

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

NATIONAL GOVERNORS' ASSOCIATION

* * *

WINTER MEETING

PLENARY SESSION

J. W. Marriott Hotel

1331 Pennsylvania Avenue, N. W.

Grand Ballroom

Washington, D. C.

Sunday, February 23, 2003

9:15 a.m.

The plenary session commenced, pursuant to notice, at
J. W. Marriott Hotel, Grand Ballroom, on Sunday, February
23, 2003, in Washington, D. C., at 9:15 a.m., Governor Paul
E. Patton, Chairman, presiding.

20

21

22

♀

2

1 P R O C E E D I N G S

2 GOVERNOR PATTON: Good morning. If we
3 could start the meeting. Welcome to the annual
4 winter meeting of the National Governors Association.
5 I'm Paul Patton, Governor of Kentucky, and Chair of
6 the National Governors Association. We are very
7 fortunate to have some outstanding new governors to
8 lead the various states of our nation. About, I
9 think, 25 of the total of 55 governors, including the
10 five (5) territories, are new this year, so we have a
11 great opportunity to provide vibrant, new leadership
12 to parts of our country, and bring out new ideas.
13 And, that's one of the objectives of this meeting --
14 is to share ideas with each other, and operate, here
15 in our nation, with what we call the laboratories of
16 democracy.

17 I think one of the great strengths of our
Page 2

18 country is that the states -- our federalism system,
19 where states have great latitude to experiment with
20 different programs. To try things that work
21 differently in different parts of the nation, and to
22 get together as governors and learn about what

†

3

1 various things are working, and maybe, perhaps,
2 things that aren't working.

3 I've been pleased to be a part of this
4 organization going into my eighth year, and I'm proud
5 of the fact that during those eight years, I've never
6 missed a meeting of the National Governors
7 Association. In fact, Governor Kempthorne, I've
8 never missed a meeting at the meetings. I go to them
9 all. I come home inspired by what I've heard from my
10 fellow governors, and my staff really hates to see me
11 get home, because they know I've got three or four
12 new ideas that they are going to have to work on, and
13 try to see if they can be applicable in Kentucky.
14 So, that's what we're going to do for the next three

15 (3) days. And, with our new governors, particularly
16 -- we want to welcome you.

17 So, I'd like to go down the list of the
18 new governors that are in attendance at this meeting.
19 From Alabama, Governor Bob Riley. Governor Riley,
20 welcome; good to see you here. We have from Alaska,
21 Governor Frank Murkowski. Governor Murkowski,
22 welcome. From Arizona, Governor Janet Napolitano.

♀

4

1 That's alright. Well, they play basketball in
2 Arizona, and the Governor and I anticipated a little
3 bit that we may see ourselves eyeball to eyeball in
4 New Orleans, in March. We've got a little wager
5 going on then, if that turns out to be the case. So,
6 I had the opportunity to have a wager with Governor
7 Leavitt, which I won, I might say. I also had an
8 opportunity to have a wager with Governor Pataki,
9 which I won. I lost one, but I forget which one it
10 was -- that I lost to.

11 (Laughter.)

12 GOVERNOR PATTON: It was Governor

13 Kempthorne, that is right. So, we have a lot of fun.
14 And I think we've got a couple of other wagers that
15 we want to be talking about later on. From Georgia,
16 Governor Sonny Purdue, another of our colleagues.
17 From Guam, Governor Felix Camacho. From Hawaii,
18 Governor Linda Lingle. From Kansas, Governor
19 Kathleen Sebelius. From Maine, Governor John
20 Baldacci. From Maryland, Governor Bob Ehrlich. From
21 Massachusetts, Governor Mitt Romney. From Michigan,
22 Governor Jennifer Granholm. From Minnesota, Governor

♀

5

1 Tim Pawlenty. From New Mexico, Governor Bill
2 Richardson. From Oklahoma, Governor Brad Henry.
3 From Oregon, Governor Ted Kulongoski.
4 Boy, you all got some real names. Boy, it
5 must have been the year for difficult names for
6 people from the south to pronounce, to be elected
7 governor, I don't know. From Pennsylvania, Governor
8 Ed Rendell. From Rhode Island, Governor Don Carichi
9 (phonetic). From South Carolina, Governor Mark
10 Sanford. From South Dakota, Governor Michael Relms.

11 From Tennessee, Governor Phil Bredesen. From
12 Vermont, Governor Jim Douglas. From Wisconsin,
13 Governor Jim Doyle, and from Wyoming, Governor Dave
14 Freudenthal.

15 Congratulations to all of you and welcome
16 to the National Governors Association.

17 (Applause.)

18 CHAIRMAN PATTON: With that, I'd like to
19 call the order of the 2003 winter meeting of the
20 National Governors Association. May I have a motion
21 for the adoption of the rules of procedure for the
22 meeting?

