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HEALTH CARE INCENTIVES REFORM

Objectives.

- o To reduce the rapidly increasing cost of health care.
- o To slow the growth of federal expenditures on health under Medicare and Medicaid.
- o To protect persons on Medicare from the expenses of catastrophic hospitalization.

Problem.

- o Health care costs are rising so rapidly that they may soon threaten the quality of care and access to care which Americans enjoy.
 - Since 1965, consumer prices have risen three times while hospital costs have risen seven times.
 - In 1982, health care prices rose almost three times the national inflation rate.
 - The cost of health insurance rose 15.9 percent last year, the biggest increase ever.
 - Health care costs are consuming a growing portion of the nation's output: 10.5 percent of GNP in 1982, compared with 6.0 percent in 1965.
 - The cost of the average hospital stay jumped from \$316 in 1965 to \$2,168 in 1981 -- a sevenfold jump.
- o Under current law, Medicare and Medicaid spending are projected to rise 14 percent per year from FY 1983, to a total of \$82.6 billion in FY 1984.
- o Despite all that is being spent, Medicare beneficiaries do not have protection against financial ruin from catastrophic hospitalization expenses.

Solutions.

o Medicare measures.

- Initiate Medicare catastrophic coverage.
 - * The President's proposal would provide unlimited hospital coverage of catastrophic illness for the first time.
 - * Under the plan, all covered hospital costs would be paid by Medicare after 60 days' hospitalization each year.

- * This compares favorably with the present situation, in which Medicare hospital coverage expires completely after 150 consecutive days' hospitalization, with escalating patient copayments required for these lengthy stays.

-- Improve Medicare cost-sharing.

- * The President's proposal would require moderate cost-sharing rates per day, applied earlier in the hospital stay.
- * This co-payment proposal would allow the establishment of the catastrophic coverage described above, reducing the maximum beneficiary payment for 150 days' continuous hospitalization by almost 90%.
- * For low-income elderly, who cannot afford Medicare cost-sharing, the co-payment costs would be covered by Medicaid.

-- Establish voluntary Medicare vouchers.

- * Beneficiaries, at their own option, would be enabled to seek alternatives to Medicare coverage.
- * Where the beneficiary opted for such alternative coverage, the government would pay an amount equal to 95 percent of the per-person costs of the Medicare program.
- * Medicare would remain the basic national health plan for the elderly, and alternative plans would have to provide coverage at least equal to that provided by Medicare.

-- Institute prospective payment for hospitals.

- * The President's proposal would establish in advance the rates to be paid to hospitals, instead of paying virtually whatever costs a hospital claimed.
- * Rates would be set for each of 467 diagnosis-related groups (DRGs), with adjustments for local wages.
- * HHS would continue to monitor hospitals to ensure that quality care and access to care is maintained.
- * This proposal was included in the Social Security reform bill which the President has signed.

o Medicaid measures.

-- Mandate modest copayments by Medicaid beneficiaries.

- * The President's proposal would require Medicaid beneficiaries on welfare to pay \$1 per out-patient visit (\$1.50 for those not on welfare), and \$1 per hospital day (\$2 for those not on welfare).
- * The copayments would help ensure that beneficiaries do not use health care unnecessarily, but are small enough so that they would not deter necessary care.

-- Maintain reductions in federal share of Medicaid.

- * The President's proposal would extend beyond FY 1984 the reduction in federal payments to states passed in the Omnibus Budget Reconciliation Act of 1981. (The reduction would be cut, however, from 4.5 percent to 3 percent.)
- * The reduction would remain in place for an indefinite period, leaving intact the incentive for states to continue seeking new cost-saving Medicaid policies.

o Private health plans measure.

-- Limit the tax subsidy of higher-priced health plans.

- * At present, all employer contributions to employee health benefits are tax-free to the employee.
- * The President's proposal would allow tax-free treatment up to \$175 per month for family coverage, or \$70 per month for individual coverage.
- * While individuals and companies would remain free to purchase as much health coverage as they desired, the new provision would eliminate the bias that now works in favor of high-priced coverage and against comparably higher wages.

