, and it actually served to lower total national debt.

No one can make that argument for the types of deficits we now run. The roots of the problem can be traced to the Great Depression of the 1930s. Until that time, Congress and the President found it easier to say "no" to requests for spending because of the common view that the size and the scope of Government were strictly limited by the expressed, literal declaration of the powers in the Constitution, and by U.S. monetary policy which was then anchored in the gold standard. However, the desperation of the American people and the willingness to experiment by elected officials changed Americans' view of their central Government. Deficits were proclaimed a beneficial fiscal tool, to be used for the Keynesian purpose of combating economic downturns, and, more importantly, the perceived role of the Government became both more expansive and less defined. The Government was expected to manage the economy and provide a social safety net.

The Great Depression did not end until World War II, which provided for massive deficit spending and full employment. Deficit

MARCH 1, 1994

spending in that war was so great, in fact, that we emerged with a national debt that was 127 percent of GDP. However, sound fiscal policies under President Eisenhower in the 1950s reduced the debt to a manageable amount. Part of the Government's success in cutting spending in that era was due to the fact that Government social spending on entrenched and organized interest groups was not yet that great, and that consumer and corporate debt was virtually non-existent and was thus not creating a drag on the economy. (Today, though the total public and non-public Federal debt is about 67.5 percent of GDP, the Nation's debt burden is in excess of 200 percent when consumer and corporate debt are considered.) Defense spending was reduced, and administrative budgets were tightened.

Starting in 1961, the Federal Government began to deficit spend solely to avoid making hard budgetary choices. The novel theory was that we did not need to worry about deficits because it was only money that we owed to ourselves. This theory proved quite popular because it allowed politicians to respond to the clamors for Federal aid without worrying about where the money would come from. As a result, in 34 of the last 35 years, in good times and bad, through the Great Society years of the 1960s, through the stagflation years of the 1970s, and through the boom years of the 1980s, we have run deficits. We will continue to run deficits well into the future, even under the rosiest of the current Administration's scenarios.

Most of this deficit spending has been on middle Americans, the voters, who grumbled when taxes were raised and threatened to turn out of office anyone who suggested cutting their programs. Four Government programs in particular--Social Security, Medicare-Medicaid, civilian retirement, and military retirement--grew rapidly. Those four plus interest comprised 24 percent of our budget in 1963, in 1993 they comprised 56 percent, and, if present trends continue, they will comprise 69 percent by the year 2003. Defense spending has been roughly halved in the last 30 years, and domestic spending on other programs has declined slightly. The problem has been and continues to be in these so-called entitlements; Americans expect their Government to provide this money, but they are not willing to pay the full cost of providing it.

Congress has attempted one legislative fix after another, and has abandoned every attempt when the choices began to get too hard. Gramm-Rudman-Hollings I, Gramm-Rudman-Hollings II, tax hikes, rescissions, freezes, spending caps, the 1990 Budget Agreement, and last year's attempt to reduce the deficit with tax hikes and future spending cuts have had some small successes, but have done little more than put a crimp in the Government's deficit spending addiction. Every year, the problem has become more difficult. In 1982, when the Senate approved a balanced budget amendment to the Constitution (which was defeated in the House), the national debt was a little over \$1 trillion. By 1986, it had risen to \$2 trillion, and today it is over \$4.5 trillion.

The accumulation of this debt has rapidly increased the percentage of the budget that must be spent on interest. Interest on the Federal debt in 1993 amounted to nearly \$293 billion, which equaled 26 percent of all Federal revenues collected, and 57 percent of all individual income tax revenues. By all estimates, interest on the debt will continue to rise. For instance, by 1999, the Congressional Budget Office estimates it will have reached \$382 billion. Interest on the debt, on our past excesses, is growing uncontrollably.

The consequences of spending 26 percent of the budget on servicing the debt are very real today. At least 17 percent of that interest is paid to foreigners who hold U.S. debt. In 1993, \$41 billion at a minimum was sent overseas to these wealthy investors, which is double the amount spent on foreign aid. Foreign interest is responsible for roughly half of our trade deficit. In America, interest payments on the debt result in a massive, regressive transfer of wealth from the poor and average Americans who pay taxes to those wealthy Americans who loan money to the Government. Per capita the national debt is now \$18,000. According to the New York Federal Reserve Bank, we lost 5-percent growth in Gross National Product between 1978 and 1988 because of the debt, which translates into a loss of 3.75 million jobs. The Concord Coalition estimates that the average family income in America today without the debt would be \$50,000 instead of \$35,000.

The Administration's rosier estimates for the future hold little promise. Assuming 10 straight years of steady growth with low inflation and comprehensive health care reform that controls health care costs, the deficit is expected to decline in size for a few years before beginning to grow again. Some of our colleagues have taken solace in the fact that the tax bill we adopted last year is supposed to result in the economy growing faster than the GDP temporarily, but we remind them that this "fix" is far more modest than all our previous "fixes" that were supposedly going to result in the entire elimination of the deficit. It is as though we put a 400-pound man on a diet and then were pleased that he gained 100 pounds instead of 200 pounds. For the first time last year, our solution did not aspire to anything more than delaying the day of reckoning. Ominously, a large part of the improvement in our economic outlook has been achieved by switching from long-term to short-term debt. Consequently, should inflation start again, our annual deficits will skyrocket.

We do not believe we have much time left to act. No nation ever has been able to sustain the type of debt we have today without literally declaring bankruptcy or without effectively declaring bankruptcy by monetizing its debt. By printing money, or monetizing, our debt, we could eliminate it, but savings, including Government savings like the Social Security Trust Fund, would be rendered nearly worthless by the resulting rampant inflation.

We do not share our colleagues continued optimism that the Federal Government will suddenly begin to behave responsibly and balance the budget of its own accord. After deficit spending for 34 of the last 35 years, and after repeated failures to put our fiscal house in order, we believe the light of experience shows this optimism to be irrational. Our political system now promotes irresponsibility. We therefore need a structural change. We need to approve this constitutional amendment to balance the budget.

This amendment will help perfect representative democracy. It will put the general public interest in fiscal responsibility back on

a level playing field with the special interests, making it more difficult to borrow and spend. The essence of this amendment is that it will finally restore the principle that the Government should spend no more than the people are willing to pay. It will achieve its ends by demanding accountability from Members and by requiring a broad consensus before the debt may grow.

The amendment will require each year's receipts to match or exceed outlays, unless three-fifths majorities in both Houses agree to deficit spend. Congress will be permitted to rely on estimates of receipts and outlays, but those estimates will be held honest by another provision of the amendment, which will require three-fifths majority votes in both Houses to raise the debt limit. Additionally, no bill to increase revenue will be enacted unless approved by a majority of Members in each House by rollcall votes. Finally, the President will remain engaged in the budget process by a requirement that he submit a balanced budget proposal each year. This amendment will allow deficit spending, but it will make it far more difficult, and it will not be possible to evade its strictures by changing the law. Unlike any of our previous solutions, which we abandoned by rewriting the law when the choices became too difficult, we will not easily be able to rewrite the Constitution.

Our colleagues have raised numerous objections to this amendment. First, they have argued that the Constitution should not reflect philosophical viewpoints, but instead should serve as the basic document for delineating and dividing powers. This argument is quite strained. Dividing powers certainly reflects the philosophy that freedom is better protected when power is diffuse, and the numerous circumscriptions on Government power throughout the Constitution, such as the protections for free speech and for freedom of religion, obviously reflect the philosophical view that these matters should be shielded from an intrusive government.

The next objection raised by our colleagues is that economic principles should not be placed into the Constitution. Our Founding Fathers were not of this opinion; they included numerous economic provisions, including provisions on the following: coining money, regulating foreign trade; regulating interstate trade; fixing standards for weights and measures; establishing uniform laws for bankruptcy; and issuing patents. If our colleagues oppose this amendment, then they oppose a substantial portion of the Constitution as it was written and still exists today.

The third objection by opponents of this amendment is that majority rule is being taken away on this issue and they believe that this action is in conflict with the basic principles of this Nation. We believe exactly the opposite--the most basic principle on which the Revolutionary War was fought was that there should be no taxation without representation. Piling up debt for future generations to pay is the very definition of taxation without representation. Clearly deficit spending is a matter of sufficient moment to justify requiring a very broad consensus in Congress, as reflected by super-majority votes, before allowing it to occur. A requirement for super-majority votes in Congress to take actions of great consequence is not a novel constitutional idea. The Constitution contains eight such requirements. Our Founding Fathers well understood the dangers of a "tyranny of the majority." The Constitution is not a simple exposition of the principle that a simple majority should decide every issue.

Our colleagues have also made numerous arguments that this amendment would alter the balance of powers. They have simultaneously argued that this amendment will reduce the President's power by requiring him to submit a balanced budget proposal, and that it will increase his powers by allowing him to impound funds if Congress deficit spends. On the first point, we have little sympathy for any President who wishes to duck responsibility for proposing difficult budget choices that the vast majority of the American people believe he should make. Additionally, if a President believes that in a given year deficit spending should occur, nothing in this amendment precludes him from saying so and supporting his position. However, the basic document from which Congress works should be in balance. On the second point, our colleagues claim that this amendment will enhance the President's impoundment powers is farfetched. The explicit wording of the amendment says that Congress, not the President, will enforce it. Though some may dispute whether the President has any general authority to impound funds, it is clear to us that this amendment will not give him any specific authority to impound funds to balance the budget. After 14 years of testimony, after listening to countless constitutional experts, and after taking literally thousands of pages of testimony, we can assure our colleagues that this amendment will not cede any portion of the power of the purse to the President.

Our colleagues' fear that this amendment will invite judicial meddling in the budget process is equally baseless. Nothing in this Nation's history and nothing in our hearings indicate that this amendment will be used by the courts to involve themselves in budget matters, which they have consistently ruled are political and thus none of their business. To reassure our colleagues on this point, we have agreed to modify our amendment to clarify our understanding that the courts will be limited to declaratory review.

Some Senators have speculated that this modification is intended to make the amendment unenforceable, and thus exposes it as a "gimmick." In response, as Representative Snowe observed, if it were a gimmick, Congress would have passed it long ago. Also, if our colleagues want to engage in speculation, we would note that many of this amendment's harshest Democratic critics were strong supporters of a similar measure in 1982. History has not changed, nor has the problem subsided. Perhaps our colleagues' perplexing change of opinion may have something to do with the fact that we now have a Democratic President, or perhaps it may have to do with fear that the Chairman of the Appropriations Committee (who himself has changed positions) may not favor funding of certain projects in the States of this amendment's supporters.

Honorable people may disagree, and we hope and trust that all Senators will base their votes on the merits of the arguments as they see them, not on the politics. On that basis all the arguments boil down to one central question: Does the ability of the Federal Government to borrow money from future generations involve decisions of such magnitude that they should not be left to the judgments of transient majorities? We vote that it does.

MARCH 1, 1994

VOTE NO. 48

Those opposing final passage contended:

Argument 1

The huge Federal deficits of the 1980s have created an enormous debt burden with which we unquestionably must come to grips. We cannot continually run deficits without eventually causing economic collapse. Procedural gimmicks, such as the legislative gimmicks that have been tried in the past, are no substitute for the hard spending and taxing choices that we all know need to be made. We have passed gimmicks before, and have continued deficit spending. However, starting in 1990 and continuing last year, we have started to adopt real solutions that are showing concrete results. We should continue this process, instead of opting for the ultimate gimmick, a constitutional amendment, that will create havoc with our constitutional system while failing to do anything to balance the budget.

The first 182 years of our country's history resulted in an accumulated national debt of just under \$1 trillion. During the past 13 years, that debt has increased to \$4.5 trillion. During the 12 ignominious years of the Reagan and Bush Administrations, the national debt quadrupled. President Reagan rode into town in 1981 partially on the promise that he would end deficit spending. When his impetuous young advisers found it was more difficult to convince Congress to slash social services, inflate military spending, cut taxes, and balance the budget than they first naively assumed, they changed tack: deficits, they said, did not matter. Growth would eventually eliminate debt. Privately, though, they reasoned that when the debt rose too high, Congress would have no choice but to cut spending for virtually all social services or face bankruptcy. With a massive debt, massive tax hikes would be out of the question, because they too would bankrupt a teetering Nation. In short, either way they would win. Congress could opt for a more limited government now by reducing spending, or it could be forced to do so later by the massive debt that it created.

Foolishly, Congress publicly agreed with the charade that deficits do not matter. Interest groups that benefitted from the largesse were happy, and taxpayers were happy with lower rates. Members then watched with consternation as the booming economy failed to lower annual deficits. With little enthusiasm from the Administration or the public to change course while everything seemed to be moving along swimmingly, Members enacted budget restrictions that they hoped they could use as their justification for making the hard spending choices they knew were necessary, but had no support or courage to make. These choices, such as the Gramm-Rudman-Hollings laws, inevitably failed. Without the necessary political consensus to reduce spending, any time the strictures of these budget process solutions were reached, they were simply changed, ignored, or evaded with accounting gimmicks. Process solutions proved no substitute for political will. In the end, they amounted to little more than expressions of concern over deficit spending and the mounting debt, and had no practical effect.

To his credit, President Bush began the process of ending deficit spending. In a move that many believe is the main cause of his electoral defeat last year, he joined with Congress in passing the 1990 5-year deficit reduction package. That package combined large tax hikes with deep spending cuts to trim \$500 billion from the projected deficits. In breaking his "No new taxes" pledge to the American people, President Bush broke a promise that should not have been made in the first place.

President Clinton has picked up where President Bush left off. The process has improved because President Clinton was elected on the promise that he would bring fiscal sanity back to the Government. Last year, the President and Democratic Members of Congress worked together to pass a 5-year, \$500 billion deficit reduction package. Tragically, not a single Republican was willing to support that package, but their votes were not needed. Republicans are a minority in both Houses because they refuse to admit the party is over and it is time to pay the bills.

The 1990 budget agreement and last year's reconciliation bill have had impressive results. The deficit as a percentage of Gross Domestic Product (GDP) has steadily fallen, and will soon be less than the rate of growth in GDP. This statistic is extremely significant. Countries go bankrupt when they deficit spend faster than the rate of growth in the economy. A 1 or 2 percent deficit in a healthy, growing economy, though, is not statistically significant on a macroeconomic level. The other important result is that Federal spending as a percentage of GDP has been declining. It peaked at 23 percent in 1990, and by 1996 it will be back down to 21 percent. The hard choices that need to be made are finally being made. Clearly, more needs to be done, but it will only be done by cutting spending and raising taxes, not by passing process solutions which we know do not work.

This proposed constitutional amendment, if we were foolish enough to pass it, would not force Congress to pass balanced budgets. Our colleagues tell us we do not now have, nor will we ever have, the will to balance the budget of our own accord, and that therefore we need this amendment "to force" us to be responsible. Ignoring that we believe we have turned the corner in controlling the deficit, we invite our colleagues to examine how this amendment will "force" us to balance the budget. The amendment states that outlays will have to match receipts, but it then goes on to say that Congress may instead only make its "estimates" match, and that it alone will enforce and implement this requirement "by appropriate legislation." With such enormous loopholes, this amendment will not "force" Congress to do anything. For example, a major problem with the statutory process solutions we have adopted in the past is that they have allowed Congress to rely on estimates. When the numbers did not add up, the President and Congress happily pulled numbers out of thin air. Estimates balanced, but real receipts were far less than outlays. Nothing in this amendment will prevent Congress from doing the same thing to evade its requirements. Similarly, nothing in this amendment will stop Congress from pulling other stunts like passing delayed obligations, imposing unfunded mandates, or selling Government assets. If Congress chooses to circumvent this amendment's intent, it will do so by changing the "appropriate legislation" it is required to pass to enforce it. Congress will be free to change statutorily this amendment's apparent meaning at whim.

Though S.J. Res. 41 will not force Congress to change, it will do tremendous damage to the Constitution. First, it will erode the principle of majority rule. The Constitution contains only 5 original requirements for super-majority votes. For each of these requirements, if the requirement is not met, the status quo will prevail. This proposed requirement will be very different. If a super-majority in both Houses cannot be raised to deficit spend when necessary, then what will happen? Across-the-board cuts may be made; Social Security checks may be withheld; taxes may be raised. For the first time, we will have enshrined in the Constitution the right of a willful minority to force major changes in public policy.

Second, this bill will throw the balance of power between the three branches of government into turmoil. For example, the President could conceivably claim that Congress had failed to balance the budget, and impound funds across-the-board or selectively cancel spending items. Our colleagues may point to the Impoundment and Control Act, but the Constitution trumps all legislation. If the President were to assert this power, what recourse would Congress have? The legislation explicitly limits the courts to declaratory judgments. The President could ignore any legislation Congress passed by saying it conflicted with his constitutional duties. Alternatively, if the courts were to find some basis to overrule the President, it would involve the Judicial Branch for the first time in budget issues. Issues of borrowing and spending should never be decided by this unelected, slow-moving branch of government. The public anger and confusion that would result from conflicting budgetary decisions dribbling out of courts scattered across America could well threaten support for our entire system of government.

The Framers of our Constitution were steeped in the classical traditions of Rome. They were familiar with Plato and Aristotle, Cicero and Plutarch, and Cato and others. They were well acquainted with the Colonial experience, with the English struggle, and with Montesquieu and his political system of separation of powers. These learned and sagacious men crafted the most enduring and successful written Constitution in history, drawing on the experience and political genius of thousands of years.

That document is not some lofty statement of abstract principles; like the Magna Carta, it is a careful elucidation, separation, and circumscription of powers, designed to secure the permanent liberty of the citizens of the United States. Economic policy issues, or any policy issues for that matter, do not belong in this document. Madison explicitly rejected the notion that deficit spending was wrong, correctly noting that present spending to improve the republic benefits future generations, so borrowing that money if necessary is appropriate. Even Thomas Jefferson, who originally opposed the concept, abandoned it when he became President and had the opportunity to make the Louisiana Purchase, admitting that he was embarrassed that what he had believed in theory was not a good idea in practice. We, with Madison, do not believe it is a good idea in either theory or practice. Whether we should deficit spend or not in any given year is not a proper subject to include; instead, it should be fought out in the legislative, political arena.

Frankly, we suspect even our colleagues understand this truth. In reaching the unanimous consent agreement governing the consideration of this issue, proponents of the Simon amendment insisted on two modifications to their own amendment. First, the implementation date had to be moved from 1999 to 2001, and second, it had to be made absolutely clear that only Congress will be allowed to enforce its implementation. These two modifications expose this amendment as a total fraud. We ask our colleagues to search their memories for any other instance in which legislation has been proposed that will not go into effect until the next century and which will be totally unenforceable. Passing this amendment will give Members an excuse for 7 years of inaction. They can claim the problem is solved, because in 7 years, we will have to balance the budget.