‡

6

1 VOICES: So moved.

2 VOICES: Second.

3 CHAIRMAN PATTON: All in favor, please say
4 Oye.

5 (Course of Oyes.)

6 CHAIRMAN PATTON: Part of the rules
7 require that any governor who wants to submit a new

8 policy or resolution for adoption at this meeting
9 will need a three-fourths vote to suspend the rules.
10 Those new motions will be considered Tuesday at our
11 final meeting. Please submit any new proposal to
12 Frank Shefroth of the NGA staff, by 5 o'clock
13 tomorrow, Monday.

14 We're going to begin this year's meeting
15 by discussing early childhood care and education, and
16 it's critical importance in insuring that all
17 children are well prepared for their first day of
18 school. Several years ago, I remember, as I attended
19 an NGA winter meeting and heard about the research
20 findings on brain development -- that session was the
21 pivotal moment for me as I began to create an early
22 childhood for Kentucky -- "Kids Now."

♀

7

1 A number of you, especially, the new
2 governors, are already focusing on the education of
3 the young children of your state. But let me spend a
4 few minutes highlighting the need for governors to
5 play an active role in creating policies that support

6 high quality, early childhood programs. Approximately
7 two-thirds of children under five (5), about 12
8 million of them, spend sometime outside of their
9 homes in childcare centers, Head Start, and other
10 pre-school programs. Research tells us that children
11 attending high-quality, early childhood settings, are
12 more likely to have the social and emotional,
13 cognitive and language and literacy skills needed for
14 the first day of school. Unfortunately, we know that
15 the majority of the children across the country,
16 attend lower quality care settings.

17 We know that having a rich vocabulary,
18 whether it's a person's ability to read well--.
19 Children entering kindergarten with quality pre-
20 school experiences have a wide range of vocabulary
21 knowledge. Although we know a lot more about how to
22 assess a child's readiness for school, few states

♀

8

1 have policies in place to effectively measure school
2 readiness.

3 That's why I appointed a task force on
Page 8

4 school readiness. Governor Kempthorne and I are co-
5 chairing this task force, "Preparing America's
6 Children to Learn." I want to thank Governor
7 Kempthorne and his wife, Patricia, for playing such
8 an active role in other work of the task force. This
9 task force will focus on and develop guidance for
10 children ages birth through five, with emphasis on
11 the readiness of children, schools, and communities
12 and families. In particular, the task force will look
13 at the connections between early childhood programs
14 and the K-12 system. The task force will also be
15 examining what policymakers need to know about the
16 assessment of young children. The task force will
17 release their report at the NGA Annual Meeting in
18 Indianapolis this summer. The report will provide
19 guidance on how states should approach and measure
20 school readiness.

21 Before I introduce our speakers for the
22 morning, I want us to hear what some of our

♀

1 colleagues have to say about the importance of early
2 childhood -- and do that. Let us look at a brief
3 video.

4 (Film shown.)

5 CHAIRMAN PATTON: It looks like we already
6 have a lot of new governors that understand the
7 importance of education and early childhood. But,
8 one of the most difficult things that you will find
9 is the willingness to invest today in things that
10 really won't show up visibly for 18 to 20 years into
11 the future. But as far as I'm concerned, it's about
12 the most important investment that a state can make.
13 Now, I'm a little bit like Paul, the Apostle,
14 converted on the road to Damascus. I'm an engineer,
15 by education, and I just thought rather logically,
16 that children were born pretty, well -- complete,
17 with hearts and muscles and bones, and a brain, and
18 that the big challenge for the first several years
19 was to just nurture them, and protect them. And when
20 they got old enough, you put them into school. Until
21 I came to one of these meetings, and I started

22 understanding that [we were born] with a brain, we're

♀

10

1 not born with a functional brain. We're born with an
2 erector set. And that brain is [made] by the life
3 experiences that individual has, and it can be
4 assembled wrong. It can not be totally assembled,
5 and when those parts of the brain that the child is
6 born with, which are billions of parts, adequate for
7 any kind of a brain to be built with -- if they are
8 not used, they disappear, and they never come back.
9 That's the reason it's so important. If a child is
10 born with a cataract, and we had a daughter-in-law
11 that was, and if that cataract is not removed within
12 the first year, that portion of the brain that the
13 child was supposed to see with that eye, will do
14 something else, or disappear. And the cataract can
15 be removed. Vision can never be returned. That is
16 the importance of the issue we're talking about this
17 morning. And it is an issue about which, I feel,
18 extremely strong. One of the inspiror's (sic) that
19 caused me to realize this, and caused me [to be] so

20 dedicated to the cause is Rob Reiner. I've asked him
21 to come back and be with us today.

