

4. SUPPORTING WORKING FAMILIES

More and more parents of young children are in the workplace, either because they're single parent households, or because both parents have to work to make ends meet, or because both parents choose to work and they ought to have that choice.

But there is no more important responsibility ... than making sure every American can balance the dual responsibilities succeeding as parents and succeeding at work. There is no more significant challenge.

President Clinton
January 1998

In the final year of this century, the fruits of the President's hard work on the economy are evident throughout the Nation, with higher wages, lower interest rates, and unemployment at almost record lows. For much of the country, this wave of prosperity has provided new opportunity. There have been benefits for many, for the college graduate starting a career, as well as the long-term welfare recipient taking a first job. But we still have more work to do to ensure that this economic boom provides equal advantages to all. And for working parents, many of whom have benefitted from the opportunities of this growing economy, there are also strains as they try to balance the twin demands of work and family. The President remains committed to helping working families, as well as those who are low-income and at-risk of falling into dependency, so that they too can enter the next century with justified optimism.

The Administration will continue efforts to address the needs of these Americans—to build a foundation that encourages and supports work and responsibility. The President believes that a central challenge we face at the dawn of the 21st Century is to help the growing number of working parents with young children meet their responsibilities and succeed both at work and at home.

The Administration has already taken significant steps in this direction, with a major expansion of the Earned Income Tax Credit, a new child credit, a boost in the minimum

wage, expansions of Head Start, after school programs and child care centers, and significantly increased participation in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). In 1996, the President signed the historic Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), reforming the Nation's welfare system into one that requires and rewards work and responsibility, provides increased flexibility to States to administer work-focused welfare programs, expands funds for child care, and strengthens child support enforcement provisions. Meanwhile, the economy has created almost 18 million new jobs in the past six years, increasing the number of working families, and providing new opportunities for those leaving welfare.

By proposing and working to enact the Family and Medical Leave Act, the Health Insurance Portability and Accountability Act, and the Children's Health Insurance Program (CHIP), this Administration has enabled parents to respond to illness in the family without running the risk of job loss, to change jobs without forfeiting their health insurance, and to secure health insurance for their children when they could not otherwise afford it.

But there are still key areas in which working families need more help, especially in finding safe and affordable child care. Last year, the President proposed a major child care initiative, with new grants and tax credits for working families. His agenda was clear: to ensure that low- and middle-

income parents could afford to purchase child care, and to ensure that their children entered school ready to learn. Regrettably, despite the need for these measures, Congress only took action on a small part of this proposal. Because the President remains committed to helping parents meet the twin demands of work and family, he will propose a comparable Child Care Initiative for 2000.

In addition, the President will propose measures to help groups of low-income and at-risk individuals—homeless and runaway youth, older foster care children, legal immigrants, families moving from welfare to work, and battered women and their children. The budget will assist over 100,000 runaways and foster care youth in their efforts to become self-sufficient, expand and strengthen the network of battered women's shelters, strengthen early intervention by the educational system for disabled children, provide employment assistance to non-custodial parents of children on welfare, and support an array of critical services to thousands of low-income families through the Social Services Block Grant.

Expanding Child Care

In 1999, the Administration obtained \$173 million to help States improve the quality of child care, \$10 million for child care research, and an increase of \$160 million for the Education Department's after-school/summer school program. The budget proposes a full range of further increases and new policies to increase spending and tax incentives by \$3.6 billion over 1999 (see Table 4-1).

The Child Care Initiative

More Affordable Child Care: The President proposes to make child care more affordable by expanding the Child and Dependent Care Tax Credit for middle-income families with child care costs and for parents who stay home with their young children, providing tax credits for businesses to expand their child care resources, assisting parents who want to attend college meet their child care needs, and increasing funds with which the Child Care and Development Fund can help more poor and near-poor children.

Child and Dependent Care Tax Credit (DCTC): The DCTC Credit helps around 5.5 million families cover their child care costs each year. The budget proposes to expand the credit so that it offers more help for families with incomes below \$59,000. The budget also proposes further expansion of this tax credit to help parents stay home to raise a young child. These two proposals would provide tax credits worth \$6.3 billion over five years.

Tax credits for private employers: To make child care services more widely available, the budget proposes \$500 million in tax credits over five years for private employers that expand or operate child care facilities, train child care workers, contract with a child care facility to provide child care services to employees, or provide child care resource and referral services to employees.