TUITION TAX CREDITS

Objective.

- o To enhance parents' ability to direct the education of their children in a way that best serves their individual needs and aspirations.

Problem.

- o Parents who choose to send their children to nonpublic schools must pay twice -- nonpublic school tuition plus taxes to support public schools.
- o Nonpublic schools' tuition costs continue to increase.
- o This worsening double-payment problem effectively precludes growing numbers of low- and middle-income Americans from exercising a choice in the education of their children.

Solution.

- o Under the President's proposal, parents who choose to send their children to nonpublic elementary and secondary schools could claim a tax credit for each child in such schools up to half the cost of tuition.
 - The maximum credit per child would be \$100 in 1983, \$200 in 1984, and \$300 in 1985 and thereafter.
 - The full credit would be available only to those families with annual adjusted gross incomes at or below \$40,000. The amount of the credit would be proportionately reduced for families with incomes above that amount, and would be phased out entirely at \$60,000.
- o Parents would be eligible for the tax credit only if they sent their children to nonpublic schools that:
 - Are non-profit, tax-exempt institutions.
 - Do not discriminate on the basis of race, color, or national origin.
- o Nothing in the President's proposed legislation would create a basis for federal dictation of schools' policies.

EDUCATION VOUCHERS

Objective.

- o To enhance parents' ability to direct the education of their children in a way that best serves their individual needs and aspirations.

Problem.

- o Parents of educationally disadvantaged children do not have the range of choice, and their children consequently do not have the variety of potential educational experiences, as do most parents.

Solution.

- o Under the President's proposal, school districts which receive funds under Chapter 1 of the Education Consolidation and Improvement Act of 1981 would be given the option of using some or all of these funds to provide vouchers to parents of educationally deprived school children.
 - State educational authorities would have the option of requiring all school districts to establish voucher programs with their Chapter 1 funds.
- o Parents could use these vouchers to:
 - Pay the cost of enrolling their children at nonpublic schools.
 - Pay the cost of enrolling their children at public schools outside the home district.
 - Pay the cost of enrolling their children in compensatory education services made available by their home districts.
- o The amount of each voucher would depend on the amount of Chapter 1 funds each school district planned to spend on compensatory programs and the number of students selected to participate in those programs.
 - Chapter 1 funds would continue to be allocated to states and school districts as under current law.
 - School districts implementing the voucher option would be required to continue providing compensatory education services for voucher recipients who elected to remain in the schools of the district and for any Chapter 1 students who might not receive vouchers.

o The President's bill:

- Provides that voucher payments do not constitute federal financial assistance to schools or school districts.
- Prohibits use of a voucher at private schools that discriminate on the basis of race, color, or national origin.

o The proposed vouchers would have no impact on the federal budget, as they merely create an option to use already budgeted federal funds in a different way.

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EDUCATION SAVINGS ACCOUNTS

Objective.

- o To increase the ability of parents, especially those with low and moderate incomes, to send their children to the college or university of their choice.

Problem.

- o The costs of post-secondary education have risen sharply in recent years -- 30% between 1977 and 1981 -- reducing options for some families, and foreclosing the option altogether for others.

Solution.

- o Under the President's proposal, parents would be permitted to make nondeductible contributions to tax-exempt Education Savings Accounts to pay for the post-secondary education of their children.
 - An individual with a dependent under age 18 could set up an Education Savings Account to fund the post-secondary education costs of the dependent.
 - The originator of the account could make contributions for each year in which the dependent was under 18 years of age.
 - The maximum amount that could be contributed per child in any year would be \$1,000, reduced by 5 cents for each dollar that the annual adjusted gross income of the parents exceeded \$40,000. No contributions could be made when the annual adjusted gross income exceeded \$60,000.
- o Tax exempt status.
 - Income earned by the account would not be subject to tax.
 - The income withdrawn would be taxable unless used to pay eligible education expenses of the dependent in a post-secondary program leading to a degree or certification.
 - An Education Savings Account would lose its tax-exempt status and the owner taxed on all retained earnings in the year in which the dependent became 26 years of age.

o Education Savings Accounts would be subject to many of the same restrictions as IRAs.