22 As many of you know, Rob Reiner, is a

11

1 principle and founder of Castle Rock Entertainment,
2 and in addition to directing feature films, he's
3 involved in all phases of Castle Rock's creative
4 activities. It was, however, in his Emmy Award
5 winning portrayal of Michael Stivic, the son of
6 Archie Bunker, of the hit series of All in the
7 Family, that made him a household name. But in 1997,
8 he formed the "I Am Your Child Foundation," and began
9 a National Public Awareness and Engagement campaign
10 to communicate the importance of the prenatal period
11 through the first years of life. Rob chaired the
12 California Children and Families Initiative for the
13 1998 ballot which voters passed to form the
14 California Children and Families State Commission.
15 He was appointed Chairman of the Commission by
16 Governor Gray Davis. The Commission is working to
17 implement a comprehensive program of early childhood

18 services for families at risk in California. Let us
19 welcome Rob Reiner. Rob, welcome.

20 (Applause.)

21 MR. REINER: Thank you very much. Thank
22 you Governor Patton for that long introduction. Now,

12

1 we're on C-SPAN, from what I understand. We are on
2 C-SPAN. And, you know on C-SPAN, they just always
3 have this one shot, you know. They never show what's
4 going on around the room. C-SPAN folks, I'm going to
5 do you a big favor because the people at C-SPAN may
6 never get laughs. They just sit there -- just boring
7 people talking. Come on over here to this man right
8 here. You're not doing it. Even on C-SPAN, they
9 won't do it. I'm a director, by the way.

10 (Laughter.)

11 MR. REINER: I'll tell you. You'll get a
12 laugh, if you turn and look at this man over here.

13 (Laughter.)

14 MR. REINER: Thank you very much for

15 allowing me to come and talk to you for a few
16 minutes. You already know why you should make this
17 investment. You've seen the video; it talks about
18 brain development and how critical those early years
19 are. We know from all of the studies that have been
20 done -- the CPC Study, the Abecedarian Project,
21 which Craigm Romey, would -- might allude to do when
22 he gets up and talks. Also, the NIER study which

♀

13

1 just came out. But also, that this investment is
2 cost effective. For every dollar you put in, you're
3 going to get anywhere from four (4) to seven (7)
4 dollars, depending on the program. You're going to
5 get that money out; it's going to come back to you in
6 savings on health care costs and crime costs. And
7 that goes right to your bottom line. If for no other
8 reason, then to kind of create a fire wall against
9 the kind of economic downturn that we're all
10 struggling with right now. It makes sense to make
11 this investment early on. It's just going to improve
12 your economic outlook down the road. Governor Patton

13 pointed out, very correctly: governing is for the
14 future, there's a lot of immediate problems that you
15 have to address right now. Those are remedial type
16 problems. But you all know that you can't really
17 solve big systemic problems through remedial action.
18 You can stay things off, but you can't ultimately
19 have a systemic effect on it. This is what we're
20 proposing with early childhood investment. It is a
21 systemic approach to reducing crime, teen pregnancy,
22 drug abuse, child abuse, welfare dependency, drop-out

♀

14

1 rates. All the things we care about as governors,
2 you governors --. I'm not a governor, all that you
3 care about is effecting the quality of life in your
4 states. We know that this investment can do to those
5 things. So, I don't have to get up here and tell you
6 why to make the investment. I'm going to talk to you
7 a little bit about why now, particularly, with the
8 fact that you've got tough budget decisions. A lot
9 of the folks are strapped with some big deficits, and
10 what you can actually do at this point because that's

11 more important, ultimately, that we should all invest
12 this. We have all said this, for I don't know how
13 long, you know. Our children are our future. They
14 are our most important resource, and so, we need to
15 do this. Why now? Well, as I said, we're strapped.
16 You're all strapped -- with tough decisions. There's
17 a lot of budget deficit. In California, we're really
18 facing a huge, huge deficit. But this can be an
19 opportunity. You have to look at this as an
20 opportunity because if you all agree that this is an
21 investment you need to make, then this is the time to
22 plan for how to implement that investment when times

♀

15

1 are good. We're not going to have a bad economy
2 forever, you know, it's going to turn around. I
3 don't think there's anybody in this room that doesn't
4 think we should have a K-12 system. Nobody. I mean,
5 we all say, let's just disband K-12. We won't have
6 that system. Nobody's going to say that. Based on
7 information that we have, we know that investments in

8 early childhood, early care of education, have a
9 huger (sic) impact, even in K-12, in terms of how
10 that child is going to function in school and later
11 on in life. What we've done out in California, and I
12 know some of these efforts are being done around the
13 rest of the states, is, we -- . Years ago, we had a
14 thing called Masterplan for Higher Education, and the
15 legislature put together a thing -- we developed an
16 entire plan for how we are going to put our higher
17 education dollars together. And that developed the
18 UC system. It's one of the best university systems
19 in the country. It's a good system. Recently, a
20 state senator out there said, we've got to have a
21 master-plan for public education. And she said,
22 okay, we're going to go out and we're going to figure