Child Care and Development Fund: Federal child care funding has risen by 80 percent under this Administration, providing child care services for 1.25 million children from low-income working families or whose parents are moving from welfare to work. The budget would increase funds for the Child Care and Development Fund by \$1.2 billion, to a total of \$4.5 billion in 2000, and by \$7.5 billion over the next five years, enabling the program to provide child care subsidies for 500,000 more poor and near-poor children in 2000. These new funds, combined with the child care funds provided in welfare reform beginning in 1997, will enable the program to serve 2.4 million children by 2004, an increase of over one million since 1997.

College campus-based child care: To help increase low-income parents' access to higher education, the budget includes \$5 million for the new Child Care Access Means Parents in School program to establish and support child care services on college campuses. States may also use a share of the Child Care and Development Fund for this purpose.

Exclusion of employer contributions for child care expenses: Under current law, parents can exclude up to \$5,000 of employer-provided child care expenses from their taxable income and Social Security earnings. The exclusion

Table 4-1. THE BUDGET SUPPORTS A \$3.6 BILLION INCREASE IN RESOURCES FOR CHILD CARE, 27 PERCENT OVER 1999

(Budget authority, dollar amounts in millions)

	1999 Estimate	2000 Proposed	Dollar Change: 1999 to 2000	Percent Change: 1999 to 2000
Spending:				
Discretionary and Mandatory Budget Authority:				
Child Care, including \$183 million increase for quality activities and research ¹	3,167	3,550	+383	+12%
Child Care Supplement		1,155	+1,155	NA
Head Start	4,660	5,267	+607	+13%
Early Learning Fund		600	+600	NA
21st Century Community Learning Centers	200	600	+400	+200%
Special Education	5,334	5,450	+116	+2%
College Campus-Based Child Care		5	+5	NA
Child Care Apprenticeship Program	4	5	+1	+25%
Developmental Disabilities Special Projects, State Support Systems	4	4		*
Total Spending	13,369	16,636	+3,267	+24%
New Tax Expenditures:				
Expansion of Child and Dependent Care Tax Credit, Including Assistance to Stay-At-Home Parents ²		338	+338	NA
Tax Credits to Private Employers		40	+40	NA
Total Tax Expenditures		378	+378	NA
Total	13,369	17,014	+3,645	+27%

NA = Not applicable.

* Less than 0.5 percent

¹ Includes discretionary Child Care and Development Block Grant and mandatory Child Care Entitlement to States.² Includes elimination of household maintenance test.

will provide nearly \$8 billion in benefits over five years.

Helping meet the cost of raising a child: The Child Credit, which the President proposed and Congress enacted as part of the 1997 Taxpayer Relief Act, helps working parents raise their children by providing \$500 per child for all children under age 17. The credit, which will provide nearly \$93 billion in tax benefits over the next five years, will help 26 million families with over 40 million children.

New Emphasis on Early Learning: The budget provides new funds to improve the safety and well-being of young children, including

the new Early Learning Fund that grew out of the White House Conference on Early Childhood Development and Learning and continued expansion of the highly successful Head Start program.

Early Learning Fund: The Early Learning Fund responds to the scientific research presented at the White House Conference on Early Child Development and Learning in April 1997, indicating that a child's experiences in the first three years of life profoundly affect his or her brain development. The budget proposes \$3 billion over five years for the Fund, which would provide grants to communities for activities that improve early childhood education and the quality

and safety of child care for children under five years old. For example, the money can fund innovative efforts to meet the developmental needs of children, with a focus on language development, emergent literacy, and other child development activities aimed at improving readiness for school. Resources could also fund parent education in child development, home visits, and efforts to help child care centers become accredited and reduce child-to-staff ratios in child care.

Head Start: Head Start, one of the President's highest priorities, is America's premier early childhood development program. It supports working families by helping parents get involved in their children's educational lives and providing services to the entire family. Since 1993, the President has worked with Congress to increase annual Head Start funding by 68 percent. In 1999, Head Start will serve 835,000 low-income children, including up to 38,000 children under age three in the Early Head Start component that the President launched in 1995. The budget proposes to expand Head Start funding by \$607 million in 2000 and add 35,000 Head Start pre-school slots and 7,000 Early Head Start slots. The Administration intends to increase participation by underrepresented groups in specifically targeted areas with recent influxes of immigrants and limited English proficient children, including seasonal farmworkers. The proposed increase invests in program quality improvement measures and makes further progress toward the President's goal of enrolling a million children in Head Start by 2002, including doubling the number of infants and toddlers in Early Head Start.