-- Accounts could be invested only in the same type of assets in which IRAs may be invested.

-- Taxable withdrawals and terminations would be subject to a penalty in most cases.

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HIGHER EDUCATION AID REFORM

Objectives.

- o Restore the primary roles of the family and the student in meeting the responsibility for post-secondary educational costs.
- o Provide low-income students with more direct federal grant aid than they would receive under current law.

Problems.

- o Under current law, schools and students can assemble monies in ways that require no contribution from the student before receiving a federal grant.
- o Much direct federal aid that could assist low-income students is currently diverted to assist middle- and higher-income families that can and should pay a greater share of their higher education costs.

Solution.

- o Under the President's proposal, the Pell Grant would be restructured into a grant that supplements a student's self-help efforts.
 - Middle-income families would be expected to contribute a higher percentage of their income than at present.
 - Student contributions.
 - * For the first time, expected student contributions would be taken into account for all recipients.
 - * After taking into account the family contribution, the student would be required to contribute 40%, or \$800 minimum, to his own educational costs before becoming eligible for the Pell Self-Help Grant.
 - * Student contributions could be financed through summer and part-time earnings or through the expanded Work Study program; loans, savings, and other sources of funds, including non-federal aid, could also be used.
 - The size of the maximum grant would be increased from \$1,800 to \$3,000.
- o College Work-Study program funding would be increased by more than 40% in order to expand opportunities available for students to meet their self-help requirement.
 - Participating schools would not be required to increase their matching contributions beyond their 1983 levels.

- o The Guaranteed Student Loan (GSL) program would continue as under current law with two significant changes:
 - All applications for the regular student loan would be subject to a need analysis to ensure that federal interest subsidy benefits do not go to those who do not need them.
 - * Under current law, applications from only those students with a family income of more than \$30,000 are subject to a need analysis.
 - Graduate and professional students who borrow under the regular student loan program would pay a 10% origination fee (increased from 5%).
 - * This reduction in the interest benefits for these students recognizes that they can be expected to earn a substantially higher income than the general population and, therefore, can afford to pay more toward the interest costs of their subsidized loans.
- o As proposed in the President's 1984 Budget, the National Direct Student Loan program, the Supplemental Educational Opportunity Grants program and the State Student Incentive Grant program would receive no new federal funds.

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MATH, SCIENCE AND ENGINEERING TEACHER INITIATIVES

Objective.

- o To improve the quality and availability of math and science teachers to prepare students for the high-technology economy of the 1980s.

Problems.

- o Objective measures have shown a steady decline over the last 15 years in pre-college math and science skills.
- o Only one-sixth of high school graduates have taken junior and senior level courses in science and math.
- o One-third of U.S. high schools do not offer sufficient mathematics to prepare graduates for engineering schools.
- o One-tenth of college engineering faculty positions are vacant.
- o If every student took just one more math or science course, there would be a nationwide shortage of more than 30,000 secondary school math and science teachers.

Solution.

- o A National Science Foundation (NSF) administered program to improve the qualifications of existing pre-college math and science teachers.
 - Under this initiative, local education agencies would make proposals to NSF for programs to improve the qualifications of pre-college math and science teachers in their areas.
 - NSF would choose the best programs and fund 50% of their costs.
 - Annual NSF appropriations for this purpose would equal \$19 million (\$14 million in 1983), enough to fund training for 10,000 teachers each year.
- o An Education Department program to increase the number of qualified pre-college math and science teachers.
 - This program would provide block grants to states to assist in training additional science and math teachers.