♀

16

1 out the best way to reform K-12. She did a bunch of
2 focus groups, went around the states, and discovered
3 very quickly, that everywhere she went, people said,
4 where's your school readiness component. You can't
5 reform K-12 unless you have a school readiness

6 component. Every single place she went. So she came
7 to us at the state commission that I chair, and said,
8 would you be willing to be part of this overall
9 master plan for public education. Would you develop
10 a school readiness component? And we did. And we've
11 come out with this master plan for what we call
12 public education, which starts pre-natal and goes up
13 to twelfth grade. Now, it's lofty. It takes money.
14 You can't do it on the cheap. But at the end of the
15 day, what we want to do is create a society where we
16 reduce crime, where we have better economic status
17 for our citizens. And that's what we do. So, what I
18 want to talk to you about today is how to start
19 building that infrastructure to deliver those
20 services, because ultimately, that's what we need to
21 do.

22 The school readiness component starts

♀

17

1 prenatally (sic) -- goes to grade three, age eight,
2 because it means working with the existing structure,
3 the school systems that we have in place now. We

4 presented a \$400 billion dollar school readiness
5 program which we funded. That school readiness
6 program is either school based or school linked. We
7 have to take existing structure and build off of
8 that. So, what can you do right now? Like I say,
9 now's a good time to plan if you're thinking about
10 making an investment in early childhood. And, by the
11 way, when we talk about school readiness, there's a
12 lot of definitions for school readiness, there's a
13 lot of definitions for school readiness and how to
14 assess school readiness. And Governor Patton, I'm
15 glad that you are leading the effort to figure out
16 how we can best assess - Craig Ramey's going to talk
17 about that. But we've got to have a system in place.
18 We've got to have a system in place. We've got to
19 define school readiness. What does school readiness
20 mean? Well, if a child has got healthcare and comes
21 to school healthy, that's part of school readiness.
22 If a child is getting quality childcare and early

♀

1 care and education, that's part of school readiness.

2 And, if there are children at risk, the intervention
3 programs like home visits and so on, that's all part
4 of school readiness too. That's all part of school
5 readiness, too. All those things are a part of it.

6 So, what you want to do is try to create a
7 system which will deliver all of those services.

8 And, how to do that? Well, I would say you start
9 with a preschool system. Now, it's easier said than
10 done. You don't have a lot of resources right now,
11 but if you could start. We did it in Los Angeles
12 County -- we're lucky because we have some tobacco
13 tax money. I passed an initiative out there. We've
14 done quite a bit with it. We've passed an initiative
15 out in Los Angeles County to allocate \$100 million
16 towards universal preschool for all four (4) year-
17 olds. That was a good thing to do; we're going to do
18 it for one of the largest counties in the country.
19 Every child in Los Angeles County will get preschool.
20 It's tricky, because you can't just say, we're going
21 to institute preschool. You've got childcare

22 providers. You've got zero to three (0-3) folks,

♀

19

1 you've got the Head Start community. All of them
2 have to be players. They all have to be at the
3 table. That's what I mean about building an
4 infrastructure. Then, like I say, these are school
5 linked or school based. It has to coordinate with
6 the school districts, so this feeder system that
7 you're bringing into the K-12 system, is working and
8 reaching back to your school readiness group. So,
9 this is the time to plan. It doesn't cost a lot to
10 issue planning grants. You can do it on a county by
11 county basis. You can do it as a state-wide program.
12 However, you wanted to do it, you can work through
13 your foundations. You all have foundations in your
14 states. Working through the business communities,
15 you can issue planning grants. By the way, we're more
16 than willing to work with you. We did it in
17 California -- we're willing to work with you, share
18 our experiences with you so you can start putting
19 that, and that doesn't cost a lot of money. Planning

20 grants don't cost a lot of money. And it takes a
21 while to institute these things. So, it's not going
22 to happen overnight.

♀

20

1 So, as your economy gets better, and when
2 you have some surpluses, you can say, what do I want
3 to do with the surpluses? You're going to have a lot
4 of needs, but I would submit to you, that you can not
5 have a better investment than making it in young
6 children because that's going to pay huge dividends
7 down the road. And it's going to save you money for
8 roads, and hospitals, and infrastructure, and all
9 those things that you need to face as governors. You
10 want to be able to build a little fire wall against
11 those times when the times are bad, when the times
12 are bad, like now, so you won't have to cut services
13 much. That's one thing that you can do, is planning
14 grants -- working towards planning infrastructure for
15 how to deliver services. *****

16 The second thing you can do, and I'm going
17 to be a little self-serving, here, on this one, but

18 we've done it in California, and it's worked like a
19 charm. We've developed through, "I Am Your Child."
20 We developed a series of videos for parents. Three
21 things you have to do. You've got to get your kids
22 in programs. You've got to have education and

‡

21

1 healthcare, but you've also have to have parent
2 support as was mentioned in this video. Ed, you were
3 in the video. I noticed Ed, also, that when your
4 voice came up, you didn't even look up. Most of the
5 guys with an ego would look and check and see how
6 they looked in the video.