School-Age Care and Improved Educational Achievement: The President proposed, and Congress agreed in 1999, to expand 21st Century Community Learning Centers to enable 1,700 schools to open their doors before and after the traditional school day and in the summer. Instead of returning to empty houses, or playing on unsafe streets, a quarter of a million children will participate in safe, drug-free programs that combine learning, enrichment, and recreational activities. The budget proposes to triple funding for this program to \$600 million, reaching nearly 7,500 schools, as part of a comprehensive approach

to help fix failing schools and help end social promotion the way successful schools do it—without harming the children. Under the President's proposal, school districts with comprehensive policies in place to end social promotion will receive priority in the grant-making process. After-school and summer school programs are a critical tool in ending social promotion because they give students who are not on track an opportunity to get extra help so they can meet promotion standards.

Safety and Quality in Child Care: The President and Congress worked together to pass legislation to improve the safety of children by making it easier for States to conduct background checks on child care workers and to provide new funds for child care quality activities in 2000.

National crime prevention and privacy compact: Congress recently passed legislation, based on a proposal from the White House Conference on Child Care, to help build a new electronic information sharing partnership among Federal and State law enforcement. This legislation makes background checks on child care providers (and other non-criminal justice checks) more efficient and accurate by eliminating some of the barriers that have made it difficult for States to share information about the criminal backgrounds of job seekers.

Increasing investments in child care quality: In response to the President's request, Congress provided an increase for 2000 of \$173 million for child care quality activities, in addition to the nearly \$132 million that will already be available for these activities in 2000. States invest these dollars in improving child care quality through activities such as resource and referral for parents, scholarships and training for child care providers, monitoring and inspection of providers, networks for family day care providers, and linkages with Head Start, to name a few.

Services for Families of Children with Disabilities: Children with disabilities and their families face a broad range of obstacles to achieving educational success. Ensuring that the educational needs of the youngest children with disabilities are fully met is critical to the Administration. (For a discussion of the Administration's work incentives initia-

tive for disabled individuals, see Chapter 3, "Investing in Education and Training.")

Special Education: The budget proposes \$5.4 billion for special education, including an increase over last year's budget of \$116 million targeted toward improving educational results for children with disabilities through early intervention. These new funds provide a \$50 million initiative to help schools implement research-based practices to serve children with disabilities in the primary grades. The budget also provides increases of \$28 million for Preschool Grants and \$20 million to the Infants and Families program.

Families of Children with Disabilities: The budget continues a \$4 million program proposed last year by the President and funded by Congress to help the families of children with disabilities. This program provides grants to States to expand and modify their State-wide support systems to help these families address such problems as inadequate child care options, missed job training and job opportunities, the loss of medical assistance, and teen pregnancy.

Research on Childhood Development and Child Care: Research on child care, and dissemination of its findings, is critical to support State and local policy makers in their decision-making about child care and to help parents learn how to evaluate and where to find quality child care. At the President's request, Congress has already provided \$10 million for a new Research and Evaluation Fund in 2000, which will provide consumer education, parent hotlines, and research activities to expand our knowledge of good policies and practices, including the types of child care settings, parent activities, and provider training that most benefit the early development of children.

Promoting Self-Sufficiency

Supporting Children Leaving Foster Care: An estimated 20,000 children leave foster care each year having reached the age of 18 without being adopted or finding another permanent relationship. These youth are troubled. Studies that examined former foster youth two to four years after leaving care found that only half had completed high school, less than half were employed and only about 40 percent had held a job for one year

or more. One-fourth had been homeless at least one night, 60 percent of the females had given birth, and fewer than one-in-five were completely self-supporting.