- The funds would have to be used for training new math and science teachers, primarily through the imparting of teaching skills to those who may already be expert in math and science fields but lack teaching experience, or the upgrading of technical proficiency in math and science for experienced teachers from other teaching fields.
- Funding.
 - * The Education Department would provide \$50 million for this program.
 - * To make the grants most effective state or local governments would be able to provide additional funds.
- o A joint NSF and Education Department program to provide awards to outstanding pre-college math and science teachers.
 - States would nominate outstanding pre-college math and science teachers for awards.
 - Up to 100 awards would be granted annually, with at least one granted to a teacher from each state.
 - Selection would be based on teaching excellence and teaching achievements of nominees.
 - Winners would receive a \$5,000 grant to be used by their school to improve their math and science program.
- o An NSF Presidential Young Faculty Awards program.
 - Grants would be provided to outstanding young faculty members (those who had received their Phds within the last 7 years) for research in areas of critical need in science and engineering.
 - Approximately 200 awards would be given each year.
 - These awards' would attract top quality scientists and engineers into academia, relieving the shortage of college faculty in those fields.

ADOPT-A-SCHOOL PROGRAM

Objective.

- o To expand the "Adopt-A-School" concept already in wide use throughout the country.

Solution.

- o The Adopt-A-School concept enables an organization to literally "adopt" a school.
 - The adoption normally begins with one representative from the organization sitting down with the school principal, and each listening to the other's concerns about education.
 - Then, they decide what they can do for each other.
- o In practice, the type of adoptions across the country cover a very broad range:
 - Contributing money.
 - Providing academic tutoring.
 - Providing courses that would not exist without the private "parent."
 - Helping establish vocational classes aimed at students' general employability or specific employment with a business adopter.
- o Anyone can "adopt" a school or part of one: businesses, community organizations, neighborhood groups, religious organizations, and individuals.
- o The Administration will:
 - Encourage private entities, especially community groups, to adopt schools.
 - Highlight successful efforts.
 - Disseminate information about the program through the Office of Private Sector Initiatives and the Education Department's Commission on Excellence in Education.

ADULT LITERACY

Objective.

- o To encourage and complement private efforts aimed at increasing adult literacy.

Problem.

- o One out of five adults, and a large fraction of teenagers, are unable to read, write, or compute well enough to function productively in U.S. society.
- o Lack of literacy competency contributes to substantial costs imposed on society, such as higher unemployment.

Solution.

- o Under the President's proposal, the Administration will encourage college students to provide literacy tutoring to individuals identified by community organizations, either through voluntary community service or as part of the Administration's expanded Work-Study program.
- o Through the Private Sector Initiatives Office and ACTION, the Administration will:
 - Provide information to potential private sponsors on how they can establish adult literacy programs.
 - Highlight successful private sector efforts to promote adult literacy.

PENSION EQUITY

Objective.

- o To ensure fairness to women in pension benefits while preserving the financial solvency of pension plans.

Problem.

- o Pension plans typically employ sex-based actuarial tables.
 - Women, on average, live longer than men. Although lump-sum payments for male and female retirees are generally equal, when pension benefits are annuitized, women will receive smaller periodic payments.
 - If a woman lives as long as the average member of her class, she will receive over her lifetime a sum equal to that received by a comparable male. It is argued that it is discriminatory for pension plans to make that assumption, because many individual women do not live as long as the average for all women.
- o The courts have handed down rulings on this matter.
 - The Supreme Court ruled in the Manhart case in 1978 that female employees could not be required to make larger pension contributions to get the same monthly benefits as similarly situated males.
 - Since the Supreme Court ruling, virtually all lower federal courts have held that equal benefits are required along with equal contributions.
- o Correcting the inequity is not a simple matter.
 - The costs of moving away from sex-segregated tables can be substantial, depending on the type of pension plan in question, and depending on the extent to which the courts order retroactive application of sex-neutral benefits.
 - There is some fear that the courts' handling of this issue could jeopardize the financial solvency of certain pension plans, principally state and local plans, and could discourage the starting or continuation of pension plans.
- o The Supreme Court will address some of these further issues during the current term.
 - It has already heard one case (Norris) in which some of the more important concerns are raised.
 - It also has before it an appeal from another lower court ruling in a similar case (Spirt v. TIAA/CREF and Long Island University).

Solution.