We plead with our colleagues--no more gimmicks; do not violate the Constitution with this pernicious amendment. We have done our duty; we made mistakes in the 1980s, but the deficit is coming down. We must stay the course, and defeat this ill-considered amendment.

Argument 2

We find ourselves in a frustrating situation. Some of our colleagues claim this amendment will lead to balanced budgets, but it will not; other of our colleagues claim that Congress has begun to behave fiscally responsibly, but it has not. No one, it seems, is willing to face the one reality that the only solution is to cut spending.

Passing a balanced budget amendment will not result in a balanced budget; it will delay responsible budgeting. History shows that Members are more than willing to vote for promises in the future, but are always reluctant to vote for any measure that will result in real spending restraint. Thus, in 1982, 69 Senators voted for a balanced budget amendment, but in 1984, only 32 Senators were willing to vote for a hard freeze on spending that would have balanced the budget. In 1986, 66 Senators voted for a balanced budget amendment; one year later only 25 Senators were willing to vote for a spending freeze that would have balanced the budget. Two weeks ago a mere 31 Senators were willing to vote for an amendment that would have trimmed \$94 billion in spending from the budget over five years. Today, we expect twice that number to vote yet again in favor of a balanced budget amendment.

The problem has been, first, last, and always, spending. Marginal tax rates were initially cut in the 1980s, but revenues never declined; they have steadily risen. Spending has risen faster. We recall efforts to eliminate the Energy Department, the Office of Juvenile Justice, and a host of other programs, and we recall attempts to reform the Social Security system being demagogued. We have little memory of spending restraint, because there has been precious little of it. Nearly every "spending cut" that will supposedly be made by the reconciliation bill we passed last year, for example, will not be made until four years from now.

We urge our colleagues not to take false hope in a balanced budget amendment, and we likewise urge our colleagues not to believe that Congress has been in any way responsible. Instead, we must reject this amendment, reject further tax hikes, and quit spending so much.

November 18, 1994

MEMORANDUM TO THE REPUBLICAN LEADER

FROM: David Taylor



SUBJECT: Balanced Budget Amendment and the States

The Senate is going to take up the Balanced Budget Constitutional Amendment in January. If two-thirds of both Houses of Congress vote in favor of the proposed amendment, it then goes to the States for ratification. The amendment goes into effect once it has been adopted by three-fourths of the State legislatures.

Every State except Vermont and Wyoming have some type of balanced budget requirement. Forty-three States have some type of constitutional requirement (generally limitations on incurring debt for this purpose), and 21 States have statutory requirements. Several have both. Only seven States rely entirely on statutes: Alabama, Arkansas, Connecticut, Mississippi, New Hampshire, Virginia, and Washington.

State Concerns:

States have two general concerns about the balanced budget amendment.

- I. If the States call for a Constitutional Convention, what's to prevent additional Constitutional amendments from being considered?

That is precisely why there is an advantage to following the Congressional route. If the Balanced Budget Amendment gets the necessary two-thirds vote, the State legislatures vote up-or-down vote on the proposed amendment.

- II. The second concern is a practical one that States must consider carefully before voting on the proposed amendment: How will this affect their bottom line? What will prevent the Federal government from shifting greater financial burdens to the States?

-- There is broad bipartisan support for Senator Kempthorne's unfunded mandates bill. That legislation will be signed into law early next year. That bill will go a long way toward curbing the practice that has caused you and your predecessors so many headaches in recent years. With a Republican Congress, I am confident that it can work.

-- Senator Kempthorne and Senator Hatch have begun discussions about the possibility of pursuing an unfunded mandates amendment to the Constitution to lock in the protections in the Kempthorne bill. That's something we ought to take a hard look at. We would like to get your input on this idea and see if it is something we ought to pursue.

Attachment

Table 6.3
STATE BALANCED BUDGETS: CONSTITUTIONAL AND STATUTORY PROVISIONS,
GUBERNATORIAL AND LEGISLATIVE AUTHORITY

| State | Constitutional and Statutory Provisions | | | | Gubernatorial Authority | | | Legislative Authority | | |
|----------------|---|---|--------------------------------------|------------------------|-----------------------------|--|-----------------------------------|---|---|-------------------------------|
| | Governor must submit a balanced budget | Legislature must pass a balanced budget | Governor must sign a balanced budget | May carry over deficit | Governor has line item veto | Can reduce budget without legislative approval | Restrictions on budget reductions | Votes required to override gubernatorial veto | Votes required to pass revenue increase | Votes required to pass budget |
| Alabama | S | S | S | ... | ... | * | ATB | Majority elected | Majority | Majority |
| Alaska | S | S | S | ... | * | ... | ... | 2/3 elected (a) | Majority | Majority elected |
| Arizona | C,S | C,S | C,S | * (b) | * | * | (c) | 2/3 elected | Majority | Majority |
| Arkansas | S | S | S | ... | * | ... | ... | Majority elected | 3/4 elected | 3/4 elected |
| California | C | ... | ... | * | * | ... | ... | 2/3 elected | 2/3 elected | 2/3 elected |
| Colorado | C | C | C | * | * | * | ... | 2/3 elected | Majority | Majority present |
| Connecticut | S | S | S | * | * | * | MR | 2/3 elected | Majority (d) | Majority present (d) |
| Delaware | C,S | C,S | C,S | ... | * | * | * | 2/3 elected | 3/5 elected | Majority elected |
| Florida | C,S | C,S | C,S | ... | * | * | (e) | 2/3 elected | Majority | Majority |
| Georgia | C | C | C | ... | * | * | (f) | 2/3 elected | Majority | Majority |
| Hawaii | C,S | ... | C,S | ... | * | * | ... | 2/3 elected | Majority elected | Majority elected (g) |
| Idaho | ... | ... | ... | ... | * | * | * | 2/3 elected | Majority | Majority |
| Illinois | C,S | C | ... | * | * | ... | ... | 3/5 elected | Majority elected | 3/5 elected |
| Indiana | C | C | C | ... | * | * | ... | Majority | Majority | Majority |
| Iowa | C,S | ... | ... | ... | * | * | ATB | 2/3 elected | Majority | Majority |
| Kansas | C | C,S | ... | ... | * | ... | ATB (h) | 2/3 elected | Majority elected | Majority |
| Kentucky | C,S | C,S | C,S | ... | * | * | ... | Majority | 2/3 elected | Majority present |
| Louisiana | C,S | C | C,S | ... | * | * | MR | 2/3 present | 2/3 elected | Majority |
| Maine | C,S | C | C,S | ... | * | * | ATB (i) | 2/3 present | Majority elected | Majority (j) |
| Maryland | C | C | ... | * | * | * | * | (k) | Majority | Majority |
| Massachusetts | C | C | C | * | * | * | ... | 2/3 present | Majority | Majority (l) |
| Michigan | C,S | C | C,S | * | * | * | ... | 2/3 elected | Majority elected | Majority elected |
| Minnesota | S | S | C,S | ... | * | * | MR | 2/3 elected | Majority elected | Majority elected |
| Mississippi | S | S | ... | ... | * | * | ... | 2/3 elected | 3/5 elected | Majority |
| Missouri | C | ... | C | ... | * | * | ... | 2/3 elected | Majority elected | Majority elected |
| Montana | S | C | ... | ... | * | * | MR | 2/3 elected | Majority | Majority |
| Nebraska | C | ... | ... | ... | * | * | * | 3/5 elected | Majority | 3/5 elected |
| Nevada | S | C | C | ... | * | * | MR | 2/3 elected | Majority | Majority |
| New Hampshire | S | ... | ... | ... | * | * | ... | 2/3 elected | Majority | Majority present |
| New Jersey | C | C | C | * | * | * | ... | 2/3 elected | Majority | Majority |
| New Mexico | C | C | C | ... | * | * | ... | 2/3 present | Majority | Majority |
| New York | C | ... | ... | * | * | * | (o) | 2/3 elected | Majority | Majority |
| North Carolina | C,S | S | ... | ... | * | * | * | ... | Majority | Majority |
| North Dakota | C | C | C | ... | * | * | ATB | 2/3 elected | Majority (p) | Majority (p) |
| Ohio | (q) | (q) | C | ... | * | * | * | (r) | 2/3 both houses | 2/3 both houses |
| Oklahoma | C,S | C | C | ... | * | * | * | 2/3 elected (s) | 3/4 elected | Majority (s) |
| Oregon | C | C | C | ... | * | * | ATB,MR | 2/3 elected | Majority | Majority |
| Pennsylvania | C,S | C | C | * | * | * | ... | 2/3 elected | Majority elected | Majority elected |
| Rhode Island | C | C | S | ... | * | * | * | 3/5 elected | Majority | 2/3 both houses |
| South Carolina | (u) | C | C | ... | * | * | * | 2/3 present | Majority | Majority |

STATE BALANCED BUDGETS—Continued

| State | Constitutional and Statutory Provisions | | | | Gubernatorial Authority | | | Legislative Authority | | |
|---------------|---|---|--------------------------------------|------------------------|-----------------------------|--|-----------------------------------|---|---|-------------------------------|
| | Governor must submit a balanced budget | Legislature must pass a balanced budget | Governor must sign a balanced budget | May carry over deficit | Governor has line item veto | Can reduce budget without legislative approval | Restrictions on budget reductions | Votes required to override gubernatorial veto | Votes required to pass revenue increase | Votes required to pass budget |
| South Dakota | C | C | C | ... | * | * | ... | 2/3 elected | 2/3 elected | Majority elected |
| Tennessee | C | C,S | C | ... | * | * | ... | Majority elected | Majority elected | Majority elected |
| Texas | ... | C,S | ... | * | * | * | ... | 2/3 elected | Majority | Majority elected |
| Utah | C,S | C | S | ... | * | * | ATB | 2/3 elected | Majority | Majority elected |
| Vermont | ... | ... | ... | * | ... | * | * | 2/3 present | Majority | Majority |
| Virginia | S | ... | ... | ... | * | * | MR (v) | 2/3 elected | Majority elected | Majority elected |
| Washington | S | ... | ... | ... | * | * | ATB | 2/3 elected | Majority present | Majority present |
| West Virginia | ... | C | C | ... | * | * | * | 2/3 elected | majority | Majority |
| Wisconsin | C | C | ... | * | * | (w) | ... | 2/3 elected | Majority | Majority present |
| Wyoming | ... | ... | ... | ... | * | * | ATB | 2/3 elected | Majority | Majority present |

Sources: National Association of State Budget Officers, *Budgetary Processes in the States* (July 1992); updated April 1994 by The Council of State Governments. Update reflects literal reading of state constitutions and statutes.

- Key:**
 C — Constitutional
 S — Statutory
 ATB — Across the board
 MR — Maximum reduction dictated
 * — Yes
 ... — No
- (a) Joint session.
 (b) May carry over "casual deficits," i.e., not anticipated.
 (c) Governor may reduce budgets of administration-appointed agencies only.
 (d) Must have quorum.
 (e) Budget reductions are limited to executive branch only.
 (f) The Governor and elected cabinet may reduce the budget. The reductions must be reported to the legislature and advice as to proposed reductions may be offered.
 (g) If general fund expenditure ceiling is exceeded, 2/3 vote required; otherwise majority of elected members.
 (h) Reductions allowed only to get back to a balanced budget.
 (i) Governor may expend funds up to one year. Certain restrictions apply to ATB reductions.
 (j) For emergency enactment, 2/3 votes required.

- (k) Governor has no veto power over the budget bill, but vote of 3/5 elected required to override veto on other bills.
 (l) For capital budget, 2/3 votes required.
 (m) May reduce appropriations by 15 percent except debt service, legislative and judicial branch appropriations, school foundation programs, and salaries of elected officials.
 (n) May not reduce debt service.
 (o) May reduce budget without approval only for state operations; only restriction on reductions is that reductions in aid to localities cannot be made without legislative approval.
 (p) Emergency measures and measures that amend a statute that has been referred or enacted through an initiated measure within the last seven years must pass both houses by a 2/3 majority.
 (q) There is no constitutional or statutory requirement that the Governor submit or the legislature enact a balanced budget. There is a constitutional requirement that the legislature provide sufficient revenues to meet state expenses. The Governor is required by statute to examine monthly the relationship between appropriations and estimated revenues and to reduce expenditures to prevent imbalance.
 (r) 2/3 if appropriation or tax, 3/5 for all others.
 (s) Emergency measures require a 3/4 vote for passage.
 (t) May carry over deficit into subsequent year only.
 (u) Formal budget submitted by Budget and Control Board, not Governor.
 (v) The Governor has power to withhold allotments of appropriations, but cannot reduce legislative appropriations.
 (w) May reduce spending authority.

SATURDAY NOV 19

THE WASHNGT

Governors' Group Seeks Assurance On Balanced-Budget Amendment

GOP Leaders Told Financial Protection for States Is Essential

By Dan Balz
Washington Post Staff Writer

A bipartisan group of governors plans to begin early negotiations with Republican congressional leaders over language in a balanced-budget amendment to the Constitution to protect the states.

Vermont Gov. Howard Dean (D), chairman of the National Governors' Association, said explicit financial protection for the states is essential for any amendment to be approved by the states.

"We know that the balanced-budget amendment is going to pass this time and we believe it's going to pass very quickly," Dean said in a telephone interview from West Virginia, where he is meeting with other governors. "That amendment, we believe, will be DOA at the state legislative level unless state budgets are protected."

House speaker-to-be Newt Gingrich (R-Ga.) said this week the House will vote on the balanced-budget amendment Jan. 19 and Senate Republicans have said the amendment will be one of their first priorities in the 104th Congress.

Dean said there is considerable support among Democratic and Republican governors for a balanced-budget amendment, but he and others expressed concern

Congress would follow a path of least resistance by cutting aid to the states without freeing the states from responsibilities to provide certain services.

"We're very fearful that it [the amendment] will simply increase taxes at the state level by shifting costs unless there is relief from the mandates the federal government has thrust upon us over the years," Dean said.

Republican governors plan to

*"We're moving
very quickly on
this."*

—Vermont Gov. Howard Dean (D)

raise the issue with Gingrich and incoming Senate majority leader Robert J. Dole (R-Kan.) early next week at a Republican Governors' Association meeting in Williamsburg.

"I would certainly assume the Republicans here [in Congress] would want to listen closely to what the governors think because they're the ones on the front line," said Tony Blankley, Gingrich's press secretary. But Rep. Lamar S. Smith (R-Tex.), who headed the drafting process for the balanced-budget amendment section of the House Republican Contract

With America, said he was not certain the language of the amendment needed to be modified.

"Whether or not it should be mentioned in the amendment, I don't know," he said. "My guess is you want a broad amendment and then work through the details."

Smith argued that governors should fear Republicans less than Democrats because they are committed to relieving the mandate burden on the states.

South Carolina Gov. Carroll A. Campbell Jr. (R) said the bigger worry was about future congresses or the courts, who he said might require states to provide services even if no federal money is available.

"Our concern is that the language in the amendment establishes a balance of responsibility," he said. "Nobody fears this Congress. But congresses change as time goes along." Dean said the task force will include NGA Vice Chairman Wisconsin Gov. Tommy G. Thompson (R) and half a dozen other governors and would try to start negotiations immediately, calling the governors' action an effort to save the amendment from failure.

"We're moving very quickly on this," Dean said. "We know Congress will pass this in 100 days or sooner. It has to be right or it's a waste of time."

Louisiana Democrat Might Switch Parties

Associated Press

Rep. W.J. "Billy" Tauzin (D-La.), elected to his eighth term, will "reassess his position" in the party unless its conservatives gain a greater say in the House leadership, an aide said yesterday.

The spokesman, Ken Johnson

lost control of both houses of Congress in the midterm elections, Sen. Richard C. Shelby (Ala.) has switched to the GOP and moderate-conservative challengers have emerged to the two top surviving Democratic leaders in the House. Rep. Charlie Rose (N.C.) is challeng-

aide, Johnson, said his boss was "trying to refocus and redirect where the Democratic Party's going and try to get it more in line with mainstream America." At the same time, he said, if the party ends up with "pretty much a continuation of the same old big-government liberal-

WSJ 11/18

REVIEW & OUTLOOK

Balance by Amendment?

The incoming Republican House should by all means bring to the floor a Constitutional Amendment to balance the federal budget; the nation surely needs an educational debate on how best to control the government's appetite for spending. But the other day incoming Speaker Newt Gingrich bandied about a January 19 vote, which strikes us as entirely premature.

While we yield to none in wanting a smaller government and have been big backers of the line-item veto and the like, we've always had our doubts about the budget amendment idea. While politically appealing, it makes no particular sense economically. We fret that it will prove the Republican equivalent of the Democratic health-care proposal—playing well in polls and focus groups but falling apart when you try to write a law.

To understand the economics, start here: If all American households were required to balance their budgets every year, no one could ever buy a house. Of course, households don't think about their budgets that way;

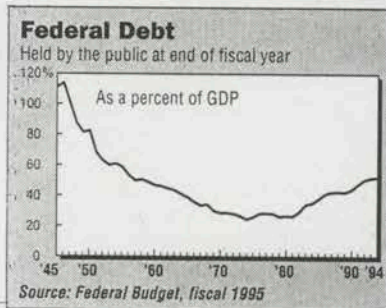
trinsically wrong with a government borrowing money. Ultimately, the pertinent question about government borrowing is the same as it is for a household or corporation. How large is the debt compared to available resources, and for what purpose are the proceeds spent?

While no single statistic can capture the reality, one of the best measures is the trend of outstanding debt as a proportion of yearly output, charted nearby. Debt was more than 100% of GDP at the end of World War II, declined to around a quarter in 1974, and then grew to more than half today. We would certainly argue that winning the World War was worth borrowing 100% of GDP, and winning the Cold War was worth borrowing 50%. Our country's problem is that debt continues to grow, with big current and projected deficits despite big cuts in military spending and despite the S&L bailout starting to add to yearly revenues instead of outlays.

A meaningful and achievable fiscal objective would be to get the trend of outstanding debt headed back down as a percentage of GDP. This would not require a balanced budget, only that the deficit shrink in proportion to a growing economy, as it did from 1945 to 1974. But if even so modest a limit could be achieved, the size of the deficit would be quite secondary to other economic goals such as growth and price stability. And with or without an amendment, there are plenty of things to do to slow spending, such as reversing the pro-spending budget mechanisms introduced in the depths of Watergate in 1974, when the debt trend reversed.