7 OPERATOR: Laughter.

8 MR. REINER: You just kept making notes.
9 That's what I like about Ed. He's busy at work no
10 matter what.

11 OPERATOR: Laughter.

12 MR. REINER: The third thing is parent
13 support. As we pointed out in that video, the first
14 three years of a child's life is their parents and

15 caregivers, [are] directly related to their brain
16 development and how they're going to function, and
17 [how] they interact with their parents. So you need
18 parent support. We did something in California on a
19 statewide basis as part of our Children and Family's
20 Commission -- was to take the "I Am Your Child,"
21 materials. There are six videos, in English, Spanish
22 --. They range from health and nutrition, childcare,

♀

22

1 early bonding and attachment, discipline. Help me
2 out. What else?

3 But basically, all the areas that parents
4 need to be concerned with, with their young children
5 --. We packaged them in this library of six (6)
6 videos and in California we added a parent guide,
7 which we customized to that state. We've
8 subsequently done this program also in Pennsylvania,
9 before Governor Ridge went to the Department of
10 Homeland Security, and also with Governor Patton in
11 Kentucky. We did statewide programs in these three
12 (3) states, and it's been incredibly effective. Now,

13 in California, just to tell you again -- it's pretty
14 cheap. You can do this fairly cheaply. In
15 California, we've got 500,000 kids born every year.
16 We present this kit from new parents to every single
17 parent of every child born in the State of
18 California. Last year, we distributed 500,000 kits.
19 Where are those kits? Let me show one. Here's the
20 box that it comes in. It's a nice package and stuff.
21 Then inside the box, there's also a parent's guide
22 that was developed by the University of California at

♀

23

1 Berkeley. Now, these 500,000 kits -- we distributed
2 it throughout the State of California. It cost \$10
3 million dollars for the whole State of California for
4 a year. That's massive distribution through prenatal
5 clinics, hospitals. We have 58 county commissions.
6 We use them as distribution. In Pennsylvania, we set
7 up 8,000 points of distribution, working through
8 local agencies, CBO's, states agencies, as ways of
9 doing it. We'd be happy to work with you on it.

10 The good thing about this is there's an

11 evaluation that comes with this, and it's through the
12 roof. It's absolutely through the roof. But there's
13 a couple of things: first of all, there's great
14 information in here for parents when they're starting
15 out in life, with things they need to do. Secondly,
16 it's a great P.R. tool, quite frankly. Not only are
17 you welcoming every new citizen to your state with
18 something that they can actually use, but you're also
19 building some public welfare and investment later on
20 in early childhood.

21 Now, the evaluation I've done was done by
22 the University of California at Berkeley School of

24

1 Public Health. A woman, named Linda Newhauser there
2 did the evaluation. She's been doing this parenting
3 information evaluation for about 20 years. She said,
4 normally when you get information out to parents
5 through different choices -- if you get anywhere from
6 15 to 20 percent of the parents taking in the
7 information and using it, that's pretty good. We had

8 90 percent, and 95 percent in the Latino community
9 using these materials. But more important than that
10 we have huge shifts in behaviors. And more important
11 than that, we've actually saved lives. And we know
12 that because we've had lots of anecdotes from people
13 who have used material from the kids that actually
14 saved their child's life and information that they've
15 gotten through these kids.

16 What is that worth? The saving of a
17 child's life? We know it works. We've worked with
18 you -- we're happy to work with you, and it's an
19 expensive -- I don't know what it costs in Kentucky.
20 But Governor Patton can talk about that. Three
21 hundred thousand dollars (\$300,000) in the State of
22 Kentucky, so depending, obviously, on the size of

♀

25

1 your state, you know. But it's a good tour, it's
2 something that you can use, and it's something that
3 builds the public wealth. In the meantime, you're
4 building that infrastructure.

5 So, I'm happy to work with anybody. I'm

6 happy to fly anywhere, go anywhere, we'll set up
7 press opportunities, whatever you want to do, in
8 order to get this stuff launched. But I would suggest
9 to you, that now is the best time to start thinking
10 about this kind of investment. Not when your economy
11 is not strong, is the best time to do that.

12 Thank you so much for letting me talk to
13 you for a little bit. Later on, after Craig Ramey
14 talks, I'm happy to answer any specific questions you
15 may have about this. Sex, religion, politics,
16 whatever you want. Thanks a lot.