- o After consultation with federal agencies having an interest in this area, the Department of Justice filed a brief urging the Court to hear this second case. The Department's brief argued:
 - Title VII of the Civil Rights Act (which prohibits employers from discriminating on account of sex) requires equal benefits as well as equal contributions in employer-based pension plans.
 - It is not necessary at this time to decide whether the insurer as well as the employer should be subject to Title VII.
 - In ordering remedies, the Court should pay heed to the varying costs of different remedies, possible conflicts with other federal statutes (such as ERISA), and the impact on the financial solvency of pension plans.
- o The President will be offering pension legislation later this year.

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SOCIAL SECURITY EQUITY

Objective.

- o To correct certain unintended sex-based inequities in the social security system.

Solution.

- o The previous law permitted the continuation of benefits for surviving spouses who remarry after age 60.
 - At the recommendation of the National Commission on Social Security Reform (NCSSR) Congress, with the support of the President, included provisions in the social security reform bill that liberalized benefit eligibility to include:
 - * Disabled surviving spouses after age 50.
 - * Disabled divorced spouses after age 50.
 - * Divorced surviving spouses aged 60 or over.
 - * Note: This provision will help alleviate the problem of many older persons having to "live in sin" to avoid losing spousal benefits.
 - Costs.
 - * Short-range (1983-89) cost: \$0.1 billion
 - * Long-range (75-year) cost: --
- o Previous law provided that spouse benefits were not payable to divorced spouses aged 62 or over unless the former spouse has claimed benefits.
 - The law was changed so that as long as the divorced spouse has satisfied the 10-year marriage requirement, she/he will be eligible for benefits as soon as her/his former spouse (primary beneficiary) becomes eligible for benefits.
 - Costs.
 - * Short-range (1983-89) cost: \$0.1 billion
 - * Long-range (75-year) cost: 0.01% of taxable payroll.
- o Previous law stated that if a worker died before reaching age 62, deferred survivor benefits for the widow(er) would be based on the worker's earnings, indexed to average wage levels up to the second year preceding death. Subsequent benefit adjustments reflected changes in the CPI.

- Example: Worker dies at age 60 leaving 55-year-old widow(er). Surviving spouse would not be eligible for benefits until age 60. Worker's benefit would be indexed up to age 58 (2 years before death) and subsequently adjusted to reflect price (CPI) changes until the surviving spouse became eligible (5 years).
- The new law states that instead of indexing the worker's benefit to CPI changes until the widow(er) becomes eligible to claim, average wage growth be used.
 - * The rationale is simply that if the worker had not died, his (and his spouse's) benefits would have reflected average wage growth until he reached age 62.
 - * As the benefit is supposed to reflect a certain proportion of wage replacement, it makes no sense to treat this particular situation differently than others.
- Costs.
 - * Short-range (1983-89) cost: \$0.1 billion.
 - * Long-range (75-year) cost: 0.05% of taxable payroll.
- o Under previous law disabled widow(er)s were eligible for reduced benefits at ages 50-59, in the sum of 50% at age 50 of the worker's benefit. Non-disabled widow(er)s, without dependent children, were eligible for reduced benefits at age 60, in the sum of 71-1/2% of the worker's benefit.
- Under the new law the reduced benefits for disabled widows, available at age 50-59, are raised to the 71-1/2% level.
- Costs.
 - * Short-range (1983-89) cost: \$1.4 billion.
 - * Long-range (75-year) cost: 0.01% of taxable payroll.

CHILD CARE

Objective.

- o To encourage the provision of child care by private groups and states and localities.

Problem.

- o While there are no federal child care regulations, unnecessary state and local regulations and restrictions on day care make it difficult for neighborhood groups and private organizations to provide child care.

Solution.

o Current laws.

- In the 1981 Budget Reconciliation Act, the major federal day care program was folded into the Social Services Block Grant.
 - * States now may decide whether to run or fund a day care program, and decide on the appropriate funding level.
 - * Rather than reduce or eliminate child care programs, states may staff them with individuals in workfare and Work-Study programs.
- Federal laws provide tax breaks for child care. The 1981 Economic Recovery Tax Act increased tax credits to working parents, and provides that employer contributions for child care are not taxable to employees.
- In conjunction with the Rockefeller Foundation, the Women's Bureau in the Department of Labor is currently funding four demonstration projects to induce employers to provide day care services for working women.

o New actions.