The budget provides a four-part program to support children leaving the foster care system:

- *Independent living.* This program provides services to assist current and former foster children ages 16 to 21 who are making the transition to independence by earning a high school degree or participating in vocational or other training. The budget provides \$105 million, a 50-percent increase over the 1999 level, which has been unchanged since 1992.
- *Comprehensive residential transition assistance.* The budget provides a new capped mandatory program of competitive grants for States to support living expenses of youth in these programs who otherwise lose such support at age 18 or under other circumstances. The new program is funded in 2000 at \$5 million, increasing to \$20 million by 2003.
- *Transitional living grants.* This program provides shelter and services to homeless youth ages 16 to 21. The budget increases funding to \$20 million, an increase of \$5 million over 1999.
- *Medicaid coverage.* Medicaid coverage for children receiving foster care assistance generally ends at age 18. The lack of health insurance limits their ability to make a successful transition out of foster care. The budget gives States the option of covering these children up to age 21.

Curtailing Violence Against Women: Since 1993, funding for services to victims of domestic and sexual violence has grown by nearly \$400 million and the passage of the Violence Against Women Act of 1995 expanded the Government's role in supporting services and providing scientific knowledge to prevent and treat violence against women. The budget proposes an increase of \$26 million to further strengthen and increase the availability of battered women's shelters and counseling services, increase culturally appropriate services in under-served populations, and expand resources for research and prevention activities

aimed at changing the social norms that allow this violence to occur. These new funds will allow programs addressing violence against women to serve an additional 40,000 women, children, and perpetrators.

Restoring Equity in Benefits for Legal Immigrants

The President believes that legal immigrants should have the same opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the harsh, unnecessary cuts in benefits to legal immigrants that were unrelated to the goal of moving people from welfare to work. As part of the 1997 Balanced Budget Act (BBA), the President worked with Congress to restore Medicaid and Supplemental Security Income (SSI) to hundreds of thousands of disabled and elderly legal immigrants. The next year, the Noncitizens' Benefit Clarification and Other Technical Amendments Act restored eligibility to additional legal immigrants. In response to the Administration's request, last year's Agricultural Research Bill restored food stamp benefits to 225,000 elderly, disabled, and other needy immigrants, including 70,000 children who lawfully resided in the United States as of August 22, 1996.

As a result of the 1996 law, however, many legal immigrants, including disabled individuals and families with children, are not eligible for health and disability benefits. The budget provides \$1.1 billion over five years to let States provide health care to legal immigrant children, to restore SSI eligibility to legal immigrants with disabilities, and to restore Food Stamp eligibility to certain aged immigrants. The SSI and related Medicaid benefits in the budget that apply to immigrants who entered the country after August 1996, and became disabled thereafter, would only start after five years of residence.

Health Care: As described in Chapter 5, the budget would let States provide health coverage to legal immigrant children and pregnant women under Medicaid and, in the case of children, CHIP. Currently, States can provide health coverage to legal immigrants who entered the country before the welfare law was enacted. But, immigrants who entered after

the law was enacted cannot get benefits for five years. Under these proposals, States could provide health coverage to those children and pregnant women through Medicaid or through CHIP.

Supplemental Security Income (SSI): The budget would provide approximately \$925 million over five years to restore SSI and related Medicaid to legal immigrants who entered the country after August 22, 1996, lived in the United States for more than five years and became disabled after entry. Currently, only legal immigrants who entered the country before August 22, 1996 can be found eligible for SSI disability benefits.

Food Stamps: The budget provides \$60 million over five years to ensure that legal immigrants in the United States as of August 22, 1996, are eligible for food stamp benefits once they reach age 65.

Continuing Support for Working Families

The Child Care Initiative, the restoration of benefits to legal immigrants, and expanded efforts to assist low-income families, at-risk youth and victims of domestic or sexual violence in attaining self-sufficiency, all build on a strong base of support for at-risk and working families, a priority area in which the President's work with Congress has achieved significant results in the past five years. That support includes a broad array of tax incentives to encourage and support work as well as legislation to, among other things, enable workers to care for a newborn and fulfill other family responsibilities; raise the minimum wage; reduce welfare caseloads by nearly four million, enable workers to retain their health insurance; and provide health insurance to up to five million uninsured children. (For the broader discussion of the health care expansions, see Chapter 5, "Strengthening Health Care.")

Support Through the Tax System: Over the last five years, the Administration has worked with Congress to expand the number and size of tax incentives to encourage work and support working families (see Table 4-2).