A balanced budget amendment, assuming workable language could actually be written, would be a much more ambitious goal. A triumphant GOP might indeed elect for ambition; if outright budget balance should be achieved, it obviously would reduce the size of government faster. And in trying to discipline politicians, there is something to be said for a crude and simple goal, even if it is not an economically sophisticated one. Yet crude goals tend to impose large short-run costs, in political pain and economic dislocation.

In the end the issue will be whether a balanced budget amendment will be sustainable. Perhaps in their current euphoria Republicans feel confident about this question, but our advice is that they should look before they leap.



they figure "balance" means meeting their mortgage payments. Similarly, state and local governments with "balanced budget" requirements can still borrow money for capital improvements, though typically only after approval by voters in bond referendums.

This is only the beginning of the conceptual difficulties of measuring a federal "balanced budget." An increase in the future obligations of the Social Security system is not counted as part of the "deficit," for example, though it represents a new claim on future resources, just like a new Treasury bond. Nor do unfunded mandates count as expenditures, though somebody has to pay for their implementation. Trying to write such considerations into the Constitution is more than a two-week exercise.

Though we certainly agree there's a current problem, there is nothing in-

Crime

November 17, 1994

CRIME/REPUBLICAN GOVERNORS ASSOCIATION

1. RESTORING FEDERALISM

Fighting crime is primarily a state and local responsibility. State and local leaders, not federal officials, are in the best position to determine the nature and extent of the criminal activity occurring within their jurisdictions and to craft responses that will work.

The federal government can play a role in the war on crime, but it must be "in partnership" with the states and localities.

2. LIMITING FEDERAL INTERFERENCE

The federal government should also "do no harm." Unfortunately, actions taken at the federal level can often interfere with state crime-fighting efforts. For example:

- * Federal judges have too often acted as legislators, creating the "exclusionary rule" and establishing an elaborate system of criminal appeals. The result: More delays. More expense. And more frustration.
- * Prison cap orders, imposed by federal judges, have led to the early release of violent criminals.
- * Federal judges are also much too involved in the supervision of state prison systems. For example: Last January, Governor Fife Symington tried to prohibit the distribution of pornographic materials in the Arizona state prison system. An LBJ-appointed federal judge named Carl Muecke (pronounced "Mickey") intervened, arguing that the pornography ban violated the First Amendment rights of state prisoners. Arizona is not alone. A staggering 4/5 of all state prison systems and nearly 1/3 of the 500 largest local jails are under some form of federal court supervision.

3. CONGRESSIONAL AGENDA

We are still having discussions at the staff level to determine what should be in the Republican crime bill. In addition to soliciting the input of the governors, you may want to make the following points:

- * We'll revisit last year's crime bill to remove some of the wasteful social spending and pass some of the tough penalties that were knocked out by the Democrats. There's no reason why there shouldn't be mandatory minimum penalties for those who use a gun in the commission of a crime.
- * Criminals shouldn't be allowed to take advantage of the

system. That's why we'll be pushing for exclusionary rule reform and reform of the so-called habeas corpus procedures. Convicted criminals are not entitled to unlimited appeals for an unlimited period of time.

Note: Governor George Voinovich spearheaded a successful state ballot initiative which limited the number of state habeas appeals in death penalty cases.

- * The most effective deterrent to violent crime is a prison cell: And that's where the federal government can make a real difference--by providing you--the states--with the resources to stop the "revolving prison door" and ensure that violent criminals are kept behind bars where they belong.
- * Governors George Allen and Fife Symington have taken the lead in abolishing parole for violent criminals. The federal government should look for ways to provide a helping hand to these efforts.
- * One approach would be to take the so-called prevention money in last year's crime bill (\$5 billion) and transform it into a law enforcement block grant to the states. Let the states decide the best way to allocate these law enforcement resources.

IV. "SEVEN MORE IN '94"

Republicans have staked out the following positions in "Seven More in '94" and "Contract with America."

Seven More in '94: "A Republican Majority will impose mandatory minimum sentences on violent felons and drug traffickers, stop building prisons as though they were Holiday Inns, and put prisoners to work. The pork-barrel spending contained in President Clinton's 'crime' bill will be repealed."

Contract with America: Calls for \$10 billion over five years in "law enforcement block grants," replacing the police, prevention, and drug courts provisions of the recently-passed crime bill.

Calls for \$10.5 billion over six years for grants to states to build prisons, replacing the prison construction provisions of the crime bill. Half of the funds would be conditioned on states adopting truth-in-sentencing guidelines that require violent criminals to serve at least 85% of their sentences. The other half would be conditioned on states making "significant progress" toward truth-in-sentencing.

D. Shea

Immigration

November 17, 1994

IMMIGRATION

- * Passage of Proposition 187 sent a loud and clear message that Washington has to own up to its responsibilities. The states should not have to bear the full burden of Washington's failure to control the nation's borders.
- * That's why I joined with Senator Hutchison in getting \$130 million appropriated to reimburse the states for the cost of incarcerating criminal aliens. And that's why I endorse the NGA's position that illegal aliens who are convicted of felonies in state courts should be housed in federal prisons.
- * Next year, fighting illegal immigration will be at the top of our agenda. Our immigration point-man, Senator Simpson, is ready to go with legislation. Senator Simpson will be in touch with you as we attempt to develop a comprehensive response to this national problem.

1. **Constitutional Amendment.** Governor Wilson has proposed the adoption of a constitutional amendment stating that the child of a person who is residing in the United States illegally is not automatically a U.S. citizen. Senator Simpson has considered trying to eliminate "birthright citizenship" through a statutory provision, but ultimately decided that the issue was too controversial to include in his immigration bill.

If asked whether you support a constitutional amendment, you may simply want to say that "we need to consider different ways to address the 'birthright citizenship' issue."

2. **Federal Reimbursement.** Governors Wilson, Symington, and Chiles have sued the federal government seeking reimbursement for the cost of providing services to illegal aliens. The governors argue that patrolling the borders is a federal responsibility and that the states should not be stuck with the tab for the federal government's failure to control illegal immigration.

3. **Proposition 187.** Proposition 187 passed by a margin of 59% to 41%. Implementation of its key provisions has been delayed by a temporary restraining order. It's likely that the legal challenge to Proposition 187 will go all the way to the Supreme Court. According to press reports, similar ballot-initiative movements are springing up in Florida, Texas, and Arizona.

Even the non-partisan Commission on Immigration Reform, headed by Barbara Jordan, agrees that illegal aliens should not be eligible for any publicly-funded services except those made on an emergency basis or to conform to constitutional crisis. That's where Proposition 187 comes in.

4. **Civilian Border Patrol Reserve Program.** Earlier this year,

you wrote to INS Commissioner Doris Meissner urging her to consider establishing a civilian Border Patrol reserve program, which would allow volunteers to perform non-law enforcement functions. These functions might include performing search and rescue, serving in non-critical office positions, and language interpretation services. If civilian volunteers were permitted to perform these duties, which are now performed by Border Patrol agents themselves, more resources could be dedicated to actual border enforcement.

This idea was passed on to you by L.A. County Supervisor Mike Antonovich.

D. Shea

Washington Times
November 18, 1994

Despite judge's order, Wilson to battle for Proposition 187

Says he expects appeal to go up to the Supreme Court

LOS ANGELES (Reuters) — California Gov. Pete Wilson vowed yesterday to fight for Proposition 187 after a federal judge issued a temporary restraining order against the state's controversial crackdown on illegal immigration.

Mr. Wilson, who made the proposition the main theme of his successful re-election campaign, said, "You are going to see an appeal that goes right up to the Supreme Court."

The so-called "Save Our State" measure, passed by voters last week by a 59 percent to 41 percent majority, would deny education, welfare and most medical care to illegal immigrants.

U.S. District Judge Matthew Byrne, saying Proposition 187 raised "serious questions" about whether it would deny illegal aliens their constitutional rights under the law, placed a temporary restraining order on the measure Wednesday.

The issue will be taken up again Tuesday by U.S. District Judge Mariana Pfaelzer when attorneys representing groups opposed to the measure will ask for a temporary injunction against it.

Mr. Wilson, in an interview with KCBS-TV in Los Angeles, said he disagreed with Judge Byrne's ruling. "I think the judge ought to be more charitable. He knows as well as I do that there's no such thing as a perfectly drafted proposition."

The measure and the subsequent legal battles — at least eight lawsuits have been filed against it in state and federal courts — have attracted national attention because it would also turn welfare workers and teachers into agents of the Immigration and Naturalization Service.

In addition to denying illegal immigrants education, welfare and all but emergency medical care, it decrees that welfare workers, tutors, nurses and teachers who

a "reasonable suspicion" that someone is an undocumented alien must report them to the INS and the state attorney general's office.

State Attorney General Dan Lungdren, in a written statement, said that while Judge Byrne's order was "not entirely unexpected, it is disappointing."

"By delaying the state's mandate to implement this new law, the court is also denying the will of California voters who specifically rejected the status quo on Nov. 8," Mr. Lungdren added.

Mark Rosenbaum, an attorney for the American Civil Liberties Union who argued for the restraining order, said yesterday the measure was doomed.

"They [the state] cannot save this law. This law is constitutionally defective and nothing is going to save it," he said.

State officials estimate the number of illegal immigrants in Cali-



Gov. Pete Wilson pledges support for California's Proposition 187.

fornia at 1.7 million, or about 40 percent of all undocumented aliens in the country, making it the "illegal immigrant capital of America."

An estimated 300,000 children of illegal immigrants receive education in California. Mr. Wilson has said illegal immigrants cost the state \$3 billion a year in lost taxes and burdens on education, medical and welfare services, a figure the Clinton administration has described as inflated.

SIMPSON Immigration Bill
13 Cosponsors (12 Republicans
plus Senator Byrd)

The following is a summary of the Immigration Reform bill that was introduced earlier this year by Senator Simpson. You are a cosponsor of the bill.

* **Increased penalties for alien smuggling.** Increases the penalty for alien smuggling to 10 years' imprisonment (current penalty is 5 years), and authorizes the death penalty for a smuggler whose actions result in the death of an innocent victim.

* **Streamlined deportation procedures.** Allows federal trial courts to issue an order of deportation during the sentencing phase of the criminal trial of an alien convicted of an "aggravated felony." This "judicial deportation" would replace the current administrative deportation procedures.

* **Increased penalties for document fraud.** Increases from 5 years' imprisonment to 10 years' imprisonment the maximum penalty for fraud and misuse of immigration documents.

* **Border fees.** Directs the Attorney General to develop a system of imposing fees at land-based border entry points. The fees will be used to hire more Border Patrol agents and finance the operation of border facilities.

* **Use of closed military bases.** Establishes a 2-year pilot program studying the feasibility of using closed military bases to detain illegal aliens.

* **Interior repatriation pilot program.** Establishes a 2-year pilot program, to be administered by the Attorney General in consultation with the Secretary of State, to examine ways to remove aliens to the interior of their country of origin (instead of right across the border in Mexico).

* **Work authorization verification.** Requires the Attorney General, in consultation with the Secretary of HHS, to develop and implement a "counterfeit-resistant" system to verify work eligibility and eligibility for federally-funded public assistance. Note that the provision does not specifically authorize the creation of a "counterfeit-resistant" I.D. card.

* **Ineligibility for federal benefits.** Prohibits the distribution of federally-funded welfare benefits to illegal aliens (except emergency health care, short-term disaster aid, child nutrition programs, and public health programs).

Some states will view this proposal as an attempt to shift welfare costs to them.

* **Five-year reduction in legal immigration.** Reduces the annual level of legal immigration to 500,000 for each of the next five years.

D. Shea

October 25, 1994

Proposition 187--California

Facts

- * The INS estimates that there are somewhere between 1.4 million to 1.7 million illegal aliens now living in the State of California. California has the highest concentration of illegal aliens, 43 percent of the national total.
- * **Alien Incarceration.** There are currently 18,000 illegal aliens incarcerated in California state prisons. Incarcerating these illegal aliens costs the State of California approximately \$474 million annually. (This includes the cost of the youth offender program and parole costs).

Note: The Hutchison-Dole amendment to the 1995 Commerce, State, Justice Appropriations bill shifted \$350 million for United Nations assessments to reimburse the states for the cost of incarcerating criminal aliens. The shift from the U.N. account was dropped in conference. However, the Commerce, State, Justice appropriations bill ultimately did contain \$130 million for the purpose of reimbursing states for the cost of incarcerating criminal aliens. This would not have occurred without the Hutchison-Dole amendment.

Note: Earlier this year, Senate Republicans supported legislation that would expedite the deportation of criminal aliens. Under this legislation, federal judges could enter deportation orders at the time of sentencing. Once the sentence is served, the criminal alien would be immediately deported without having to go through a time-consuming and expensive deportation proceeding.

Prior to the recess, Senator Simpson was able to add this legislation to the Immigration Technical Amendments bill, which passed both Houses of Congress.

- * **Education.** 392,000 students, the children of illegal aliens, are currently attending California public schools (primary and secondary). The California state government estimates that the annual cost of educating the children of illegal aliens is \$1.5 billion.

In the 1982 Plyler v. Doe decision, the Supreme Court ruled that the children of illegal aliens may not be barred from public elementary and secondary schools. In Plyler, the Court ruled that withholding funds for the education of illegal-alien children violated the Equal Protection Clause of the Fourteenth Amendment.

- * **Emergency Health Care.** The California state government estimates that the annual cost to the state of providing

emergency health care to illegal aliens is \$395 million.

- * **Total Annual Cost: \$2.4 billion.** The California state government estimates that the annual cost to the state of providing services to illegal aliens is \$2.4 billion: \$474 million (incarceration); \$1.5 billion (education); and \$395 million (emergency health care).
- * **Welfare.** Under current law, illegal aliens are ineligible to receive welfare assistance and food stamps. However, there have been cases of illegal aliens who are on welfare, because the state welfare agency has failed to do an adequate background check or because the illegal alien has provided phony citizenship documents. Proposition 187 would require "public social service agencies" in California to notify the California Attorney General, the State Director of Social Services, and the INS of any applicant for public assistance whom the agency determines or "reasonably suspects" is an illegal alien.

Summary of Proposition 187

Proposition 187 would 1) deny access to public education to the children of illegal aliens (which undoubtedly will give rise to a slew of lawsuits in light of the Plyler v. Doe decision), 2) deny health care services (except for emergencies) to illegal aliens, 3) require state and local agencies to report illegal aliens to the INS, and 4) make it a felony under California law to produce or purchase false citizenship documents.

Proposition 187 would require school districts to verify the legal citizenship status of their students and the parents/guardians of the students. The verification process must be completed by January 1, 1996. The school districts must share their information with the California Attorney General and the Immigration and Naturalization Service.

Some teachers' groups have complained about the verification requirement. They argue that their job is to educate children, not act as an arm of law enforcement.

Proposition 187 was authored by Alan Nelson, former Commissioner of the Immigration and Naturalization Service during the Reagan Administration. The initiative is also closely identified with the Federation of Americans for Immigration Reform ("FAIR"), the restrictionist immigration group.

Possible Questions

Question: In light of the Plyler v. Doe decision, isn't Proposition 187 unconstitutional?

Answer: The purpose of the initiative is to have the Supreme Court revisit and reconsider the Plyler decision. Passage of

Proposition 187 provides that vehicle.

In the past, the Supreme Court has reconsidered its own decisions. For example, the 1954 decision in Brown v. Board of Education overturned the earlier Supreme Court decision in Plessy v. Ferguson, which upheld the "separate but equal" doctrine. So, it's inaccurate to say that the "constitutional right" of illegal aliens to receive publicly-funded education is something that cannot be reviewed. Of course, it can be reviewed. That's one of the goals of Proposition 187.

Plyler was a five-to-four decision. Four of the five Justices who signed the majority opinion are no longer on the Court-- Brennan, Marshall, Blackmun, and Powell. It is possible that the Supreme Court today would agree with Justice Burger, who wrote the dissenting opinion in Plyler. In his dissent, Burger wrote: "It is not irrational for a state to conclude that it does not have the same responsibility to provide benefits for persons whose very presence in the state and this country is illegal as it does to provide for persons lawfully present. By definition, illegal aliens have no right whatever to be here, and the state may reasonably, and constitutionally, elect not to provide them with governmental services at the expense of those who are lawfully in the state."

Question: Isn't Proposition 187 punitive towards the children of illegal aliens?

Answer: The primary responsibility for educating illegal aliens rests with their home country. The bottom line is that spending money on educating illegal aliens means less money and less education for the children who are here legally. This situation is unfair to the children who are lawful citizens of the United States.

If you read the fine print, Proposition 187 provides a 90-day transition period. For each child who cannot establish legal status in the United States, each school district must continue to provide education for a period of 90 days. This 90-day period must be used to provide an orderly transition to a school in the country of the children's origin.

Question: Why should school teachers be involved in the enforcement of the immigration laws?

Answer: Requiring school districts to verify the citizenship status of their students doesn't sound like a big burden to me. They have a full year to complete the verification process. It must be done by January 1, 1996. When you're facing a crisis, like the illegal immigration crisis in California, everyone has to pitch in, including the education establishment.

Question: Isn't it immoral to deny health care to anyone, including illegal aliens?

Answer: Proposition 187 would not deny emergency health care to illegal aliens.

Question: What do you think of the recent comments of Bill Bennett and Jack Kemp?

Answer: I respect their opinions, but they live in Washington and the illegal immigration crisis is here in California. The citizens of California have to live with illegal immigration every day. The INS estimates that 43% of all illegal aliens live in California. The real figure is probably even higher.

Question: We need Proposition 187 because the federal government has failed to control the nation's borders. What are you going to do to help fight illegal immigration from your position in Washington?

Answer: There are number of things we can do. First, we need to add more Border Patrol agents and start apprehending illegal aliens at the border, before they enter the country. In El Paso, the Border Patrol is running a program called "Operation Hold the Line," which emphasizes prevention of illegal entry at the border, rather than apprehension after illegal entry. This program has been successful. Second, we have to remove the job-magnet that has been such an attraction for illegal immigrants. This requires the development of a tamper-proof system to verify the eligibility of those seeking employment. The Commission on Immigration Reform has suggested a national computer registry as one way to verify work eligibility.

Next year, fighting illegal immigration will be at the top of our agenda. Our immigration point-man, Senator Simpson, is ready to go. His efforts, however, have been blocked by Senator Kennedy and other liberals.