- The Administration will identify and disseminate information on models of effective private child care that eliminate unnecessary state and local restrictions on its provision by neighborhood groups and private individuals.
- The Administration will encourage private employers to voluntarily provide child care by a variety of means including day-care reimbursement, referral services, education of the employer about tax incentives, and on-site day care.

- The Administration will encourage states and localities to provide child care through workfare and Work-Study programs employing welfare recipients and college students, respectively.

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CHILD SUPPORT ENFORCEMENT

Objective.

- o To increase the collection of child support payments owed by absent parents to single-parent families.

Problem.

- o The dimensions of the problem.
 - The number of single-parent families increased by 97% during the past decade.
 - Single-parent families now constitute 25% of all families with children.
 - 90% of these families are maintained by women.
- o The causes of the problem.
 - Approximately half of the marriages that took place in the 1970s have ended, or will end, in divorce.
 - The number of out-of-wedlock births has increased significantly.
 - * Between 1970 and 1979, the number of out-of-wedlock births rose by 50%, from 400,000 to 600,000 per year.
 - * During this time, out-of-wedlock births as a proportion of total U.S. births climbed from 10.7% to 17.1%.
- o The plight of women-headed, single-parent families.
 - According to a 1978 Census Bureau study, only 59% of women potentially eligible to receive child support awards have been granted them.
 - Of those awarded child support by the courts:
 - * Only 49% received from the absent father the full amount due them.
 - * 23% received less than the full amount owed them.
 - * 28% received nothing.
- o The effect: a higher welfare burden.
 - Almost 87% of all AFDC recipients are eligible for welfare assistance because of the absence from the home of a living parent.

- In fact, the single-parent family is the most significant new factor in the nation's high poverty level and growing social spending.
- o The problem threatens to grow worse over the next decade.
 - By the 1990s, only 56% of the children in the U.S. will spend their entire childhood living with both natural parents.
- o Current state Child Support Enforcement (CSE) performance is often poor, and can be improved significantly:
 - 19 states collect less from AFDC absent parents than they spend on program administration. Only 11 states have collections to cost ratios that exceed 2:1.
 - CSE collections offset only 6% of total AFDC payments nationwide. Some states only collect 1% of AFDC costs; other states collect 19%.
 - Marginal state performance is currently rewarded. States need only collect 48¢ for each \$1 administrative costs to "break even" from their perspective. This is because under current law states pay only about 30% of CSE costs, but retain over 60% of collections.

Solution.

- o Restructure federal matching to provide incentives for improved state and local performance.
 - The current imbalanced structure of federal matching payments and distribution of AFDC collections would be replaced by a new federal financing system designed to reward states both for increasing collections and for operating cost-effective programs.
- o Require states to have in place laws and procedures that promote increased collections and cost-effective operations, including:
 - Mandatory wage assignments when payments are delinquent.
 - State income tax refund offset.
 - Use of quasi-judicial and administrative procedures for establishing paternity and support orders.
- o To ensure that Medicaid remains the payor of last resort, require states to seek medical support from absent parents who have employer-subsidized health insurance available that could cover the AFDC family at reasonable cost.

- o Improve the Office of Child Support Enforcement's parent locator service, which facilitates state collection of child support obligations.
- o Through the 50 States Project, help states further identify and correct state and local laws and regulations that inhibit the collection of child support payments.

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ECONOMIC AND LEGAL EQUITY

Objective.

- o To revise or eliminate sex-discriminatory laws at federal and state levels.

Solution.

o Mechanisms.

- The Federal Equity Project, including the Task Force on Legal Equity, to:

- * Review federal laws, regulations, policies and practices that contain language that unjustly discriminates on the basis of sex.

- * Recommend changes to improve equity.

- The 50 States Project to help states correct sex-discriminatory laws and regulation by:

- * Collecting and making available various information on the nature and status of specific corrective legislation in the 50 states.