17 OPERATOR: Applause.

18 CHAIRMAN PATTON: That's Rob, very much.
19 After our next presenter, we will have a few moments,
20 maybe, to answer a few questions. Again, I suggest
21 that if you can set up a dedicated source of money
22 for this program, it's very helpful. What we did in

♀

26

1 Kentucky was dedicate 25% of our tobacco money. It
2 happened to be that that was new money that came on-
3 line as we were developing this program. And it's

4 worked very, very well.

5 Our next speaker is Doctor Craig Ramey.

6 Dr. Ramey is the founding director of the Georgetown

7 Center of Health and Education at Georgetown

8 University. Prior to arriving at Georgetown, Dr.

9 Ramey was a Professor of Psychology, Pediatrics, and

10 Neuro-biology, at the University of Alabama in

11 Birmingham. He specializes in the studies [of] the

12 factors effecting the development of intelligence,

13 social competence, and academic achievement in

14 children. He is currently heading the national

15 panel, creating the assessment to be administered for

16 students by participating in Head Start. Please help

17 me welcome Dr. Craig Ramey.

18 OPERATOR: Applause.

19 DR. RAMEY: Thank you Governor Patton.

20 Not only am I delighted to be here this morning, and

21 to talk with you about something that I believe is at

22 the forefront of our country's concerns, our

♀

1 children. But, I'm here to add some consistency,
2 some further facts, to what is turning out to be a
3 remarkably consistent story about the optimism that
4 we can have in terms of what we can do for our young
5 children. And, particularly, for the most vulnerable
6 of our young children.

7 OPERATOR: Slide.

8 DR. RAMEY: The case, I believe, is clear
9 and compelling. That a commitment to improving K-12
10 educational achievement, which is at the forefront in
11 poll after poll of concerns of American families,
12 must begin in the first five years of life.

13 OPERATOR: Slide.

14 DR. RAMEY: You have heard many stories
15 and read many articles about the remarkable brain
16 growth that takes place in the first five (5) years
17 of life. This slide, which is the result of
18 measuring, in millimeter by cubic millimeter, the
19 density of the connections between neurons in the
20 cortex illustrate that different regions of the brain
21 develop at different rates. Our visual system comes

22 on very early and rapidly. Our auditory system comes

28

1 on next. In the pre-frontal cortex area, where we
2 have most of our abstract thinking and cognitive
3 processing comes on by the age of five (5) years. We
4 are beginning to see the kind of pruning that is
5 necessary for brains to become more efficient. Yes,
6 it's very important that we have a proliferation
7 (phonetic) of connections among neurons, but
8 experience helps to condition those pathways, and to
9 make them more effective and efficient. In the kind
10 of regularity and stimulation that children have is a
11 major determinant in whether certain skills becomes
12 grooved or not. Whether certain basic propensities
13 are laid down or not.

14 OPERATOR: Slide.

15 DR. RAMEY: What we know from now, over
16 2,000 studies, is that we can describe those skills
17 with remarkable brevity. This list, which
18 summarizes, the over 2,000 observational studies each
19 and every skill on here, that caregivers evidence in

20 their interactions with children, has been linked
21 positively to childrens rates of growth and
22 development in cognitive, linguistic, social and

♀

29

1 emotional function. Encouraging exploration,
2 mentoring and basic skills, celebrating developmental
3 advances, communicating richly and responsibly.
4 Guiding and limiting behavior, teaching the social
5 morals that are required for constructive citizenship
6 in this country.

7 OPERATOR: Slide.

8 DR. RAMEY: To illustrate just one of the
9 quantitative relationships, this graph is the result
10 of careful observations of mothers interacting with
11 their children at home over the second year of life.
12 These are all, by the way, middle class mothers.
13 What we see, is that in yellow, mothers who interact
14 relatively infrequently, with their children, have
15 children, who at the end of the second year, have
16 vocabularies of about 100 words. And those mothers
17 that interact most frequently with their children,

18 have children with vocabularies that are eight (8)
19 times, 800 percent the size of those with more
20 limited interactions.

21 Note that these curves are not straight
22 lines. We are seeing a divergence in development

‡

30

1 over time. That by the time these children go into
2 kindergarten, these differences are about as
3 perplexing as anything that a kindergarten teacher
4 will have to deal with.

5 OPERATOR: Slide.

6 DR. RAMEY: We also know, through good
7 research, that we have strong relationships between
8 what children experience in the preschool years and
9 their learning to read. I'm not talking here, about
10 trying to teach young children to read. I'm talking
11 about the prerequisite skills that need to be in
12 place in order for that process to kick in when
13 children are in kindergarten in first and second
14 grade. And we know that children's oral language

15 comprehension, their phonological awareness, the
16 awareness that words are made up of discrete sounds,
17 that they know how to name letters. That they have
18 basic concepts of print -- that print represents
19 speech written down, that it goes from left to right
20 and top to bottom.