Commission on Immigration Reform

The Commission on Immigration Reform, chaired by Rep. Barbara Jordan, recently released its recommendations to Congress. These recommendations, which are surprisingly tough, include the following:

- * supports the development of a national computer registry to verify that a social security number has been issued to someone authorized to work in the United States. (The Commission writes: "...reducing the employment magnet is the linchpin of a comprehensive strategy to reduce illegal immigration. The ineffectiveness of employer sanctions, prevalence of fraudulent documents, and continued high numbers of unauthorized workers...have challenged the credibility of current worksite enforcement efforts.")

The Administration cannot support a national computer registry. Senator Simpson, on the other hand, supports this concept.

- * illegal aliens should not be eligible for any publicly-funded services or assistance except those made on an emergency basis or for similar compelling reasons to protect public health and safety (e.g., immunizations and school lunch and other child nutrition programs) or to conform to constitutional requirements. **Note:** This recommendation is similar in concept to Proposition 187.

- * supports the strategy, now being tested as "Operation Hold the Line" in El Paso, that emphasizes prevention of illegal entry at the border, rather than apprehension following illegal entry.

D. Shea

Unfunded Mandates

November 17, 1994

MEMORANDUM TO THE REPUBLICAN LEADER

FROM: David Taylor *DT*

SUBJECT: UNFUNDED MANDATES -- The Federal Mandate Accountability and Reform Act

Senator Roth intends to move the so-called Kempthorne-Glenn-Roth bill out of Committee and to the Senate floor as soon as possible (January). Since the bill was adopted unanimously in committee last year, he sees little need to delay the process with hearings. Roth's staff director, Frank Polk, indicated that there may be some minor changes to the bill, but they would be directed at estimating the costs to the private sector of Federal legislation. He assured me that the provisions directed at state and local government costs will remain unchanged.

There may be an effort on add other, unrelated provisions to the bill -- like Congressional coverage or paperwork reduction. Roth would prefer to keep the bill clean.

You should know that Senator Hatch is trying to interject the Judiciary Committee into the process with a Constitutional amendment prohibiting unfunded mandates. I have indicated to Hatch's staff that they should be working together with Roth and Kempthorne on this issue.

Talking points and a one-page summary of the bill prepared by Senator Kempthorne's office are attached.

Attachments

LET'S BREAK THE GRIDLOCK FOR A COMMONSENSE IDEA

- The time has come for a little legislative truth-in-advertising. Before Congress votes on a piece of legislation, we need to know how it could impact the states and localities they represent. It has always been my view that if members of Congress want to pass a new law, they should be willing to make the tough choices needed to pay for it.
- I know that I'm preaching to the choir here, but unfunded mandates have become a big problem for each and every one of you. Unlike Congress, most of you are required to balance your budgets each year. Unfunded mandates force you to choose between cutting other services and raising taxes to balance your state budgets and comply with your Federally-mandated responsibilities.
 - According to a study Ohio Governor George Voinovich completed last year, unfunded mandates will cost his state \$1.74 billion from 1992 through 1995. Governor Pete Wilson has estimated that unfunded Federal mandates will cost California \$7.7 billion this year.
- President Clinton, the Governors, the State Legislators, the Mayors, and an overwhelming majority in the Senate have endorsed the Kempthorne-Glenn-Roth bill on a bipartisan basis. The bill was adopted unanimously in the Senate Governmental Affairs Committee. 88 Senators voted in favor of the bill on a procedural vote in October.
- This is a good government issue whose time has come. Republicans intend to show early on that we will work with the President where we can. The incoming Chairmen of the House (Bill Clinger) and Senate Committees have directed their staffs to work together to expedite the process on this and get it to the President's desk for signature as soon as possible.
- This is an area where Senate may move before the House.

DIRK KEMPTHORNE
IDAHO

United States Senate

WASHINGTON, DC 20510-1204

S.993, Kempthorne/Glenn Federal Mandate Accountability and Reform Act

This legislation has been unanimously approved by the Senate Government Affairs Committee. Currently, states and local governments can have unfunded mandates imposed against them without ever knowing the cost of the mandate and without a roll call vote by the Senate on the mandate's imposition. S.993 reforms this by providing unprecedented protection from unfunded mandates for state and local governments, including the following:

1. Legislation imposing mandates greater than \$50 million in any fiscal year on state and local governments can be considered by the Senate only if it:
 - o Contains a Congressional Budget Office identification, description and estimate of the cost of any mandate in the bill on state or local governments.
 - o Authorizes funds in the bill to fully pay for the cost of mandate.
 - o Identifies the funds in the bill to be used to pay for the mandate.
2. The Congressional Budget Office must consult with state and local elected officials to determine the cost of mandates on state and local governments. Federal agencies must also consult in writing federal regulations that affect state and local governments.
3. Legislation that does not meet these requirements will be blocked from Senate consideration by a point of order.
4. This point-of-order can only be overridden in the Senate by an on-the-record roll call majority vote. The Senator who wants to impose the mandate must go to the Senate floor to argue that the unfunded mandate is more important than its cost to state and local governments.
5. The authorizing bill must include payment from the Federal Government of any mandate over \$50 million dollars in any fiscal year. The entire amount of the mandate for the life of the bill must be included (not just the amounts over \$50 million).
6. The bill provides for new CBO analysis of private sector mandates over \$200 million.

This bill has been enthusiastically endorsed by: * U.S. Conference of Mayors * National Assn. of Counties * National League of Cities * National Governors Assn. * National Conference of State Legislatures * Council of State Governments * National School Boards Association * U.S. Chamber of Commerce.

Welfare Reform

November 18, 1994

MEMORANDUM FOR SENATE REPUBLICAN LEADER DOLE

FROM: Nelson Rockefeller *N.A.R.*

SUBJECT: Welfare Reform Update

Reform proposals and media coverage of the welfare debate have begun to create two different approaches to reform.

Should federal welfare reform stress:

1. a federal role that largely "mandates" prescriptive changes on recipients and the states / localities that largely administer the programs, or
2. a federal roll that turns some of the programs over to the states for reform, administration and sensible financing while maintaining appropriate federal oversight (i.e. a child support enforcement - Federal Parent Locator).

I will complete A.S.A.P a study to determine which congressional welfare reform plans fit into approach 1. and 2. above. As a general matter, some believe the Faircloth bill and the "Contract with America" welfare reform proposal are more similar to approach 1. while the Kassebaum bill and the Kohl/Grassley welfare reform bill are more similar to approach 2.

Attached please find some briefing material requested by Sheila.

Attachments

WELFARE REFORM
HIGHLIGHTS OF STATE WELFARE REFORM INITIATIVES

11-17-94

* Governors and state legislators have long taken the lead and delivered progress. They have increased self-sufficiency and moved families off of welfare.

* Across the country hundreds of reform initiatives are underway. In Washington, we are listening and learning.

=====

WISCONSIN: Governor Thompson, a pioneer in welfare reform, has made it clear in Wisconsin through state AFDC waiver approvals and state legislation that able-bodied welfare recipients must among other things (1) be required to work in exchange for cash benefits, and (2) will not be allowed to collect cash benefits for more than two years. Moreover, a total of 8 state AFDC waiver requests have been approved.

In addition, Thompson's initiatives will provide temporary cash assistance, training, child care, health care, transportation, and employment support to enable welfare recipients to work and become self-sufficient.

CALIFORNIA: Governor Wilson's office reports: as a result of the Governor's cost cutting welfare reforms state taxpayers have saved \$3.2 billion since 1991; due to reform the state system rewards people who go to work - thus, not punish them i.e. allowing recipients to keep more income before their welfare grant is reduced and by doubling the amount a welfare recipient is allowed to save; Wilson has encouraged teen-age mothers to continue their education through the Cal-Learn program and he has proposed limiting AFDC to two years for able-bodied adults; he proposes eliminating grant increases for women who have more children while on AFDC; and to reduce welfare fraud Wilson has authorized L.A. County to begin fingerprinting applicants for AFDC.

MASSACHUSETTS: Governor Weld vetoed the Massachusetts state legislature's welfare plan -- thus ending state welfare funding in eight months. The legislature has less than a year to overhaul the existing system and re-consider Governor Weld's plan -- which would end cash grants to able-bodied welfare recipients, replace them with job-supporting day care and health care, and require able-bodied recipients to go to work within 60 days. His plan would reach 50 percent of the caseload and save Massachusetts taxpayers \$70 million.

NEW JERSEY, GEORGIA and ARKANSAS: All these states opted to limit benefit increases when all welfare recipients have more children.

Learnfare waivers, which attempt to tie AFDC benefits to school attendance, have been implemented in all 13 states since January of 1992.

WELFARE REFORM
STATE REQUESTS FOR CERTAIN PROVISIONS

11-17-94

MOST COMMON TYPE OF MAJOR STATE AFDC WAIVER REQUESTS

The following waiver requests are among the most common that States have submitted. Because waiver requests need to be cost neutral, it is possible to conclude that these waivers are not entirely reflective of State priorities.

1. Resource and Asset Limits: In addition to placing limits on gross income and earnings of AFDC families, Federal law restricts the resources a family may accumulate to \$1,000, excluding the value of a home and one automobile. Federal regulation limits the value of the car to \$1,500.

Twelve states (i.e. Iowa) have received waivers that allow them to increase the resources and/or vehicle asset limit. In addition, four states have received waivers allowing them to permit recipients to open "special resource accounts" to accumulate money for specified purposes, such as education and housing.

2. Learnfare: Thirteen waivers (i.e. Wisconsin) have been granted to expand the education component of the JOBS program established in the Family Support Act. These waivers attempt to tie a family's AFDC benefit to school attendance. All waivers reduce the family's grant for failure to comply. A number of waivers remain pending.

3. Time limits: Ten states have applied for waivers that in some way limit the time recipients may receive public assistance, and many other States are engaged in pre-waiver discussions with DHHS. Seven states have received approval for variations on the time limit theme. Specific examples are: Wisconsin's "Work Not Welfare (WNW)" demonstration conducted in two counties and Florida's "Family Transition Program (FTP)" also to be in two counties.

4. Modify Earnings Disregards: Federal law requires that all income received by AFDC recipients, with certain exceptions, be counted against their AFDC grant, resulting in a dollar for dollar reduction in benefits.

To counter this and other work disincentives, twelve states have received waivers that allow them to treat earned income more liberally. This allows recipients to keep more of their earned income without a concomitant reduction in benefits.

NOTE: The status of the Kansas welfare waiver request, "Actively Creating Tomorrow for Kansas Children and Families" is still pending.

Source: **Jennifer A. Neisner, Technical Information Specialist, Congressional Research Service Education and Public Welfare Division. Document 94-183 EPW
**Mark Greenberg, Center for law and Social Policy

11-17-94

WELFARE REFORM
NEW YORK STATE INITIATIVES

GOVERNOR PATAKI:

While Pataki presented few welfare reform proposals during the campaign, he did support a State "home relief workfare" plan. It requires all able bodied "home relief" recipients to work in 90 days. This was originated and implemented quite successfully by New York State Westchester County Executive Andy O'Rourke. Mayor Guiliani also advocates for New York City this "home relief workfare" idea as implemented in Westchester County.

WELFARE REFORM MAJOR PROVISIONS -- LEGISLATIVE COMPARISON 7-18-94

WORK REQUIREMENTS

***House Republicans:** JOBS program expanded to include transition component (job search, educational training, etc.) and subsidized work component. Reduces current exemptions to half of current law. If recipients are job ready they go directly into employment or work program. At least 700,000 able-bodied recipients must be in work program within 4 years.

***Brown/Dole:** JOBS program expanded to include transition component (job search, employment voucher program, educational training, etc.) and subsidized work component. If recipients are job ready they go directly into employment or work program. To subsidize real job wages, recipients can get a voucher equal to the amount of their combined AFDC and Food Stamp benefits to trade for a job paying twice that amount. On monthly basis, AFDC recipients employer will be paid full amount of voucher for first 6 months of employment then 50% of the amount for next 6 months.

***Clinton:** Allows two years before welfare recipient is required to work. Most work will be in Government programs. Recipients will not be able to get EITC. And work requirements only applies to adults born after 1971, which exempts 80% of AFDC adults.

TIME LIMITS

***House Republicans:** Two year limit on AFDC transition benefit for adults - state option for shorter period. After three years states have option to terminate subsidized work program, which kicks in after two years of AFDC transition benefit.

***Brown/Dole:** Two year limit on AFDC transition benefit for adults - state option to reduce transition benefit to one year and the work program to one year, thus, Two Years and Off.

***Clinton:** Two year limit only on AFDC transition benefits for adults born after 1971. This applies to less than 20% of AFDC adult caseload. If recipients can't find work after two years, they are eligible for unending federally subsidized work. For certain recipients, exemptions are given to allow them to stay on longer than 2 years.

REDUCING WELFARE SPENDING - ELIMINATING UNFUNDED MANDATES

***House Republicans:** (5 year figures in billions.)

New Spending \$11.6 *** Savings \$31.1 *** Net Savings \$19.5

***Brown/Dole:** Bill paid for by cuts in existing AFDC program and will have a net saving of over \$11 billion in first 5 years.

***Clinton:** (5 year figures in billions.)

New spending \$9.3 *** Savings \$9.3 *** Net Savings \$0

The Administration primarily pays for their bill by cuts outside of the welfare system; i.e., extend expiring Superfund tax for a 5 year federal savings of \$1.6 billion.

WAIVERS / STATE FLEXIBILITY

***House Republicans:** Expands state flexibility in programs that currently have waivers by stream lining the waiver process; places no restrictions on the number of state waivers.

***Brown/Dole:** Same as House Republicans. Provides states with flexibility to pursue various proposals without going through federal waiver process.

OUT OF WEDLOCK BIRTHS / PARENTAL RESPONSIBILITY

***House Republicans:** Eliminate AFDC cash benefits for children born to unwed mothers under age 18 (unless states pass a law exempting themselves from this requirement).

***Brown/Dole:** States have option of denying AFDC cash benefits to unwed minor mothers. States can deny AFDC benefits for additional children conceived while the mother is on welfare.

***Clinton:** States will be allowed to limit additional benefits for children conceived by women on welfare.

ALIENS

***House Republicans:** Ends welfare for legal aliens except refugees in 1996, thereby saving \$21.7 billion over 5 years.

***Brown/Dole:** Illegal aliens are not eligible for welfare benefits (except emergency medical). For legal aliens, their sponsors' income is counted for determining welfare eligibility until the alien becomes a naturalized U.S. citizen. Legal aliens can only receive welfare benefits for 12 months.

***Clinton:** The Administration bill requires sponsors of legal aliens to assume more responsibility for their support, thereby saving only \$3.7 billion over 5 years and continuing welfare payments for at least a million aliens.

NOTE: ADDITIONAL REPUBLICAN LEGISLATION -- source CRS IB93034.

S. 2134 (Faircloth)

AFDC, food stamp, housing. Prohibits this aid for children of unwed mothers under age 21, bans AFDC for new baby to AFDC mother, bars non-citizens from 58 programs. Other provisions. House companion almost identical. H.R.4473/H.R.4566 (Talent).

S. 1891 (Kassebaum)

AFDC, food stamps, Medicaid. Provides for Federal assumption of Medicaid in exchange for State takeover of AFDC, Food Stamps, and WIC.

Source: 1.) Congressional Research Service
2.) House Republican memo dated June 30, 1994.

1994 Election Results

WINNERS AND LOSERS IN GOVERNORS' RACES

Here are the unofficial results of the elections for governor on Nov. 8.

ALABAMA

James E. Folsom Jr., D* 50
Fob James Jr., R 50

ALASKA†

Tony Knowles, D 41
 James O. Campbell, R 41
 John Coghill, I 13

ARIZONA

Eddie Basha, D 44
 J. Fife Symington III, R 52

ARKANSAS

Jim Guy Tucker, D 60
 Sheffield Nelson, R 40

CALIFORNIA

Kathleen Brown, D 40
 Pete Wilson, R 55

COLORADO

Roy Romer, D 55
 Bruce Benson, R 39

CONNECTICUT

Bill Curry, D 33
John G. Rowland, R 36
 Eunice Strong Groark, I 19
 Tom Scott, I 11

FLORIDA

Lawton Chiles, D 51
 Jeb Bush, R 49

GEORGIA

Zell Miller, D 51
 Guy Millner, R 49

HAWAII

Benjamin J. Cayetano, D 37
 Patricia F. Saiki, R 29
 Frank Fasi, I 31

IDAHO

Larry EchoHawk, D 44
Phil Batt, R 52

ILLINOIS

Dawn Clark Netsch, D 34
 Jim Edgar, R 64

IOWA

Bonnie Campbell, D 42
 Terry Branstad, R 57

KANSAS

Jim Slattery, D 36
Bill Graves, R 64



MAINE

Joseph E. Brennan, D 34
 Susan Collins, R 23
Angus King, I 36

MARYLAND†

Parris N. Glendening, D 50
 Ellen R. Sauerbrey, R 50

MASSACHUSETTS

Mark Roosevelt, D 28
 William Weld, R 71

MICHIGAN

Howard Wolpe, D 39
 John M. Engler, R 61

MINNESOTA

John Marty, D 34
 Arne Carlson, R 63

NEBRASKA

E. Benjamin Nelson, D 74
 Gene Spence, R 26

NEVADA

Robert J. Miller, D 53
 Jim Gibbons, R 41

NEW HAMPSHIRE

Wayne D. King, D 26
 Steve Merrill, R 70

NEW MEXICO

Bruce King, D* 40
Gary E. Johnson, R 49
 Roberto Mondragon, I 10

NEW YORK

Mario M. Cuomo, D* 45
George E. Pataki, R 49

OHIO

Robert L. Burch Jr., D 25
 George V. Voinovich, R 72

OKLAHOMA

Jack Mildren, D 30
Frank A. Keating, R 47
 Wes Watkins, I 23

OREGON

John Kitzhaber, D 53
 Denny Smith, R 41

PENNSYLVANIA

Mark Singel, D 40
Tom Ridge, R 45
 Peg Luksik, I 13

RHODE ISLAND

Myrth York, D 44
Lincoln C. Almond, R 47

SOUTH CAROLINA

Nick Theodore, D 48
 David M. Beasley, R 50

SOUTH DAKOTA

Jim Beddow, D 41
 William J. Janklow, R 55

TENNESSEE

Phil Bredesen, D 45
Don Sundquist, R 54

TEXAS

Ann W. Richards, D* 46
George W. Bush, R 54

VERMONT

Howard Dean, D 70
 David F. Kelley, R 19

WISCONSIN

Chuck Chvala, D 31
 Tommy G. Thompson, R 67

WYOMING

Kathy Karpan, D 40
Jim Geringer, R 59

Boldface denotes a new governor
Italic boldface denotes a change in party control

*Denotes a defeated incumbent

†Results not final

ALMOND, LINC - RI

RHODE ISLAND—LINC ALMOND

Sen. Dole did not campaign for Linc Almond.