- * Assisting the states in the development of strategies designed to meet their individual needs.

- * Maintaining an information clearing house.

- * Providing regular information releases on activities in the states.

- * Initiating briefings and meetings designed to keep an open line of communication between the parties involved in efforts to remove sex discrimination in state laws.

o Activities.

- The Federal Equity Project will continue to move toward completion of its assignment by April 1984.

- The 50 States Project will continue to identify state laws that discriminate against women, expanding this mandate to include identification of state and local laws that inhibit the collection of child support payments and laws that unnecessarily restrict private child care.

CRIME CONTROL

Objective.

- o To continue reducing the rate of crime in the U.S., especially in such difficult-to-control areas as drug trafficking and organized crime.

Problem.

- o The rate of crime remains too high.
 - More than 40,000 serious crimes occur every day.
 - A murder occurs every 23 minutes, a rape every 6 minutes, a robbery every 58 seconds, and a burglary every 8 seconds.
- o The criminal justice system is becoming increasingly incapable of dealing effectively with criminals and of protecting society, due in large part to permissive procedures and rules that go too far in favoring the criminal at the expense of the victim and society.

Solution.

- o Bail reform.
 - Permit courts to consider danger to the community in making bail determinations.
 - Tighten the criteria for post-conviction release pending sentencing and appeal.
 - Provide for revocation of release and increased penalties for crimes committed while on release.
 - Increase penalties for bail jumping.
- o Sentencing reform.
 - Establish a determinate sentencing system with no parole and limited "good time" credits.
 - Promote more uniform sentencing by establishing a commission to set a narrow sentencing range for each federal criminal offense.
 - Require courts to explain in writing any departure from sentencing guidelines.
 - Authorize defendants to appeal sentences harsher and the government to appeal sentences more lenient than the sentencing commission guidelines.

o Exclusionary rule reform.

- Create an exception to the application of the exclusionary rule to prevent suppression of evidence where it can be shown that police officers were proceeding in a good faith and objectively reasonable belief that they were acting in compliance with the law.

o Forfeiture reform.

- Require forfeiture of profits and proceeds of organized crime enterprises.
- Require criminal forfeiture in all narcotics trafficking cases.
- Expand procedures for "freezing" forfeitable property pending judicial proceedings.
- Require forfeiture of substitute assets where other assets have been removed from the reach of the government.
- Expand the scope of property subject to criminal forfeiture.
- Expand use of administrative forfeiture in noncontested cases.

o Insanity defense reform.

- Limit the insanity defense to those who are unable to appreciate the nature or wrongfulness of their acts.
- Place the burden on the defendant to establish the defense by clear and convincing evidence.
- Prevent expert testimony on the ultimate issue of whether the defendant had a particular mental state or condition.
- Establish procedures for federal civil commitment of persons found not guilty by reason of insanity if no state will commit them.

o Reform of federal intervention in state proceedings.

- Require federal deference to "full and fair" state court proceedings.
- Limit the time within which state adjudications may be challenged in federal court.

o Narcotics enforcement amendments.

- Strengthen federal penalties applicable to narcotics offenses.
- Reduce the regulatory burden on law-abiding manufacturers and distributors of legitimate controlled substances.
- Strengthen the ability of the Drug Enforcement Administration to prevent diversion of legitimate controlled substances to illegal uses.

o Justice Assistance Act.

- Authorize a program of financial assistance to state and local law enforcement to help finance anti-crime programs of proven effectiveness.
- Streamline the components of the Department of Justice responsible for statistical, research and other assistance to state and local law enforcement.

o Surplus property amendments:

- Facilitate donation of surplus federal property to state and local governments for urgently needed prison space.

o Reinstitution of capital punishment.

- Establish constitutional procedures for imposition of the death penalty in certain homicide, treason and espionage cases.

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DRUG ABUSE STRATEGY

Objective.

- o To reduce drug abuse by reducing the supply of drugs entering the United States and by creating a climate whereby the user no longer chooses to use drugs.

Problem.