Tax incentives for work: The budget proposes to extend, through June 30, 2000, the Welfare-to-Work Tax Credit, which the President

and Congress created as part of the Taxpayer Relief Act of 1997. It focuses on those who most need help—long-term welfare recipients—by letting employers claim a tax credit on the first \$10,000 a year of wages that they pay, for up to two years, for workers they hire who were long-term welfare recipients. The credit is 35 percent on the first year's wages, rising to 50 percent on the second year's wages. In addition, the budget would extend through June 30, 2000, the Work Opportunity Tax Credit, which provides a credit of 40 percent on the first \$6,000 of wages paid to members of eight more target groups.

Earned Income Tax Credit (EITC): The Federal Government is committed to helping those who work to meet the cost of raising their children. The EITC helps to meet this goal by supplementing the earnings of working families. In his 1993 economic program, the President proposed and Congress enacted legislation to substantially expand the credit, helping 15 million low-income working families. The Administration remains committed to ensuring that this program is managed fairly and accurately. The Administration is currently implementing a series

of EITC error-reduction initiatives, including the provisions enacted in the Taxpayer Relief Act of 1997. The EITC will provide \$167 billion of tax benefits over the next five years to low-income working families.

Helping Families Move from Welfare to Work: The President has led successful efforts to remove obstacles that have hindered families trying to make a successful transition from welfare to self-sufficiency.

Temporary Assistance for Needy Families (TANF): The President signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, and States have refocused their welfare systems to support work. Welfare caseloads have fallen by over four million since President Clinton signed the welfare reform law, and by well over 40 percent since he took office. Recent data from the Census Bureau's Current Population Survey show large increases in the rate of employment both for individuals on welfare and those leaving welfare. The Administration is proposing to replace the current TANF contingency fund with one that could more effectively respond to State needs in the event of an economic downturn.

Table 4-2. THE BUDGET INCLUDES \$286 BILLION OVER FIVE YEARS IN SUPPORT FOR FAMILIES WITH CHILDREN THROUGH THE TAX SYSTEM¹

(In millions of dollars)

	1998 Actual	Estimate						Total 1999-2004
		1999	2000	2001	2002	2003	2004	
Tax Expenditures								
Existing Law:								
Earned Income Tax Credit ^{2, 3}	28,928	30,734	31,222	32,172	33,258	34,374	35,576	166,602
Child Tax Credit ²	3,525	19,155	19,253	18,926	18,643	18,198	17,580	92,600
Child and Dependent Care Tax Credit	2,485	2,455	2,425	2,395	2,365	2,340	2,310	11,835
Exclusion of Employer Contributions for Child Care Expenses	1,325	1,385	1,445	1,510	1,575	1,645	1,715	7,890
Proposed Legislation:								
Expand Child and Dependent Care Tax Credit, Including Assistance to Stay-At- Home Parents ⁴			338	1,585	1,425	1,471	1,503	6,322
Tax Credits for Private Employers			40	84	114	131	140	509
Simplify Foster Care Definition under EITC			-2	-42	-44	-46	-47	-181
Total	36,263	53,729	54,721	56,630	57,336	58,113	57,777	285,577

¹ Does not include interaction effects between provisions.

² Includes tax expenditures and effect on outlays.

³ Excludes credit for workers who do not live with children.

⁴ Includes elimination of household maintenance test.

Welfare-to-Work (WtW) Grants: Because of the President's leadership, the 1997 Balanced Budget Act included \$3 billion requested by the President for a new Welfare-to-Work grants program. WtW provides grants to States and local communities to help long-term, hard-to-employ welfare recipients, and certain non-custodial parents, secure lasting, unsubsidized employment. Funds are used for job creation, job placement, job retention, and other post-employment support services. The budget proposes \$1 billion more for this program in 2000.

Welfare-to-Work Transportation: One of the biggest barriers facing people who move from welfare to work—in cities and in rural areas—is finding transportation to get to jobs, training programs and child care centers. The President's leadership on this issue helped secure funding through 2003 to assist States and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers. The budget proposes \$150 million for this program in 2000.

Welfare-to-Work Housing Vouchers: In his 1999 budget, the President proposed \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job, and Congress approved full funding for this new initiative. Families will use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. The budget proposes \$144 million for an additional 25,000 vouchers, bringing the total number of welfare-to-work vouchers to 75,000 in 2000.

Individual Development Accounts: Since 1992, President Clinton has supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. The President signed into law last year legislation providing \$10 million to get the program off the ground. The budget provides \$20 million for IDAs.