Key initiatives

o Allow or expand gambling casinos or gaming:Failed in all five localities.

State Legislature

| | |
|---------|----------------|
| Senate: | 41 Democrats |
| | 8 Republicans |
| | 1 Other |
| House: | 84 Democrats |
| | 16 Republicans |

LINCOLN ALMOND

Honesty • Integrity • Character • Straight Talk



Lincoln Almond, a life-long Rhode Island resident, was born on June 16, 1936, in Pawtucket. He lived in Central Falls until 1947 when his family moved to Lincoln.

After running for Congress in 1968, Lincoln Almond was appointed U.S. Attorney by President Nixon in 1969. He remained in that position until 1978 when he became a candidate for Governor. President Reagan appointed Almond U.S. Attorney in 1981, and he served until April 1993. He emphasized enforcement in the areas of organized crime, drugs and white collar crime, including corruption.

At the age of 26, Almond was appointed Lincoln Town Administrator in 1963 to fill an unexpired term, and was elected in 1963, 1965 and 1967. As Administrator, he emphasized economic development, significant water system capital improvements to support development, and an ambitious school construction program. Concerned about conservation, he supported a program which today maintains a third of Lincoln as open space and the acquisition of water rights along several rivers, ponds and valley marshes in the area.

Lincoln Almond is President of the Blackstone Valley Development Foundation, Inc., considered the most successful private, non-profit land development organization in Rhode Island; vice chairman of the Northern Rhode Island Economic Development Partnership; a member of the Executive Committee of the Rhode Island Anti-Drug Coalition; and a moderator of the Saylesville Fire Department.

He was inducted into the Historic Central Falls Hall of Fame in 1992 – only the fourth person so honored, is a recipient of the Dorothy Lohman Community Service Award from the Rhode Island Bar Association, the John O. Stutely Distinguished Public Service Award presented by the American Society for Public Administration, and a Brotherhood Award from the Rhode Island and Southeastern Region of the National Conference of Christians and Jews.

Lincoln Almond attended Central Falls Elementary School, Lincoln Junior High, and was graduated from Central Falls High School in 1954. After earning a Bachelor of Science degree at the University of Rhode Island, he received a law degree at Boston University in 1961. At URI, he was president of Lambda Chi Alpha fraternity. He was a member of the U.S. Naval Reserve, Submarine Service, from 1953 to 1961. After law school he was admitted to the practice of law by the R.I. Supreme Court in 1962. He is also a member of the Bars of the U.S. District Court, the U.S. Court of Appeals, and the Court of Military Appeals.

In 1958, he married Marilyn Johnson of Woonsocket, a URI graduate, and they have two children. Their son, Lincoln Douglas Almond, is a graduate of URI and the University of Connecticut School of Law. Married to the former Lynn Altieri of Cranston, also a URI graduate, they have two sons. Mr. and Mrs. Almond's daughter, Amy Elizabeth, is married to Samuel Cabbage. Graduates of the University of Virginia School of Engineering. Mr. and Mrs. Cabbage reside in Maryland.

BATT, PHIL - ID

IDAHO—PHIL BATT

Sen. Dole did not campaign for Phil Batt.

Key initiatives

- o To limit government efforts to protect homosexuals from discrimination: Failed
50% to 50%
- o To impose term limits on politicians: Passed 59% to 41%

Key Campaign Issues

- o Reduce government spending
- o Opposed restrictions on gun ownership
- o Water - Batt opposed taking water from Idaho farmers and other users in order to
make more available for endangered salmon

State Legislature

| | |
|---------|----------------|
| Senate: | 8 Democrats |
| | 27 Republicans |
| House: | 13 Democrats |
| | 57 Republicans |

PHIL BATT

BRINGING PEOPLE TOGETHER

PERSONAL

- Phillip E. Batt, born March 4, 1927, at Wilder, Idaho.
- Married, Jacque Batt of Spokane in 1948.
- Three children, Bill, a Boise lawyer; Rebecca, an advertising consultant, Alaska; Leslie, a house wife and office manager, Wilder.
- Five grandchildren
- Graduate, Wilder High School
- Attended, University of Idaho, 1944-48, interrupted by two years when he volunteered for service with the Army Air Force.

PROFESSIONAL

- 1st President, Idaho Food Producers
- Member, Board of Trustees, College of Idaho
- Co-Chairman, Wilder United Charity Auction
- Past President, Idaho Hop Growers Association
- Past President, Homedale PTA
- Member, Idaho Potato Growers Commission for five years
- Member, Board of Directors of the Wilder Farm Labor Committee
- Past President, Hop Growers of America

PUBLIC SERVICE

- Elected to the Idaho State Legislature, 1965
- Two years, Idaho House of Representatives
- Fourteen years, Idaho State Senate
- Lt. Governor, 1978-1982
- Six years, Senate Majority Leader
- Two years, President Pro Tempore
- Two years as Caucus Chairman
- State Chairman, Idaho Republican Party, 1992
- Member, State Transportation Board

PUBLIC RECORD

The hallmark of Phil's legislative career is an ability to resolve complicated issues while he acts as mediator. He has a reputation as a thorough, fair legislator who has won the respect of both political parties as well as the press. Whenever the press has rated legislators, he has consistently rated among the top contenders in both houses of the legislature.

Phil served as Lt. Governor from 1978 to 1982, using the office in the capacity of ombudsman. In 1982 Phil carried the Republican banner in the Gubernatorial election. He was defeated by 4,000 votes, about a 1% margin.

On November 3rd 1992, under the leadership of Phil Batt, the Idaho Republican Party surprised Idaho Democrats with an overwhelming victory in the state legislative and federal races. The Republican message of responsibility in government was clearly presented and hammered home to the state's voters. Phil is proud of the united front the Republicans showed this past election and is grateful to all those who gave their time and energy to help pull off such a resounding Republican victory. Because of Phil's efforts, the Idaho State Republican Party broke all fund raising records. Over \$1,000,000 was raised and put to work for the election of Idaho Republicans.

Phil's most outstanding trait has been his ability to meet with diverse factions concerning important issues and to reach a productive decision. Phil is a strong fiscal conservative, who believes the private sector can do nearly anything better than the Government. He believes that Idaho's relative prosperity has been mainly due to a conservative Legislature which refrains from high taxation and over-zealous regulation. He believes that Idaho's future is unlimited and that our biggest challenge is to provide good jobs for our young people without compromising our quality of life.

PO. Box 1098 • Boise, Idaho 83701 • (208) 389-BATT • Fax: 343-3510

Phil Batt For Governor '94, Freddie Canham, Treasurer

BEASLEY, DAVID-SC

SOUTH CAROLINA—DAVID BEASLEY

Sen. Dole campaigned for David Beasley.

No key initiatives.

Key Campaign Issues

- o Voter approval for state and local tax increase
- o Crime
- o Welfare reform

State Legislature

| | |
|---------|----------------|
| Senate: | 30 Democrats |
| | 16 Republicans |
| House: | 59 Democrats |
| | 62 Republicans |
| | 3 Other |

David Beasley

for Governor

500 Rivermont Road
Columbia, South Carolina 29210
Phone: (803) 765-1994

David M. Beasley

David Beasley graduated from Lamar High School and attended Clemson University, majoring in Microbiology, a pre-medicine major. At the age of 20 and during his junior year at Clemson, where he played baseball, David ran for the South Carolina House of Representatives. After being elected to the House, he transferred to the University of South Carolina, where he received his Juris Doctorate degree from the university's School of Law.

David served as a member of the South Carolina House from 1979 through 1992. Rising quickly through the House leadership, David served as Majority Whip and was elected Speaker pro tempore of the House, as well as Majority Leader, the youngest Speaker pro tempore and Majority Leader in the United States.

He was Chairman of the Education and Public Works Committee, Chairman of the Joint Legislative Study Committee on Education, and Vice-Chairman of the Joint Legislative Committee on Children.

As Chairman of the Education Committee, he served as an Ex-Officio member of the Boards of Trustees at the University of South Carolina, College of Charleston, Francis Marion College, Lander College, Winthrop College, South Carolina State College and the Educational Television Network of South Carolina. He also served as Ex-Officio member of the Highway Commission and the Aeronautics Commission. He served on the South Carolina Mining Council and on the South Carolina Board of the Fellowship of Christian Athletes as well as many other community, civic and statewide committees.

David is married to the former Mary Wood Payne of Tuscaloosa, Alabama. They live on a farm between Dovesville and Society Hill in Darlington County. They have two daughters, Mary Hunter and Sarah Catherine, and one son, David, Jr. He is a businessman and private practice attorney in Darlington County. David is a member of Shandon Baptist Church in Columbia. His hobbies include wood-working, canoing and horseback riding.

BRANSTAD, TERRY-IA

IOWA—GOV. TERRY BRANSTAD*

Sen. Dole campaigned for Gov. Branstad.

No key initiatives.

Key Campaign Issues

- o The Family Opportunity Plan - cut income taxes by 15%, property taxes by 8% and reduce spending every year for the next four years
- o Crime and the death penalty

State Legislature

| | |
|---------|----------------|
| Senate: | 27 Democrats |
| | 23 Republicans |
| House: | 36 Democrats |
| | 64 Republicans |

BUSH, GEORGE - TX

TEXAS—GEORGE W. BUSH, JR.

Sen. Dole did not campaign for George Bush.

No key initiatives.

Key Campaign Issues

- o Decrease state spending -- Richards increased state spending from \$48 billion to \$71 billion since taking office
- o Education -- the quality has gone down considerably
- o Reduce homeowner property taxes

State Legislature

| | |
|---------|----------------|
| Senate: | 17 Democrats |
| | 14 Republicans |
| House: | 89 Democrats |
| | 61 Republicans |



GEORGE W. BUSH

George W. Bush, 48, is the Republican candidate for Governor of Texas. He is a General Partner of the Texas Rangers baseball organization. In April of 1989, Bush led a group of business partners in purchasing the Rangers from its then owner, the late Eddie Chiles. Bush was instrumental in bringing together the Rangers and the city of Arlington to build the Rangers new home, The Ballpark in Arlington.

In 1975, Bush founded and became CEO of Bush Exploration, a Midland-based oil and gas company. The company merged in 1983 with Spectrum 7 Energy Corporation. Bush ran the company until it was merged with Harken Energy Company in 1987. Today, Bush serves on the board of Tom Brown, Inc., a Midland energy company.

George W. Bush grew up in Midland and Houston. A former F-102 fighter pilot in the Texas Air National Guard, Bush holds a Bachelor's Degree from Yale University and an MBA from Harvard University. Bush ran for Congress in 1978 in West Texas and was narrowly defeated by then-Democrat Kent Hance.

Bush and his wife, the former Laura Welch, live in Dallas with their 12-year-old twin daughters, Barbara and Jenna. He and his family are active in Highland Park United Methodist Church.

Bush serves as Chairman of the Board of Hearts and Hammers, a housing rehabilitation group, and as a board member of the Kent Waldrep National Paralysis Foundation. He was most recently honored by the city of Arlington as the 1994 "Man of the Year."

8/94

CARLSON, ARNE - MN

MINNESOTA—GOV. ARNE CARLSON*

Sen. Dole campaigned for Gov. Carlson.

No key initiatives.

Key Campaign Issues

- o No new general tax increase
- o Supports term limits for elected officials
- o Need to enforce our existing gun laws (including the Brady bill)
- o Supports three-time loser legislation

State Legislature

| | |
|---------|----------------|
| Senate: | 43 Democrats |
| | 21 Republicans |
| | 9 Other |
| House: | 71 Democrats |
| | 53 Republicans |

EDGAR, JIM - IL

ILLINOIS—GOV. JIM EDGAR*

Sen. Dole did not campaign for Gov. Edgar.

No key initiatives.

Key Campaign Issues

- o Children of the State are the number one priority
- o Will not raise taxes
- o Called for an increase in state support for education
- o Respond better to the needs of abused and neglected children

State Legislature

| | |
|---------|----------------|
| Senate: | 26 Democrats |
| | 33 Republicans |
| House: | 54 Democrats |
| | 64 Republicans |

ENGLER, JOHN - MI

MICHIGAN—GOV. JOHN ENGLER*

Sen. Dole did not campaign for Gov. Engler.

No key initiatives.

Key Campaign Issues

- o Cut property taxes
- o Fund schools through a sales tax
(This initiative failed before the election)

State Legislature

| | |
|---------|----------------|
| Senate: | 16 Democrats |
| | 22 Republicans |
| House: | 54 Democrats |
| | 56 Republicans |

GERINGER, JIM - WY

WYOMING—JIM GERINGER

Sen. Dole did not campaign for Jim Geringer.

No key initiatives.

Key Campaign Issues

- o Ensure accountability in government
- o Opposes a state income tax
- o Education
- o Protect Wyoming's natural resources
- o Water rights - water means economic growth
- o Land use - multiple use means survival for the economy
- o Crime control

State Legislature

Senate: 10 Democrats
20 Republicans
House: 13 Democrats
46 Republicans
1 Other

Jim Geringer
Candidate for Governor
P.O. Box 48
Cheyenne, WY 82003
307.634.0243

ELECTION-STATUS: Running

PARTY: Republican

OFFICE: State Senator, Senate District 3

TERM: 2nd Term

BIRTHDATE: April 24, 1944

SEX: Male

RELIGION: Lutheran

RACE: Caucasian

SPOUSE: Sherri

OCCUPATION: Farmer

EDUCATION: B.S. Mechanical Engineering, Kansas State University

MILITARY SERVICE: U.S. Air Force 1967-77, U.S.A.F. Reserves 1977-1991

RANK: Lt. Colonel

BIOGRAPHY:

JIM GERINGER, Republican, of Wheatland, WY; born in Wheatland, WY, on April 24, 1944; Education, graduated Wheatland High School; B.S. (Mechanical Engineering), Kansas State University, Honors: Blue Key, Sigma Tau, Phi Tau Sigma; Military, Air Force, Lt. Colonel, Awards: Meritorious Service Medal, Oak Leaf Cluster, Air Force Commendation Medal, Air Force Outstanding Unit Award, Air Force Organizational Excellence Award, North American Aerospace Defense Award; Business, Farmer, 1987, Holly Sugar Company Top Sugar Beet Producer; Family, married to Sherri; five children: Jenny, Val, Rob, Meri, and

Beckie; Elected office, elected to Wyoming House in 1982, re-elected two times; elected to Wyoming Senate 1988, re-elected 1992.

WYOMING COMMITTEE ASSIGNMENTS:

- Agriculture
- Public Lands
- Water Resources
- Public Lands and Water Resources
- Labor
- Health and Local Services
- Mines
- Minerals and Economic Development
- Select Water Committee
- Management Audit Committee Chairperson
- Senate Appropriations Chairperson
- Joint Appropriations Co-Chairperson
- Senate Judiciary Chairperson
- Joint Reorganization Council

NATIONAL COMMITTEE ASSIGNMENTS:

- National Conference of State Legislators
- Technology and Communication (Vice Chairman)
- Criminal Justice Committee
- Commerce Committee
- Tax and Fiscal Committee

GRAVES, BILL - KS

KANSAS—BILL GRAVES

Sen. Dole campaigned for Bill Graves.

No key initiatives.

Key Campaign Issues

- o Control government spending
- o Provide excellent public education
- o Health insurance - state initiatives over Federal mandates
- o Crime prevention
- o Supports term limits for all elected officials

State Legislature

| | |
|---------|----------------|
| Senate: | 13 Democrats |
| | 27 Republicans |
| House: | 44 Democrats |
| | 81 Republicans |

GRAVES★FRAHM

Governor '94

Bill Graves

A native Kansan, Bill grew up in Salina in the family business, Graves Truck Line, where he worked in every aspect of the company, from loading docks to management. He graduated from Kansas Wesleyan University and studied business administration at the University of Kansas. Bill has maintained his roots in central Kansas where his family remains active in farming, banking and real estate.

Bill began his public service as Deputy Assistant Secretary of State and was appointed Assistant Secretary in 1985. Bill has served Kansas since 1987 as Secretary

State and has held leadership positions with the National Association of Secretaries of State. He is also on the board of the Information Network of Kansas, a public-private partnership created to provide access to government records.

Involved in civic and community activities, Bill has served on the executive committee of the Jayhawk Area Council of the Boy Scouts of America and is a member of the board of trustees for Kansas Wesleyan and the board of the Sunflower State Games. He is a member of the Kansas Chamber of Commerce & Industry and the Kansas Cavalry, and is an alum of the 1985 class of Leadership Kansas.

Bill's wife, Linda, was born in Topeka and received her law degree from Washburn University. She practices law in Kansas City.

Sheila Frahm

A fourth generation Kansan from Colby, Sheila is a Kansas State Senator and the first woman elected Senate Majority Leader. She serves on the Legislative Coordinating Council, State Finance Council, and the Senate Education and Agriculture committees.

A leader in education, Sheila served on the Kansas State Board of Education for three years, and was elected chair of both the Colby Board of Education and the Northwest Kansas Educational Service Center Board during her seven year term.

Sheila and her husband, Ken, raise corn and wheat on their farm near Colby and are members of the Kansas Corn Growers, Kansas Wheat Growers, the Kansas Livestock Association, and the Kansas Farm Bureau.

Sheila attended Colby public schools, graduated from Fort Hays State University with a business degree, and studied education and child development at the University of Texas at Austin. The Frahms have three daughters and one son-in-law.

NOT PRINTED OR DISTRIBUTED AT TAXPAYER EXPENSE

Kansans for Bill Graves ★ P.O. Box 101 ★ Topeka, KS 66601-0101 ★ 913/273-1763 ★ Fax 913/273-5019

JAMES, FOB - AL

ALABAMA—FOB JAMES, JR.

Senator Dole campaigned for Fob James.

No key initiatives.

Key Campaign Issues

o Crime

- As Governor, James revised the Alabama Criminal Code making it one of the toughest in the U.S.
- Health care reform (opposed to the Clinton plan)

o Economic development

State Legislature

| | |
|---------|----------------|
| Senate: | 23 Democrats |
| | 12 Republicans |
| House: | 75 Democrats |
| | 30 Republicans |

FOB JAMES

Biographical Sketch

Born: September 15, 1934, in Lanett, Alabama.