21 OPERATOR: Slide.

22 DR. RAMEY: Some children get this in

♀

31

1 abundance, and I would venture to say that most of
2 the children, if not all the children, of the people
3 in this room, in fact, did indeed, get them in
4 abundance. For those children, we can describe a
5 typical course in development. Here, represented by
6 this red line in which we're marking developmental
7 age in language cognition, and so on, off against the
8 progression of children in chronological age. So, a
9 typical two-year old scores developmentally like a
10 two-year old. But we know that there is a subset of
11 children in this culture. They come from white
12 families, black families, they come from every ethnic

13 group, who start off life very healthy, and eager to
14 learn, and sometime typically, after 12 months of
15 age, there course of development begins to diverge
16 from that of their more advantaged peers.

17 And they fall off the developmental curve.

18 And they end up coming to school looking, not like
19 the five-year old, sometimes, not like the four-year
20 old, and sometimes, not like the three-year old.

21 OPERATOR: Slide.

22 DR. RAMEY: Very behind. And when those

32

1 children go into good schools, good schools help
2 those children learn. Those children have not lost
3 the ability to learn. It's just that when they enter
4 good schools, they are starting from a two-down
5 position. And many times that they learn at the same
6 rate as their more advantaged peers. But that
7 doesn't allow the catch up to occur. And then over
8 the summer months, children from severely
9 disadvantaged families have a fall off in their rate
10 of learning. They learn at a different rate than do

11 your children or my children and children from
12 educated and high resource families. So, if you
13 measure childrens performance overly, at the end of
14 each grade level, in the early years of school, you
15 might erroneously conclude that school is doing a bad
16 job, because you see the gulf between the have and
17 the have nots grow. When, in fact, during the nine
18 (9) months of school they were growing nine (9)
19 months developmentally. They were missing some
20 experiences, however in the non-school months.

21 OPERATOR: Slide.

22 DR. RAMEY: The point that I want to make,

♀

33

1 and Governor Patton, and Rob Reiner made this point
2 eloquently, as well, themselves, is that it really is
3 the totality of a child's experience that lays the
4 foundation for a lifetime of greater or lesser
5 competency. Whether children are, in what we call,
6 childcare, or they are in a preschool program, or
7 they're in a program for neglected children.

8 Whatever they experience in any of those programs,
9 that is the child's education, in addition to what
10 the child receives at home and in other places.

11 OPERATOR: Slide.

12 DR. RAMEY: Thirty-two years ago, my
13 colleagues and I began a project that has a somewhat,
14 unwieldy name. As a very young professor -- very
15 fond of polysyllabic, Latin-made words, I chose
16 Abecedarian, because it means one who learns the
17 fundamentals of something. Such as one who learns
18 the alphabet. We really wanted to determine in an
19 experimental fashion whether or not it was possible
20 to fundamentally alter the course of human
21 development for individual children by bringing high
22 quality pre-school programs to bear. But can the

♀

34

1 cumulative developmental total experience of high-
2 risk children be prevented to reduce significantly by
3 providing systematic high quality early childhood
4 education from birth through kindergarten. In the
5 jargon of science, the Abecedarian project was, and

6 is, a randomized, control trial. That is, a
7 population was defined, and children and families
8 were randomly assigned to different treatment
9 conditions. That's the same process that all the
10 drugs that you now use, that are prescription drugs,
11 should have gone through. It's the standard in life
12 sciences for establishing causality.

13 OPERATOR: Slide.

14 DR. RAMEY: We wanted to test the
15 proposition that early childhood education was very
16 important. So, we wanted to reduce some confounding
17 factors. So, our control group was not an untreated
18 group. We, in fact, provided for them, nutritional
19 supplements, family support, social services
20 delivered by master's level social workers, and free
21 or low cost health care, based on the American
22 Academy of Pediatrics recommendations. Our treated

♀

35

1 group, in addition, received an intensive early
2 childhood education program, that began in the first
3 year of life, and that operated 50 weeks a year. But

4 emphasized cognitive, social, motor and language
5 development, and most importantly, was individually
6 based for each child, each day, in ways that are
7 accomplishable within in high quality pre-school
8 program today.

9 OPERATOR: Slide.

10 DR. RAMEY: I want to share with you just a
11 few results.

12 OPERATOR: Slide.

13 DR. RAMEY: First of all, the pre-school
14 results. This is, probably, the most intensively
15 studied group of children anywhere on earth. We've
16 published something like, 350 articles about these
17 children's development, so far. What this slide shows
18 is that the cognitive performance of these children
19 from the time they were three months of age until
20 they were four-and-a-half years of age.