- o Drug abuse has spread to all segments of our society.
- o Drug abuse has many harmful side-effects.
 - It disrupts family relationships, diminishes school performance, impairs judgment and alters behavior.
 - It contributes to many health problems, major losses in productivity, automobile accidents and untold human suffering.
 - It creates an illicit market that supports many criminal activities.

Solution.

- o The President is mobilizing all available resources in broad campaign to reduce drug abuse. Private sector involvement is an integral part of the President's strategy.
- o The campaign includes:
 - International cooperation.
 - * Encourage the development of international cooperative programs to eliminate drugs at their source.
 - * Integrate drug considerations into AID programs.
 - Drug law enforcement.
 - * Aggressively investigate and prosecute all criminal activities associated with drug trafficking, including forfeiture all ill-gained assets.
 - * Employ military intelligence and resources to support civilian drug law enforcement agencies, where appropriate.
 - Education and prevention.
 - * Encourage private sector efforts in educating the American public about drugs, with emphasis on prevention messages directed at young people.

- * Use federal government capabilities as a catalyst for grassroots action rather than creating massive new federal programs.

-- Detoxification and treatment.

- * Encourage states to use block grants to support appropriate treatment programs, with emphasis on more effective, less expensive treatment alternatives.

-- Research.

- * Provide budget increases for basic and applied research programs, with better dissemination of research results.

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CIVIL RIGHTS

Objective.

- o To ensure full equality under the law for all persons.

Solution.

- o Provide budget increases of more than 18% over 1980 levels for civil rights enforcement activities.
- o Reauthorize the Civil Rights Commission.
- o Improve the enforcement of Fair Housing Laws.
 - Through grants and technical assistance to state and local agencies, the Department of Housing and Urban Development will increase the ability of such agencies to handle complaints under the Fair Housing Act.
 - The Department of Housing and Urban Development will assist in forming local Community Housing Resource Boards to initiate affirmative marketings and other voluntary efforts to assure fair housing.
 - The President will also work to develop legislation to improve enforcement of the Fair Housing Laws.
- o Continue to effectively enforce equal employment laws (in 1982, EEOC charge processing produced 76% more backpay for discriminatees than in 1980).
- o Increase job opportunities for minorities through:
 - The enterprise zones proposal, which will spur inner city economic development.
 - Job vouchers and increased funding for the Job Training Partnership Act.
- o Increase educational opportunities for minorities by expanding their choices in education through tuition tax credits, education vouchers, and greater targeting of higher education grants to the needy.
- o Increase ability of minorities to live free from violence through more effective crime control measures.

SCHOOL PRAYER

Objective.

- o To restore the freedom of American school children to participate in voluntary school prayer.

Problem.

- o The Supreme Court's 1962 and 1963 school prayer decisions prohibited prayer in the public schools on the premise that allowing such prayer violates the constitutional separation between church and state.
- o Since the early 1960s, lower federal court rulings have removed virtually all forms of voluntary worship from our nation's public schools.
 - The Supreme Court approved a lower court decision that barred students from participating, upon their own request and with their parents' consent, in a one-minute time of silent meditation at the start of the school day.
 - A federal court has held that a school district policy permitting students to conduct voluntary meetings for "educational, religious, moral or ethical purposes" outside class hours, violates the Constitution.
 - A state court relying on Supreme Court precedents prohibited the reading of prayers from the Congressional Record in a high school gymnasium before the beginning of school.
- o These decisions contradict the intent of the framers of the First Amendment and place a discriminatory restriction on students in the exercise of religious speech.

Solution.

- o The President's proposed constitutional amendment states that:

"Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any state to participate in prayer."
- o The amendment does not require school authorities to conduct or lead prayer; it permits them to choose.

- The selection of the particular circumstances for prayer would be left to the judgment of local communities based on a consideration of such factors as the preferences of parents, students, and teachers, as well as other community interests.
- o The second sentence of the proposed amendment assures that no one need make any expression of religious beliefs that he or she does not hold, and that no person would be required, by any state or the federal government, to participate in prayer. The right not to pray is thus protected as well.

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