Residence: Magnolia Springs, Alabama.

Family: Married 39 years to the former Bobbie Mooney of Decatur. They have three sons: Fob III, a Birmingham attorney, Tim and Patrick, Greenville businessmen; and six grandchildren. Another son, Greg, died of cystic fibrosis in 1967 at the age of eight.

Education: Attended public school in Lanett; later at Baylor Military in Chattanooga. Earned a B.S. degree in civil engineering at Auburn University, where he was selected as an All-American halfback on the Auburn Football Team.

Occupation: Founded Diversified Products, Inc., an athletic equipment company in Opelika in 1962. The company ultimately employed 1,500 people. Served as Governor of Alabama, 1979-1982. He also was part owner of Orange Beach Marina for several years. He is CEO of Coastal Erosion Control, Inc., a company developing methods to prevent coastal erosion on the Eastern Seaboard. He is CEO of Escambia County Environmental Corp., which develops state of the art disposal facilities for nontoxic solid waste materials.

ACCOMPLISHMENTS AS GOVERNOR: The Fob James record as governor clearly reflects honesty, integrity, efficiency and effectiveness at the highest levels.

Education: Governor James fought and won his "War on Illiteracy" which resulted in Alabama's public school children meeting and exceeding the CAT national average test scores for the first time ever in 1981. He raised teacher salaries by 16 percent in 1980, and 15 percent in 1982, for a total of 31 percent in a three year period.

Industrial Development: Governor James successfully resisted the national trend of the disastrous Jimmy Carter economy by generating \$8.9 Billion capital investment in new and expanding industry, thus creating 72,356 new jobs. United States Steel, General Motors, General Electric and GoldStar Electronics are only a few of the premier industrial giants that chose Alabama as their new home during the James Administration.

Crime: Governor James revised Alabama's Criminal Code and made it one of the toughest in the nation, built three 1,000 inmate prisons to house dangerous criminals and legalized the death penalty in Alabama.

Health: Governor James inherited a bankrupt state Medicaid Program \$34 million in debt and turned it into a financially sound operation with a \$7 million surplus.

The Elderly: Governor James kept his promise and removed the sales tax on prescription drugs for our citizens age 65 and over.

Fob James Biographical Sketch

Page 2

Public Works Improvements: Governor James' business experience and foresight paid off tremendously when he introduced legislation establishing the Heritage Oil Trust Fund. The trust generated enough interest income to fund a bond issue that resulted in the largest capital improvements project in Alabama history. As a result of Governor James' program \$657 million was invested in education, highway and road construction and crime prevention. Today, the principal amount of some \$.5 Billion remains in trust for future generations of Alabamians.

State Budgets Process: "Why should we accept failure in the budgetary process when it is within our power to improve the way we spend the tax dollars taken from the hard earned paychecks of over one million Alabamians?" After posing that question to the legislature, Governor James took forceful and skilled action in implementing passage of the "budget isolation amendment" to the state constitution. That action required the legislature to approve the state's budgets as its first official action before any other bills could be acted on. This forced budget approval in the light of day rather than during the midnight hour on the last day of the session when the public and many legislators were unaware of how tax dollars were being spent.

Environment: Governor James created the Alabama Department of Environmental Management to oversee the protection of Alabama's air, water and land.

Housing: Governor James created the Alabama Housing Finance Authority and as a result affordable financing has been provided for over 32,000 Alabama homes.

School Prayer. Governor James fought and won in Federal Court for the right of Alabama's children to pray in public schools.

Governor James' approach to running state government has always been and will continue to be based on the four cornerstones of honesty, integrity, efficiency and effectiveness.

JANKLOW, BILL - SD

SOUTH DAKOTA—BILL JANKLOW

Sen. Dole campaigned for Bill Janklow.

Key initiatives

o To allow or expand gambling casinos or gaming: Passed 53% to 47%

State Legislature

| | |
|---------|----------------|
| Senate: | 16 Democrats |
| | 19 Republicans |
| House: | 24 Democrats |
| | 45 Republicans |
| | 1 Other |

Short Biography of
WILLIAM J. JANKLOW
GOVERNOR OF SOUTH DAKOTA
1979-1987

In the last quarter of the 20th Century, South Dakota remained the most agriculturally dependent state in the nation, and farmers continued to contend with declining prices. William J. Janklow, the state's 27th governor, made significant strides in reducing South Dakota's dependence on agriculture. He and other leaders met the farm crisis head on while the nation faced unprecedented deficit. In 1985, Governor Janklow and the state legislature journeyed to Washington to plead the case of American agriculture.

This effort to lobby the nation's leaders on their own ground expressed the spirit of Bill Janklow. His administration brought new excitement and strength to the gubernatorial office. The man, who in his younger years had questioned authority, established a dominating presence on the State House.

His youth differed sharply from that of preceding governors. The second of six children born to Arthur and LouElla Janklow, Bill was born in Chicago, IL, Sept. 13, 1939. After World War II, Arthur Janklow took his family with him to Occupied Germany. A career army man and an attorney, he served as a prosecutor at the Nuremburg War Crimes Trials. Following his father's death in 1950, Janklow's mother moved the family in 1955 to her hometown of Flandreau, SD.

Bill enrolled in Flandreau High during his sophomore year and in his words, "began raising a lot of hell." His defiant and restless nature led to several encounters with authorities, and he quit school and in the fall of 1956 joined the U.S. Marine Corps. "I entered the Marines as a smart-aleck boy and was honorably discharged as a man," Janklow said, convinced that his military service (1956-1959) was the best thing that could have happened to him.

He returned and married his high school sweetheart Mary Dean Thom on Sept. 3, 1960. That fall he enrolled at the University of South Dakota. When startled university officials discovered that he did not have a high school diploma, they wanted to dismiss him. Janklow persuaded them to let him prove himself during the semester. No one complained about his lack of credentials after that time.

After receiving a B.S. degree in business administration in 1964, Janklow enrolled in the School of Law at USD. He graduated eighth in a class of 30, receiving his J.D. degree in 1966. The Janklow's one son, Russell was born in

1963 and Pamela was born shortly after Bill's graduation. These family responsibilities led bill to take a temporary job as a legal aide lawyer on the Rosebud Indian Reservation.

What he assumed to be a temporary position developed into a six and a half year residence at Mission, SD where his third child, Shonna, was born in 1970. Janklow served as Chief Legal Officer for the South Dakota Legal Services System on the Rosebud Reservation between 1966 and 1973. He compiled an outstanding record as a legal aide and generated considerable respect and support in the Indian community. In 1973, he left the reservation to begin a private law practice in Pierre.

As one of the few lawyers in the state who had the respect of most Indian people, Janklow was asked by Democratic Attorney General Kermit Sande to prosecute elements of the American Indian Movement involved in a 1973 Custer riot. He won several indictments and accepted the duties of the state's chief prosecutor. In June, 1974, state Republicans drafted him as their candidate for attorney general.

Janklow scored a landslide victory over the incumbent attorney general after the race had deteriorated into what many observers believed to be a mudslinging campaign on Sande's part. The campaign ended with a false rape allegation against Janklow that later resulted in protracted lawsuits against Newsweek magazine and Viking Press. Janklow ultimately won 66.7 percent of the vote, the largest margin of victory in the state's history of attorney general elections. The following year, federal investigators and a congressional committee further substantiated that the rape accusations were unfounded.

Janklow won two landmark decisions from the United States Supreme Court. He reversed an increasing crime rate, cracked down on welfare fraud and drug abuse, created an economic crime unit to fight white collar crime, and improved the state's investigative agency. However, his relationship with the Native American community reached a low point in the mid-1970's as he continued to prosecute the American Indian Movement leadership for prior acts of violence.

Based on his overall achievements, Republicans urged him to run for governor in 1978, and he won over 50 percent of the primary vote. In November he also prevailed over Democratic opponent Roger McKellips with over 56 percent of the vote. Janklow took his oath of office at 12:01 a.m. Jan. 1, 1979. Implementing his promise to put the taxpayer first, the new governor immediately ordered a hiring freeze that over eight years reduced the state work

force by almost 10 percent. He also introduced compensation based on merit, decreased travel by state workers, eliminated 50,000 square feet of privately leased space in Pierre, and saved other tax dollars through the use of technology.

Soon after taking office, the Governor moved to solve problems at the state-owned cement plant. Previous problems cost the state between \$70 and \$80 million in lost income from 1976 to 1979. After management changed at the plant, a new era of profitability saw the business generate over \$91 million for the state treasury between 1979 and 1986.

The abandonment of railroads in South Dakota reached a critical stage in the late 1970's. The Milwaukee Railroad, which operated over 1424 miles of the 2988 miles of railroad track in the state verged on bankruptcy. A study indicated that abandonment of these tracks would cost farmers more than \$30 million in lost grain sales and create a \$500 million highway repair problem due to the subsequent increase in heavy truck traffic.

Gov. Janklow hired former Yankton mayor James Myers to assist in solving the problem. The 1979 Legislature adopted the administration concept of developing a core rail system and abandoning nonessential track. Janklow moved to secure a private company to operate on state-owned tracks, and Burlington Northern railroad president, Richard Grayson, joined in the venture. The 1980 Legislature established a South Dakota rail authority and added an extra penny to the state's sales tax to purchase track and support the rail system.

Gov. Janklow also made changes in the administration of the highway system. In 1979 he formed a 10-person transportation commission to depoliticize the highway work-selection process. He also implemented a study system that ranked all proposed projects according to 10 objective criteria. The Janklow administration spent more than \$680 million for the construction and resurfacing of main roads. The Governor also resolved the "billboard dispute" with the federal government over compliance with the Highway Beautification Act. With this resolution, the state was assured of receiving federal highway funds which had often been withheld since the 1960s because of the disagreement.

In water development, Janklow urged opposing factions to cooperate and proposed a list of water project priorities which the 1981 Legislature approved and authorized. By the summer of 1986, seven of the top projects were completed or well underway. The \$75 million James River Improvement Program was one of the most ambitious.

The water project that created the most sound and fury for several years was that of Energy Transportation Systems Incorporated (ETSI). ETSI was created in 1973 to build a coal slurry pipeline from Wyoming to Arkansas and other southern states. Gov. Janklow's negotiations with ETSI brought over \$5.2 million in payments into the state before ETSI abandoned the project in July 1984.

When Bill Janklow took office Jan. 1, 1979, 21 percent of the state's personal income came directly from agriculture. Six years earlier South Dakota had ranked 21st in per capita income among the states, but drought, farm policies, interest rates, inflation and energy costs forced per capita income to 40th in the nation by 1980. In addition to an immediate five percent cut in spending, Governor Janklow continued the effort of his predecessors to diversify the state's economic base. Recognition of the state's positive business climate came from a surprising source, Citibank of New York.

Moving to a state with a more favorable interest rate was possible for Citibank, but authorization from another state's legislature had never occurred in the 24-year history of the federal Bankholding Act. Janklow proposed the change in South Dakota law, and Citibank guaranteed 300 new jobs for the state. By 1986 Citibank had built three buildings in Sioux Falls at a cost of more than \$80 million. Over 2500 people worked there with an annual payroll of more than \$50 million going into the local and state economy. Other banks followed and together the new banks created a \$46.8 million increase in bank franchise taxes paid into the state treasury from 1983-1986.

A verbal war between Governor Rudy Perpich of Minnesota and Governor Janklow further stimulated national interest in South Dakota's business climate. The battle of words escalated, and well into 1983 the two men argued about which state had the best business atmosphere. The national media featured the verbal contest and provided an excellent opportunity for Janklow to publicize the state. Governor Janklow also continued earlier efforts to bolster one of the state's leading revenue producers, tourism. As of 1984, over 13 percent of all taxable sales came from tourism-related business.

Hoping to further assist beleaguered farmers, the Governor hosted two Taiwanese grain-buying delegations and started the Rural Renaissance program to assist farmers and ranchers forced to leave the land. Janklow created an international incident with Canada in 1985 when he banned the importation of hogs from foreign countries that allowed the use of chloramphenicol. In February 1985, he accompanied state legislators to Washington to lobby Congress on behalf of South Dakota farmers.

The 1985 Legislature also enacted Janklow's educational package that restructured elementary and secondary education and provided for the largest increase in state aid to education in South Dakota's history. In higher education, Janklow signed a reciprocity agreement with Minnesota that enabled students to attend schools in either state at less cost. He proposed a change in status for campuses at Madison and Springfield, colleges less than 55 miles away from state-supported universities. The Legislature approved plans for the Madison campus and plan to phase in a new computer curriculum began fall of 1982.

Janklow's proposal to change the Springfield campus to a minimum security prison created intense debate and dispute. When the Legislature approved the change, the school was renovated to house nearly 400 inmates.

Cost effective social programs were also part of Janklow's agenda. Residential apartment centers increased from 38 to 56 units, and non-institutionalized physically and mentally handicapped recipients grew from 705 to 1173 between 1979 and 1986. In 1983 Janklow and Attorney General Mark Meierhenry launched a program designed to reduce the physical abuse suffered by women and children. In addition, new procedures were adopted to facilitate the adoption of handicapped and older children.

Throughout his tenure, Janklow worked to create better relations between Indian tribes and state government. He implemented many joint agreements with Native Americans that enabled them to better manage their own affairs. Several tribes obtained hunting license, tax collection, cross-deputizings and criminal extradition agreements with the state. A joint training program helped tribal employees do a better job in government and in managing wildlife resources.

In the fall of 1982, Bill Janklow campaigned for re-election and recorded the highest margin of victory in South Dakota's gubernatorial races by securing 70.9 percent of the vote. In the final year of his tenure, Governor Janklow announced that he would be a candidate for the U.S. Senate in 1986. He lost the June 1986 primary to Senator Jim Abdnor who won with 55 percent of the vote.

In the midst of the politicking, the farm economy continued to deteriorate. More than 500 farmers filed for bankruptcy in 1986, and Janklow's final speech to the joint Legislature, he ordered a one percent across-the-board reduction in state spending for 1987. South Dakota's greatest challenge in the last years of the 20th century would be the need to further diversity its economic base.

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JANKLOW FOR GOVERNOR

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While concerned with the state's present and future, he did not forget its heritage. Restoration of the Capitol in Pierre took place during his administration. Janklow looked forward to South Dakota's 100th year of statehood by appointing the South Dakota Centennial Commission in 1985, and the Legislature approved the building of a Centennial Cultural Heritage Center in Pierre.

By mixing some of the old populist spirit with rational conservatism, Janklow had no tolerance for bureaucratic evasiveness and delays in implementing policy. He was an aggressive and strong chief executive who had both supporters and critics, but all agreed that he accomplished the goals.

Nationally and in the region, the media regularly chronicled Janklow's outspokenness. People came to know the state and the governor. But his most significant accomplishments arose from quiet negotiations. He established a core rail system, brought national banking companies to the state and the ETSI water agreement, saved the state railroads, and bolstered the agricultural climate. He improved the state's business climate in many other ways, increased state aid to education, and radically reduced state government costs. He also took the first necessary step to reduce the number of public colleges and universities within the state.

The Janklow years were exciting and productive years. He spoke unabashedly of the advantages of South Dakota and gave its citizens a new sense of pride. Always an advocate who disdained hypocrisy, he concluded his second term by saying that he wanted to be remembered for believing in what he did. In 1994, as he seeks an unprecedented third term as governor, Janklow continues to ask a question for which he is noted, "How can you fight too hard for South Dakota?"

JOHNSON, GARY - NM

NEW MEXICO—GARY JOHNSON

Sen. Dole did not campaign for Gary Johnson.

No key initiatives.

Key Campaign Issues

- o Repeal the gross receipts tax on services
- o Reduce the personal income tax
- o Will promote the repeal of Gov. King's gas tax, taxes on food and taxes on medicine
- o Loosen restrictions on investment tax credits
- o Reward businesses for including workers in profit-sharing plans
- o Opposes an increase in grazing fees
- o Supports a mandatory five year sentence for a crime involving a firearm
- o Supports more police on the streets

State Legislature

| | |
|---------|----------------|
| Senate: | 26 Democrats |
| | 15 Republicans |
| | 1 Other |
| House: | 46 Democrats |
| | 24 Republicans |

JOHNSON

FOR GOVERNOR

Gary Johnson - Candidate for Governor

Personal Biography

Gary and Dee Johnson have always been leaders in New Mexico. They built a door to door construction business into one of the largest construction companies in the state, have taken active roles in civic and educational organizations, and have been active on the athletic fields. They would like to see the lives of all New Mexicans improve. This is the reason that Gary has decided to run as a Republican candidate for Governor. Gary announced his candidacy for Governor in August of 1993. "It is my conviction that the needs of most New Mexicans are being ignored by a state government that is unresponsive, over-staffed and inefficient. Worse, while the quality of government is going down, taxes continue to go up", Gary said at that time, "I want to change New Mexico's government, that is why I am running for Governor."

Gary attended public schools in the Albuquerque area, and graduated from the University of New Mexico in 1975 at the age of 22 with a degree in Political Science. He started in the construction business in 1974 at the age of 21 by passing out leaflets door to door soliciting construction and remodeling jobs. He married Dee Simms in 1976 and they are the parents of two children, Seah, age 14, and Erik, age 11.

Gary and Dee founded Big J Enterprises in 1976. Big J offers plumbing, electrical, mechanical and general contracting services. Together, Gary and Dee have built Big J into the largest company of its kind in New Mexico. Big J built and moved into its current facility in 1990, and currently employs more than 700 people.

Dee was born and raised in the state of New Mexico. She received a degree in Education from the University of New Mexico in 1974. She has been actively involved in building Big J Enterprises since it was founded in 1976. Currently, she works as benefits coordinator for Big J. Dee is also an active volunteer in many Albuquerque Public School and youth athletic programs.

Gary Johnson is also a civic minded citizen. Gary currently serves as a member of the Board of Directors of the Greater Albuquerque Chamber of Commerce. He is a member of the Advisory Board of the Anderson Schools of Management's Center for Entrepreneurship and Economic Development at the University of New Mexico. He is a member of the Board of Directors of the South Region Alternative High School Parent, Teacher and Student Association Group, and he also serves as Assistant Scout Master in Troop 444.