Social Services Block Grant: The President's Budget proposes to fund the Social Services Block Grant (SSBG) at its fully authorized level of \$2,380 million, increasing funding

levels by \$471 million over last year. SSBG provides funding to States to support a wide range of programs including child protection and child welfare, child care, and services focused on the needs of the elderly and the disabled. The inherent flexibility of this grant permits States to target funds to meet the specific needs in their communities. The Administration will work with the States to improve reporting and accountability for services provided with these funds.

Continued Nutrition Assistance for Infants and Children: The Administration has continued to target resources to infants and children. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC), for example, reached nearly 7.4 million persons each month in 1998 and the budget proposes \$4.1 billion to serve 7.5 million people through 2000, fulfilling the President's goal of full participation in WIC. (See Chapter 5, Strengthening Health Care, for more information on WIC.)

Increasing Parental Responsibility Through Child Support Enforcement: The President's campaign to ensure that parents support their children is working. In 1997, the number of paternities established rose to nearly 1.3 million, and child support collections have gone up 80 percent since the President took office, to an estimated \$14.4 billion in 1998. In 1998, net Federal costs for child support enforcement were \$1.2 billion.

The budget will build on this success by helping Federal authorities investigate child support cases and prosecute more parents who fail to meet their responsibilities. The budget provides \$34 million over five years to fund an eightfold increase in U.S. Attorney legal support staff dedicated to child support, and additional funds in 2000 to support the Department of Health and Human Services' establishment of regional task forces to investigate and refer cases for prosecution. To improve the child support program's effectiveness and cost efficiency, the budget also conforms the match-rate for paternity testing with the lower administrative match-rate; repeals the guarantee to States of their 1995 level of collections; and starting in 2001, requires States to review support orders for families receiving

TANF every three years. Net Federal savings of these proposals total \$409 million over five years.

Shortly after the Administration concludes on-going consultations with stakeholders in April 1999, it will submit a proposal to Congress and work on a bipartisan basis to enact child support financing legislation based on the following five principles: 1) maximize collections and support for all families in the program, including the hardest to serve; 2) maximize paternity establishment, financial and medical support establishment, collections on current support and on arrears, and cost efficiency; 3) give priority to increasing payments to families, while ensuring Federal budget cost neutrality; 4) create incentives for adequate State and local investment of staff and resources needed for improved program performance; and 5) promote national standards and ease of interstate case processing, while maintaining State flexibility.

Better Benefits in the Workplace: The President has led successful efforts to ensure a living wage for all American workers while expanding their ability to care for their families and protect their health care benefits.

Family and Medical Leave (FMLA): In early 1993, the President proposed, and Congress enacted, the Family and Medical Leave Act, which allows workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse—making it less likely that employees will have to choose between work and family. The budget proposes expanding FMLA to reach workers in firms with over 25 employees, expanding coverage to 10 million more workers. In addition, the budget proposes providing resources to the Department of Labor to research: (1) the impact this law has had on the American family; and (2) how to

make leave accessible and affordable for more of America's working families.

Ensuring equal pay: The budget proposes a \$14 million equal pay initiative to focus additional resources to provide employers with the necessary tools to assess and improve their pay policies and to educate the public on the importance of this issue as well as their rights and responsibilities. (See Chapter 9, "Building One America", for additional information on this initiative.)

Minimum wage: In 1996, the President successfully sought a minimum wage increase that gave a big financial boost to full-time, full-year minimum wage workers, raising the pay of each by approximately \$1,800 a year. In February 1998, the President proposed to further raise the minimum wage to \$6.15 an hour by the year 2000. Increasing the minimum wage by one dollar in two equal steps simply restores the real value of the minimum wage to what it was in 1981. This increase will help ensure that as costs continue to increase parents who work hard and play by the rules can bring up their children out of poverty. The President remains strongly committed to increasing the minimum wage and will work with Congress to ensure the enactment of this vital increase.

Health Insurance Portability and Accountability Act: Working with Congress, the President in 1996 obtained landmark legislation, known as HIPAA, which provides important health insurance protections for an estimated 25 million Americans who move from one job to another each year, as well as those who are self-employed or who have pre-existing medical conditions. HIPAA reformed the private insurance market to ensure that workers have portable health benefits and insurers are less able to deny coverage due to pre-existing conditions. Combined with the Taxpayer Relief Act, HIPAA also made it easier for self-employed persons to get health insurance.