Many New Mexicans know Gary Johnson for his athletic achievements and his promotion of youth and adult athletics. Through Big J, Gary's sponsorship of teams and programs ranges from soap box derby cars, wrestling teams, karate tournaments to basketball, softball and soccer teams. Big J also sponsors the annual Big J Enterprises Duathlon Championship, and Gary is a nationally ranked triathlete in his age group. He has competed in hundreds of athletic competitions in New Mexico since 1980. Recently, Gary took first place in the 1993 Bump, Bike & Bolt competition in Taos, New Mexico, and he competed in the Iron Man Triathlon in Hawaii in October, 1993. He successfully climbed Mt. McKinley in May of 1993.

Whether as a businessperson, citizen, or athlete, Gary Johnson has always tried to lead the field. In 1994, with your help, he would like to lead New Mexico.

KEATING, FRANK-OK

OKLAHOMA—FRANK KEATING

Sen. Dole campaigned for Frank Keating.

No key initiatives.

Key Campaign Issues

o Crime

- Violent crimes have increased in OK by 50% since 1984
- Violent criminals should receive no pardons, no commutations and no toleration

o Tax cuts to stimulate business and create jobs

o Workers compensation reform

State Legislature

| | |
|---------|----------------|
| Senate: | 35 Democrats |
| | 13 Republicans |
| House: | 65 Democrats |
| | 36 Republicans |

KEATING

GOVERNOR

STATE HEADQUARTERS

P.O. BOX 20827

OKLAHOMA CITY, OK 73156

FOR MORE INFORMATION PLEASE CONTACT: RICK BUCHANAN
405-843-5700

FRANK KEATING: A PERSONAL PERSPECTIVE

A leader of national standing, Frank Keating's distinguished career began as an FBI agent, where he investigated new left terrorist activities, bombings and bank robberies on the west coast.

Then continuing his crusade against crime, Frank returned to his hometown of Tulsa to work as Assistant District Attorney.

In 1972, he headed for the State Capitol, where he served in both the Oklahoma House of Representatives and the Oklahoma Senate. During his legislative tenure, Frank was widely recognized as a reformer and a tough advocate of strong law enforcement policies.

Later, Frank served as the U.S. Attorney for the Northern District of Oklahoma and as National Chair of the United States Attorneys.

In 1986, he was asked by President Reagan and, subsequently, by President Bush to serve as the highest ranking Oklahoman in both administrations.

During his stay in Washington, Frank supervised over 100,000 employees while he served in three important posts – first as Assistant Secretary of the United States Treasury, where he directed the U.S. Customs Service, the Secret Service, and the Bureau of Alcohol, Tobacco and Firearms; then, as the Associate Attorney General, where he presided over the U.S. Prison System, the U.S. Marshals, the Immigration and Naturalization Service and all 94 U.S. Attorneys.

Most recently, Frank served as General Counsel and Acting Deputy Secretary of the Housing and Urban Development under Secretary Jack Kemp, where he spearheaded the widely praised clean-up of HUD. Frank and his wife Cathy have three children, Carrie, Kelly and Chip.

MERRILL, STEVE - NH

NEW HAMPSHIRE—GOV. STEVE MERRILL*

Sen. Dole did not campaign for Gov. Merrill.

No key initiatives.

Key Campaign Issues

- o Taxes
- o Economy
- o Jobs

State Legislature

| | |
|---------|-----------------|
| Senate: | 6 Democrats |
| | 18 Republicans |
| House: | 113 Democrats |
| | 285 Republicans |
| | 2 Other |

PATAKI, GEORGE - NY

NEW YORK—GEORGE PATAKI

Sen. Dole campaigned for George Pataki.

No key initiatives.

Key Campaign Issues

o Crime

- The violent crime rate in NY is 48% above the national average
- Supports death penalty

o Taxes/ jobs

- NY is second (only to Alaska) in combined state and local tax burden

During the national recession, NY lost 272,000 jobs, more than any other state

State Legislature

| | |
|---------|----------------|
| Senate: | 25 Democrats |
| | 36 Republicans |
| House: | 94 Democrats |
| | 56 Republicans |

GEORGE E. PATAKI

AGE: 48 - Born on June 24, 1945 in Peekskill, New York
MARRIED: Elizabeth (Libby) Rowland
CHILDREN: Emily, 14; Teddy, 11; Allison, 9; George Owen, 6.

POLITICAL EXPERIENCE:

MAYOR: City of Peekskill, Westchester County (1982-1984):

Defeated 3 term incumbent Mayor and was elected youngest Mayor in the City of Peekskill's history.

Re-elected November 1983 with 76% of the vote, largest plurality in City's history.

During tenure, City of Peekskill received "Municipal Planning Federation Award" for Innovative Development Programs in converting tax exempt properties to taxable housing - 1983.

Stabilized the tax rate - only 1.99% increase 1984.

The City had had virtually no new housing, commercial or individual development in the preceding six years. While Mayor, the City opened the Charles Point Industrial Park (now the site of over 350,000 square feet of industrial/commercial space), opened the Charles Point Resource Recovery Plant and granted approvals for over 1,000 units of new housing.

STATE ASSEMBLY 91st A.D. (1985-1992):

Elected to the New York State Assembly - November 1984, November of 1986, November of 1988 and again in 1990. Sworn in January 1985. Represented parts of Westchester, Orange, Rockland and Putnam Counties.

Ranking Minority Member, Assembly Environmental Conservation Committee 1987 - 1990.

Ranking Minority Member, Assembly Education Committee 1991-1992.

Named "State Legislator of the Year" in 1989 by the Environmental Planning Lobby, a coalition of more than 100 New York environmental groups.

Named "Conservative of the Year" in 1988 by the Westchester County Conservative Party.

Appointed to the Hudson Valley Greenway Council in 1989.

Named "Friend of the Taxpayer" by the taxpayer advocacy group Change New York.

STATE SENATE 37th S.D. (1993-Present):

Elected to the New York State Senate - November 1992.
Sworn in January 1993.

Chairman, Senate Ethics Committee.

Called an "Environmental Champion in the State Senate" in 1993 by the New York State League of Conservation Voters Education Fund.

Rated top State Senator for performance by the New York State Conservative Party in 1993.

REPUBLICAN PARTY:

Chairman, Peekskill Republican City Committee 1977 - 1983.

Member, New York Republican State Committee 1980 - 1985.

Member, Peekskill Republican City Committee 1974 - Present.

Upstate Campaign Coordinator, Committee to Elect Governor Wilson 1974.

Advanceman, Friends of Rockefeller Team, 1970.

EDUCATION:

Columbia University School of Law, J.D. 1970
Member, Board of Editors - Columbia Law Review

Yale University, B.A. 1967
Recipient, Westchester Alumni Scholarship
Ranking Scholar, second semester junior year

Peekskill High School, 1963; Salutatorian and Sr. Class President.

PROFESSIONAL:

Associate, Law Firm of "Dewey, Ballantine, Bushby, Palmer & Wood" 1970 - 1974.

Partner, Law Firm of "Plunkett & Jaffe, P.C."
New York City, White Plains, Albany, and Peekskill
1974 - 1987.

Co-proprietor (with father Louis Pataki and wife Libby Pataki)
"Pataki Farm" Peekskill, New York.

LEGISLATIVE COMMITTEE ASSIGNMENTS

SENATE: 1993 - 1994

ETHICS, Chairman

ENVIRONMENTAL CONSERVATION

HOUSING AND COMMUNITY DEV.

SOCIAL SERVICES

BANKS

CODES

ASSEMBLY: 1987 - 1990

WAYS AND MEANS

ETHICS

ENVIRONMENTAL CONSERVATION
(Ranking Minority Leader)
LABOR

ASSEMBLY: 1991 - 1992

WAYS AND MEANS

ENVIRONMENTAL CONSERVATION

LABOR

EDUCATION
(Ranking Minority Member)

ASSEMBLY: 1985 - 1986

EDUCATION

WAYS AND MEANS

JUDICIARY

GOVERNMENT OPERATIONS
(Ranking Minority Member)

RIDGE, TOM - PA

PENNSYLVANIA—TOM RIDGE

Sen. Dole campaigned for Tom Ridge.

No key initiatives.

Key Campaign Issues

- o Hold down taxes
- o Reduce government regulation and red tape
- o Crime
 - Putting the rights of victims first
 - Impose the death penalty
 - Reform PA lenient juvenile justice system
 - Make schools safer
- o Lobbyist reform

State Legislature

Senate: 20 Democrats
 29 Republicans
 1 Other

House: 101 Democrats
 102 Republicans

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94 RIDGE

FOR GOVERNOR

TOM RIDGE

REPUBLICAN CANDIDATE FOR GOVERNOR

A LEADER TO PUT PENNSYLVANIA FIRST

A courageous and independent, yet compassionate, voice for western Pennsylvania, U.S. Congressman Tom Ridge (R) has been described as using "a different brand of political power"¹ to enact legislation which has bettered the communities of western Pennsylvania and the lives of its citizens.

Tom Ridge is a high profile Pennsylvania leader, who has earned state-wide and national acclaim for his legislative and political abilities. Ridge has represented western Pennsylvania's third largest city, Erie, and surrounding communities in the U.S. House of Representatives for the past ten years. The congressional district he represents has often been described as a microcosm of the Commonwealth.

From his modest political beginning in 1982, Tom Ridge has handily won reelection to the House in five subsequent elections, garnering no less than 65 percent of the vote in a predominantly Democratic district.² Ridge is now recognized as a Republican leader with great appeal and strength in Republican and Democratic households. In the past three elections where he has faced opposition - 1986, 1988 and 1992 - he has won by 81 percent, 79 percent and 67 percent respectively.

The respect that Tom Ridge has earned from his western Pennsylvania constituents is matched only by the respect which his House colleagues, Democrats and Republicans alike, have for his efforts. One colleague asserted, "If you had to choose someone to be in a foxhole with, he'd be the guy."³

Northeast International Business, a regional trade publication, recognized Tom Ridge's efforts, calling him, "one of the few legislators we've heard of who is willing to stick his neck out and call a spade a spade."⁴

Tom Ridge grew up and was educated in Erie. He, his wife, Michele, and their young son and daughter continue to make their home there. Ridge was born in Pittsburgh's Steel Valley community of Munhall in 1945, where some of his family still resides.

Tom Ridge's mother, a Republican Committeewoman, and his father, a lifelong Democrat, instilled in him the principles of hard work and integrity, and the value of an education. Ridge lived his earliest years in a veterans'-assisted public housing project. Today, his mother, Laura Ridge, still lives in the house where he spent the latter part of his childhood.

Tom Ridge earned an academic scholarship to Harvard College. He graduated with honors and a degree in government studies in 1967.

Tom Ridge is a decorated Vietnam veteran. He has the distinction of serving as the first Vietnam veteran in the House of Representatives who was inducted as an enlisted man in the U.S. Army. He was drafted after completing his first year at Dickinson Law School in Carlisle, Pennsylvania. Called to duty in Vietnam, Ridge served in-country between 1969 and 1970 as a staff sergeant. His bravery on duty earned him the Combat Infantry Badge, the Bronze Star Medal, the Vietnam War Veteran, and the Vietnamese Cross of Gallantry.

Tom Ridge returned to Dickinson Law School, where he completed his law degree in 1972. From there, he returned to Erie to practice law and to serve as an Assistant District Attorney. He also devoted his time and efforts to the betterment of his community, serving on the Board of Directors of the St. Mary's Home, a home for the elderly, and the Greater Erie Community Action Committee, a non-profit agency that serves many of the community's neediest individuals.

"Guided by the values of empathy and ethics," Tom Ridge has translated his concerns for the diversity of western Pennsylvania into an impressive and wide-ranging record of legislative successes in the areas of economic and community development, human resources, housing, international and export trade and veterans' affairs.

Tom Ridge is guided by his belief that communities and individuals must be given the tools to help themselves. He is the author of several bills, now law, that provide greater economic opportunities in Pennsylvania's communities through innovative approaches to local job development. Ridge's Community Enterprise Revitalization law provides small and rural cities with the tools to access low-cost private capital to undertake critically-important infrastructure and

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Paid for by the Tom Ridge for Governor Committee.

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job development projects. Another of Ridge's most notable development tools, the "Greenlining" law, has been described as an "innovative proposal" to spur growth in inner cities. The law provides low-income and distressed neighborhoods with greater access to basic financial services, not typically offered in such neighborhoods.

Ridge's work on these and similar proposals has been premised on the idea that an education and job opportunities are the two basic tools necessary for Pennsylvanians to set their own successful courses.

After helping his constituents to recover from a devastating series of tornados that ripped through Pennsylvania in 1985, Tom Ridge introduced and won passage of a sweeping overhaul of federal disaster relief and recovery programs. This was the first wide-ranging reform of the program in over a decade.

Tom Ridge is the author of several laws to reform the nation's outdated housing programs, reflecting his concern for affordable housing. Ridge successfully enacted legislation to prohibit discriminatory lending practices in housing for minorities and low-income individuals and to provide the opportunities for homeownership to rural families. Ridge also successfully worked to reform the federal government's approach to providing homeless assistance.

Tom Ridge can see more than one side of a complex problem. To balance the legitimate rights of private property owners with the protection of this nation's precious wetlands, he is working to implement a wetlands protection program which will restore fairness and balance to the law. Ridge was also instrumental in fashioning legislation to provide for the permanent conservation of wetlands located on agricultural properties. This unique approach requires the federal government to provide a fair market price to farmers in return for long-term lease agreements.

Working to promote Pennsylvania goods and services around the nation, Tom Ridge also recognizes the importance of international trade. He is a leader in the effort to improve the delivery of federal export programs and services to job-creating small and medium-sized businesses and to enhance their ability to compete in overseas markets.

Tom Ridge serves on the House Veterans' Affairs Committee, where he has taken a leadership role in efforts to gain a full accounting of our POWs and MIAs. He also successfully introduced legislation, now law, to allow children fathered by American servicemen in Southeast Asia to immigrate to the United States. Ridge personally traveled to Vietnam to conduct negotiations with Vietnamese officials regarding the "Amerasian Homecoming Act" and has been tireless in his efforts to see that the Vietnamese government cooperates with the intent of the law.

Ridge is a strong advocate for this nation's veterans and for our soldiers in the field. He has sponsored and cosponsored several measures aimed at providing our infantrymen with effective weapons and support. He has been a strong supporter of improvements in the delivery of care and services to our nation's veterans.

Tom Ridge's success in seeing legislation enacted that has bettered the lives of Pennsylvanians is only paralleled by the success that Ridge enjoys on the political front. Long recognized as a leader in Pennsylvania politics, he began his political career by winning his seat in the 21st congressional district by a slim 729-vote margin. Since that time, he has "established a solid western Pennsylvania base."¹

Ridge is well-known for forging bipartisan alliances to enact his legislative proposals and for successfully enacting legislative proposals without the benefit of serving on the Committee which has jurisdiction over the proposal.

Tom Ridge's wife, Michele, whom he describes as a "very busy professional in her own right" and a "loving mother" to their two young children is the Executive Director of the Erie County Library System. She is also active in their community. Tom and Michele have two young children, Lesley, age 6, and Tommy, age 5.

Ridge's mother, Laura Ridge, resides in Erie. His brother, David, and wife, Wendy, also reside there. His sister, Vikki, resides in Princeton, New Jersey.

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¹ Mark Wigfield, "Ridge Reaping Fruits Planted in Earlier Years," The Sharon Herald, November 1, 1988.
² Voter registration for Erie County as of October, 1992:

Democrats: 79,200 or 57.7 percent
Republicans: 51,500 or 37.5 percent
Other: 6,630 or 4.8 percent

Ridge won the November 1992 election with 68.7 % in Erie County.

³ Bob Mitchell, "State Lawmaker is in on the Big Issues," The Valley Independent, May 8, 1989, p. 6A.
⁴ David Moore, "Congressman Ridge Deserves Your Vote," Northeast International Business, October 1989.
⁵ "Man of the Year," Erie and Chautauque Annual Guide, 1988, p. 39.
⁶ Kenneth H. Bacon, "Banking Panel Approves Plan on Branches," Wall Street Journal, June 26, 1991, p. A3.
⁷ Jim Thompson, "Ridge Shows Solid Base in Region," Erie Daily Times, November 9, 1992, p. 1B.

ROWLAND, JOHN - CT

CONNECTICUT—JOHN ROWLAND

Sen. Dole campaigned for John Rowland.

No key initiatives.

Key Campaign Issues

- o Less government regulation
- o Eliminate Lowell Weicker's income tax over a five year period
- o Rowland vowed to cut taxes in order to stimulate the economy
- o Rowland proposed a 10 point plan to reduce welfare
 - Limit benefits for able-bodied AFDC recipients to 18 months
 - Families would no longer receive additional benefits after having more children

State Legislature

Senate: 17 Democrats
 19 Republicans
House: 92 Democrats
 59 Republicans

ROWLAND

GOVERNOR

Real Solutions for a New Connecticut

JOHN G. ROWLAND: A PROFILE

John Rowland was elected to the Connecticut State Legislature in 1980, winning in the 73rd Assembly District — a seat Republicans had not held in decades. He was re-elected in 1982, despite strong efforts by the Democratic party to unseat him.

As a state legislator, John fought against the Democratic majority's irresponsible fiscal policies. He proposed legislation to reform Connecticut's welfare system and continually took a tough stand on the safe disposal of hazardous wastes. After only one term in the state legislature, he was named a House Minority Whip.

In 1984, John ran for the U.S. House of Representatives and decisively beat three-term incumbent Rep. William Ratchford. He was re-elected in the 5th Congressional District in 1986. In 1988 John won with a record-setting plurality of 105,000 votes in a district with about 14,000 more registered Democrats than Republicans.

While serving in the U.S. House of Representatives, John was named to the Armed Services Committee. He was the first Connecticut member appointed to this committee in 20 years. He also served on the Intelligence Committee, the Veterans' Affairs Committee, the House Select Committee on Narcotics Abuse and Control, and the House Republican Anti-Drug Task Force. He received the "Watchdog of the Treasury" award for his efforts against unnecessary government spending and was named the Sierra Club's "Clean Air Champion" for his efforts toward reducing air pollution. The *Wall Street Journal* recognized John Rowland as "One of the nation's emerging government leaders."

As an elected official, John has fought consistently for lower taxes and responsible government spending. He worked for a strong national defense and led a task force to locate and work towards the release of MIA/POWs. John has persistently worked for the enactment and enforcement of tough penalties for drug dealers and other criminals.

Republicans named John as their nominee for Governor in 1990. He narrowly lost in an unusual three-way race. In 1992 he served as President George Bush's Connecticut Campaign Chairman.

John holds a deep commitment to the welfare of Connecticut's citizens. His family, which has lived in Connecticut for over 100 years, has a 50-year tradition of public service. John's father and grandfather both served as Comptroller for the City of Waterbury. His grandfather was instrumental in uncovering massive municipal corruption during the 1930s. Four generations of the Rowland family have owned an insurance firm, which John has helped to manage.

John Rowland has lived his entire life in the Greater Waterbury area. He is a graduate of Holy Cross High School in Waterbury and Villanova University. He has three children, Kirsten, Robert John and Julianne.

SUNDQUIST, DON-TN

TENNESSEE—DON SUNDQUIST

Sen. Dole did not campaign for Gov. Sundquist.

No key initiatives.

State Legislature

| | |
|---------|----------------|
| Senate: | 18 Democrats |
| | 15 Republicans |
| House: | 59 Democrats |
| | 40 Republicans |

Don Sundquist: A Profile



As the 1994 Tennessee gubernatorial election nears, Don Sundquist is the GOP's most frequently -- and favorably -- mentioned candidate for the office. On the strength of a successful business career and a reputation for constructive leadership in public office, Sundquist has quietly moved into the role predicted for him by *The Almanac of American Politics 1988*: "Aggressive, competent, acceptable to most factions, he could be a party leader in the future."

Sundquist has won six terms in Congress, representing a district which includes "some of the most

partisan Democratic parts of the United States" (*Almanac of American Politics 1990*), and where most voters consider themselves Democrats and Independents. The crossover appeal is easily explained. Sundquist is high-profile on reform issues and his votes represent the essential values of his district. He has been accessible, maintaining an aggressive schedule of town meetings, community days and other events -- over 100 each year since he took office in 1983. Sundquist still spends virtually every weekend in Tennessee, and he and Martha, his wife of 34 years, still live in the same house they lived in when Don was first elected. Sundquist, wrote the (Memphis) *Commercial Appeal*, "hasn't lost touch with his principles or his fellow Tennesseans...The re-election of U.S. Rep. Don Sundquist may be one of the easiest choices for voters in the whole country." (*The Commercial Appeal, October 18, 1992*).

His approach to government – a belief that government should tax less, regulate less, operate more efficiently, encourage hard work and initiative – was summed up by *Politics in America 1992*:

"(Sundquist) wants to do more to see that...government does less...He is the archtypical New South conservative businessman – a man who bemoans bureaucratic inefficiencies and believes that many things...government does can be done better by local government or the private sector."

Applied to Tennessee state government, that translates into Sundquist's goal of making the state "a national leader, building a strong, job-creating business climate with the lowest taxes, no state income tax, the fewest regulations and mandates..." and reforming state government itself to make it accomplish more while intruding less. "I believe I know how to lead that effort," Sundquist says.

It is a philosophy in keeping with his upbringing and experience. A welder's son, Sundquist was the first member of his family to attend college, bagging groceries to help pay for tuition. Upon graduation, he served two-years in the U.S. Navy before embarking on a career as a businessman and entrepreneur.

In 1962, he joined Jostens Inc. at its Shelbyville, Tennessee plant, where he quickly rose to resident manager. In 1972, Sundquist left Jostens to strike out on his own, becoming president and partner of Graphic Sales of America, a Memphis printing and advertising firm. In the mid-70s, Sundquist put together a group of investors to establish the Community Bank of Germantown (now Community First Bank) and managed its growth as Germantown grew to become Tennessee's tenth most populous city. In 1989, Sundquist joined with two former staffers to open a Memphis-style barbecue restaurant in Arlington, Virginia. *Red Hot & Blue* was an immediate success and today has franchises in over a dozen cities.

Sundquist's successful race for Congress in 1982 against Bob Clement was his first bid for elected office but hardly his first exposure to politics. He organized Bedford County for Howard Baker's initial U.S. Senate campaign in 1964, was elected Young Republican National Chairman in 1971, chaired the Shelby County Republican Party from 1976-77, and managed Senator Baker's presidential campaign in 1979.

In Congress, "He hasn't ignored the difficult problems, and he hasn't tried to avoid dealing with them by blaming others for causing them" (*The Commercial Appeal*, October 18, 1992). A member of the House Task Force on Ethics, Sundquist helped write and pass the most sweeping ethics code any legislative body has ever enacted.

An early advocate of TVA reform, he weathered considerable criticism to see many of his ideas put into practice under Marvin Runyon, TVA's Chairman in the late 1980s. Sundquist stood behind Runyon at a critical juncture, helping persuade the Bush Administration to allow TVA to refinance its high-interest, long-term loans on the private market. "Sundquist helped save the day," wrote *The Tennessean*, (October 15, 1989). TVA's cost savings and streamlining, he argues, might work for state government, too.

Don and his wife, Martha, are the parents of three children: Tania (Mrs. David) Williamson, Manager for Warehouse of Fashion stores in Charlotte, North Carolina; Andrea (Mrs. Art) Jeannet, Senior Marketing Manager/LSO Nasal Sprays with Schering-Plough HealthCare Products Inc. in Liberty Corner, New Jersey; and Donald Jr. (Deke), formerly Project Coordinator for Corporate Planning and Development with Genesco Inc. in Nashville, and now working full time for the Sundquist for Governor campaign.

SYMINGTON, FIFE-AZ

ARIZONA—GOV. FIFE SYMINGTON*

Sen. Dole campaigned for Fife Symington.

No key initiatives.

Key Campaign Issues

- o Tax cuts for the citizens of Arizona to the tune of \$1 billion over the next five years
- o Arizona now has a surplus of \$86 million
- o Exports to Mexico have doubled under Symington from about \$939 million last year to about \$1.8 billion this year
- o 24 point criminal justice program proposed by Symington
- o Favors a school voucher system

State Legislature

| | |
|---------|----------------|
| Senate: | 11 Democrats |
| | 19 Republicans |
| House: | 22 Democrats |
| | 38 Republicans |

November 17, 1994

TORT REFORM/PROPOSITION 103/ARIZONA

The Arizona ballot-initiative--Proposition 103--failed by a margin of 39.3% in favor and 60.6% opposed.

Proposition 103 would have amended the Arizona State Constitution to allow limitations to be placed on civil lawsuits and damages awards.

Governor Symington was a big proponent of Proposition 103. The initiative was vigorously opposed by the trial lawyers.

D. Shea

WISCONSIN—GOV. TOMMY THOMPSON*

Sen. Dole campaigned for Gov. Thompson.

No key initiatives.

Key Campaign Issues

- o Successful welfare reform program
- o Job creation
- o School vouchers

State Legislature

| | |
|---------|----------------|
| Senate: | 16 Democrats |
| | 17 Republicans |
| House: | 48 Democrats |
| | 51 Republicans |

VOINOVICH, GEORGE

OHIO—GOV. GEORGE VOINOVICH*

Sen. Dole campaigned for Gov. Voinovich.

No key initiatives.

Key Campaign Issues

o Cut spending

- Control Medicaid costs
- Health insurance savings
- Help from the private sector

o Education

- Enhance school safety
- Make modern technology more available to Ohio students

o Health care

- Ohio Family and Children First initiative

o Jobs

- Ohio ranked first nationally in attracting new manufacturing facilities and business expansions in 1993
- 11,314 jobs created through the Ohio Job Creation Tax Credit
- Created 12 regional economic development offices

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State Legislature

Senate: 13 Democrats
20 Republicans
House: 43 Democrats
55 Republicans
1 Other

WELD, BILL - MA

MASSACHUSETTS—GOV. WILLIAM WELD*

Sen. Dole did not campaign for Gov. Weld.

Key initiatives

- o To impose term limits on politicians: Passed 51% to 49%

Key Campaign Issues

- o Anti-tax
- o Tough on crime

State Legislature

| | |
|---------|----------------|
| Senate: | 30 Democrats |
| | 10 Republicans |
| House: | 125 Democrats |
| | 34 Republicans |
| | 1 Other |

CHRISTY WHITMAN--NJ

New York Times
November 17, 1994

Whitman: A 'Natural' in Helping the G.O.P.

The Governor Looks Back, and Ahead, for New Jersey and for Her Party

By **IVER PETERSON**

Special to The New York Times

PRINCETON, N.J., Nov. 16 — Gov. Christine Todd Whitman called John G. Rowland to congratulate him on winning the Connecticut governorship last week, but Mr. Rowland was on his way to his first news conference after the victory, and he didn't have time for small talk.

"I know they're going to ask about the pensions, what about the pensions," Mr. Rowland rattled into the phone to his fellow Republican in New Jersey.

"So I gave him a rundown," Governor Whitman said, relating the story and mimicking Mr. Rowland's hurry-up style. "He said, 'O.K., that's great, gotta go.' And I guess he's a quick study because I never heard back about the pensions."

In fact, Mrs. Whitman is hearing back from a lot of Republican winners in this season of triumph for her party. She worked hard for them, stumping for 22 Republican candidates across the country and raising nearly \$3.5 million for their campaigns. Eighteen of her candidates won, including Mr. Rowland in Connecticut and George E. Pataki in New York. And in the process Mrs. Whitman, at 46, has transformed herself from a little-known Somerset County hobby farmer with the laughable idea of actually cutting state taxes into a charter member of the national Republican insurrection that swept the nation in last week's elections.

"Christie," said Haley Barbour, the Republican national chairman, "took that message that Republicans want to make government smaller, not bigger, and that we should promote individual freedom and



G. Paul Burnett/The New York Times

Gov. Christine Todd Whitman of New Jersey, left, has transformed herself from a little-known hobby farmer to a charter member of the new Republican

insurrection. In New York, she campaigned for George E. Pataki, now the Governor-elect, and his ticket mate, Elizabeth P. McCaughey.

Continued on Page B6

Continued From Page B1

individual responsibility and not more government power and government responsibility, and she made it the theme of her government. And because she was so visible when Republicans were running in Pennsylvania and Maryland and Connecticut and New York, she had far more invitations to appear for these candidates than she could possibly fulfill. She was a natural."

Yet the victories Governor Whitman helped achieve have also altered her own position in the party, a fact that she only indirectly acknowledged in her first interview since the election. Before, she shone all the brighter for being only one of few successful Republican tax-cutters. Now she is literally surrounded — in Pennsylvania, in New York and in Connecticut — by new Republicans who share her position in a new national Republican majority. It is a majority, moreover, that already shows signs of fracturing along familiar fault lines involving welfare, abortion, minority rights and religious fundamentalism.

Representative Newt Gingrich of Atlanta, the likely next House Speaker, has nailed his standard to the high-octane ideology of the Contract With America he devised during the campaign, but to Mrs. Whitman, the contract is only a list of talking points, with several items, including restrictions on abortions, that she makes clear are unacceptable to her.

Meanwhile, the Governor has her hands full.

The country's governors have to be organized into a united front on issues affecting the states, she said. The Whitman transition consultancy for recent Republican victors is in full swing, offering specific advice — like her consultation with Mr. Rowland about her initiative to cut New Jersey's public employee pension costs for Mr. Rowland — and broader strategy — sharing the loose-leaf binder full of transition guidelines that her staff compiled last year

with several governors-elect.

On top of all that, Mr. Barbour, the national chairman, has to be placated. Mr. Barbour cast New York City into the outer darkness as a possible site for the party's 1996 convention because of the endorsement by Mayor Rudolph W. Giuliani, a Republican, of Gov. Mario M. Cuomo, the Democrat, over Mr. Pataki, but Mrs. Whitman does not intend to give up on a Republican convention in Manhattan that would, after all, spill money into New Jersey. "I have a call into him," she said of Mr. Barbour. "He's traveling."

The setting for Mrs. Whitman's reflections was the plush chintz and damask of the upstairs living quarters at Drumthwacket, the state governor's residence here. (She stays overnight only occasionally, preferring her own home.) On the wall, a

The Governor is judged a 'natural' at campaigning.

portrait of Governor Whitman from the flagrantly colorful palette of Peter Max. On the coffee table, a plate of cookies, unoffered and untouched.

The talk ranged from the plight of welfare mothers struggling to find work, to the Clean Air Act and a hellish auto emission test the Federal Government wants New Jersey to adopt, to the worrisome social-policy aspects of the Republicans' Contract With America, which Mrs. Whitman only partially endorses.

The Governor can also discuss the proper technique for dropping the first hockey puck at a New Jersey Devils opening game: The trick is to keep the puck from falling on its edge and rolling away.

But if Mrs. Whitman's topics are diverse, her thinking is linear, pointing back to the principal themes of her career, to the necessity of trimming government's costs and its intrusiveness in people's lives.

Mrs. Whitman insisted that she had not even read Mr. Gingrich's Contract — "only what I saw in the papers" she demurred. But she proceeded to tick off her objections to limits on abortion counseling, sharp cuts in welfare benefits and the advocacy of school prayer. And she maintained, as she did at a news conference with New Jersey's Republican House delegation on Monday, that Mr. Gingrich only wants the contract debated, not necessarily passed as written.

"I support the principle of laying out what you want to do, and I certainly support the basic context of a small government and a less intrusive government," Governor Whitman said. "Line-item veto, balanced-budget amendment, term limits I support. But I certainly could not support unequivocally every aspect of legislation behind each idea within the contract."

On some issues, Mrs. Whitman's platform would lie comfortably next to Mr. Cuomo's. Other Republican Governors have cut off general-assistance welfare to childless, able-bodied men and women, a \$53.4 million item in New Jersey, but the Whitman administration has so far left that program untouched.

"I think there is certainly room for Newt Gingrich and for me in the Republican Party," Mrs. Whitman said. "My only concern is with those who don't believe there is room. I think Newt Gingrich is very cognizant that in order to continue to be a major player, this party cannot write people out of it."

Mrs. Whitman modestly refused to take credit for any Republican victories while artfully spelling out the details of her efforts. Above all, she said, her early espousal of tax cuts to a then-unbelieving public probably had the biggest effect.

"I've talked to several people who won, and they said what has happened here made it easier for them to propose what they were proposing," she said, characteristically twisting her sentences to avoid any references to herself. "The record here gave them credibility, for what they were saying, that might not have been there otherwise."

And if as a result of Republican victories she helped win, Mr. Gingrich and Congress cut Federal spending on state programs, well, the Governor said, she cannot insist on lower spending in New Jersey and complain if Congress does the same. Just let Washington reduce its interference at the same time in how the states spend the money, she said:

"If they lower Federal taxes and relieve us of mandates, I'll live with the program cuts."

For Mr. Giuliani, who seems to have become a pariah with most New York Republicans, Mrs. Whitman had only reassurances.

"I certainly think we have an ongoing relationship," she said. "I certainly haven't severed any ties. I disagree with his choice, but that was his choice. And I still want to talk to him about making a play for the convention."

WILSON, PETE - CA

CALIFORNIA—GOV. PETE WILSON*

Sen. Dole campaigned for Gov. Pete Wilson.

Key Initiatives

- o Prop. 187 - The "Save Our State" initiative passed 59% to 41%. It would deny emergency health, education and welfare service to illegal immigrants. However, two CA judges temporarily blocked implementation of the initiative.
- o To guarantee health care to residents through a tax-funded single-payer plan: failed 73% to 27%
- o To sentence three-time serious offenders to life imprisonment: passed 72% to 28%
- o To loosen strict state smoking laws: Failed 70% to 30%

Key Campaign Issues

- o Immigration
- o Crime
- o Taxes
- o Jobs/economy

State Legislature

Senate: 21 Democrats
17 Republicans
2 Independents
House: 39 Democrats
41 Republicans

Memorandum

To: Senator Domenici
From: Bill Hoagland
Date: November 21, 1994
Subject: State Budget Issues, Williamsburg

I will meet you in Williamsburg on Tuesday a.m. I will be driving down Monday night and transporting Congressman Kasich and his chief of staff, Rick May.

This notebook has some background material you may want to glance at on the plane going down. I understand that the format is really designed to have you and Congressman Kasich react to the Governors, not give a formal presentation. There are some short and general talking points in case you feel a more formal response may be required.

Personally I think you should lay out how difficult this exercise of a balanced federal budget in seven (7) years will be. Not just politically but mathematically. There is a little bit of unreality by our members and particularly the House members in the discussion about a balanced federal budget. I think you should support the balanced budget, but be the honest Budget Chairman and give these Governors (maybe behind closed doors) a sense of the order of magnitude.

Here are some key points I would suggest you make:

1. Every year between 1996 and 2002 the annual federal deficit will increase. It will grow from \$162 billion this year (1995) to nearly \$320 billion in 2002.
2. And these annual deficit numbers are optimistic, they assume that the economy will not suffer any downturns, and that annually, GDP will grow about 2.2% in real terms.

3. Now if we are to get federal receipts to match federal outlays in seven years, we cannot wait. We must begin immediately to change fiscal policy. We must be on a serious and definite downward glide path toward balance in this upcoming budget year.
4. How much spending restraint is required? Between 1995 and 2002 total federal spending will grow at an annual rate of 5.4%! If we are to match receipts and outlays in 2002, we need to reduce the rate of growth of federal spending to about 3.1% annually. Sounds easy.
5. In absolute terms, however we will have to find spending savings of \$1.4 trillion over the next seven years. More importantly, because the post-war baby boomers really start to have an impact on federal spending at the turn of the century, we really need to be in balance in 5 years if we are to stay in balance the seventh year and thereafter.
6. How much do we need to reduce federal spending in 5 years then to be on a path to balance in 7? Roughly speaking about \$770 billion . Remember the 1990 Budget Agreement and the 1993 Budget Agreement had at best cut the budget \$500 billion over five years and of course both included some tax increases. The \$770 billion exercise assumes no tax cuts, all spending reductions.
7. Now most importantly, in about 7 years based on current spending programs, the federal government's grants to state and local governments will total about \$280 billion annually by current estimates. Program policy reductions required to get balance in that 7th year will be about \$250 billion. **In other words, one option to reach balance in 7 years will be to eliminate not just some but all current federal grants to state and local governments! Not block grants, but no grants.**
8. Another way of looking at this, in 2002 federal

nondefense discretionary spending will top about \$300 billion. Of course not all of this spending can be considered state/local grants. My guess is about 1/3 or \$100 billion of all nondefense discretionary spending falls into this category. Nonetheless, if you only were to focus on nondefense discretionary you would have to virtually eliminate all nondefense discretionary spending in 2002 to reach balance.

The point of this is simply to communicate how tough the exercise is going to be and how very tough it is going to be on federal/state relationships. I truly do not think the Governors realize the real costs to their States when they say o.k. just take away the mandates!

Give them a good dose of reality, before we begin this exercise. And make sure they are on our side when we begin doing what we have to do to get to balance in 2002.