21 In all of these slides, [the] red-line
22 represents the children who received early childhood

♀

1 education. The yellow-lines represent children who
2 were in the control condition. During the first-year
3 of life, the treated and controlled children
4 performed remarkably similarly. Beginning at 18
5 months of age, the groups diverged in ways that are
6 quite dramatic. So that by three years of age, the
7 treated group was earning I.Q. scores of 101, on
8 average. And the control group was earning scores of
9 84. That corresponds basically with either being at
10 about the 50% percentile or being at about the 15th
11 percentile.

12 OPERATOR: Slide.

13 DR. RAMEY: Another way to look at these
14 data is to look at these data is to look at them from
15 a clinical perspective. If you earn an I.Q.
16 cognitive score of 85 or below, you are in the bottom
17 15th percentile in this country. Here, we see that
18 the provision of early childhood education, has had
19 virtually all of those children, 95 to 100 percent
20 remain within normal limits, whereas the yellow bars
21 indicate a steady and progressive and disastrous

22 decline into intellectual sub-normality. Such that

‡

37

1 by the time the children are four (4) years of age,
2 only 45 percent of these control group children are
3 scoring in the intellectually normal range. This is
4 in a progressive town with lots of services for
5 children, and with the services that have already
6 been provided, in addition to these control children.
7 So, in some ways, this is a conservative portrait of
8 what the developmental toll might have been
9 otherwise.

10 OPERATOR: Slide.

11 DR. RAMEY: Here are two lines showing you
12 the verbal competencies of these children at 32, 42,
13 and 54 months of age. Virtually, non-overlapping
14 graphs.

15 OPERATOR: SLIDE.

16 DR. RAMEY: We also have looked carefully
17 at the degree to which mothers and children are
18 positively involved through using some pretty fancy
19 laboratory settings. We've compared these treated

20 and controlled children to a sample of children and
21 mothers from the general population, which in Chapel
22 Hill, was a more affluent and much more educated

♀

38

1 segment of the population. What we see is that in
2 the first year of life, is that these three (3)
3 groups are remarkably similar. But, in the second
4 year of life, there is both an increase in the
5 intensity of involvement, by mothers, in the general
6 population, and a corresponding decrease in the
7 control group, with the function of the treatment
8 being to preserve some function that would otherwise
9 be lost.

10 OPERATOR: Slide.

11 DR. RAMEY: There are, by the way, some
12 benefits that accrue to the mothers whose children
13 attended the preschool program. When those mothers
14 had their children go to this program, and all these
15 mothers were poor. All of them were below 50 percent
16 of [the] poverty line. They had, on average, a 10th
17 grade education. When their children attended the

18 pre-school program, with our encouragement, they
19 invested their time in their own education, and by
20 the time their children were ready to go to
21 kindergarten, 50 percent of them had completed high
22 school and gotten some post-high school education.

‡

39

1 Compared to only about 12 percent in the control
2 condition. That change, was sustained, over time,
3 such that, by the time, their children were in third
4 grade, eighty percent of them had completed high
5 school, and gotten some post high school education,
6 compared to only 30 percent of the control condition.

7 OPERATOR: Slide.

8 DR. RAMEY: What are the hallmarks of
9 science? One of its checks and balances systems is
10 to determine whether procedures and findings can be
11 replicated in different places. We have replicated
12 the Abcedarian project in nine (9) states; once in
13 North Carolina, and then in each of the states that
14 are up here, and found essentially, the same results.

15 What I want to give you, is perhaps, the
16 most important, single graph that I have ever drawn
17 in my life.

18 OPERATOR: Slide.

19 DR. RAMEY: In one of our replications,
20 known as the Infantile Development Program, we had
21 almost a thousand children in eight different sites.
22 And these were all low birth weight and premature

♀

40

1 children. So we wanted to ask whether we could have
2 a benefit for those children in addition to the kinds
3 of benefits we had for the children who were full
4 birth-weight in the Abecedarian project.

5 DR. RAMEY: We were able to recruit these
6 almost 1,000 children and their parents, and because
7 low-birth weight children come from all walks of
8 life, but they do tend to come disproportionately
9 from poor families. We were able to look
10 simultaneously at the effects of the Abecedarian
11 treatment as a function of not only if birth weight,
12 but as a function of the educational level of the

13 parents using that as a marker for parental
14 resources. And here, you will see that there is a
15 strong relationship between the level of parent's
16 education in the yellow bars and the performance of
17 their children at age three on a standardized measure
18 of cognitive development.

19 Now, look at the red bars and notice what
20 has happened. Of the performance of the children
21 from the least resourceful families, has been pulled
22 up. And has been pulled up and essentially leveled

41

1 at slightly above national average. What that really
2 means is that those children who were most at risk
3 benefited the most from the provision of this
4 program. Note also, that we weren't able to improve
5 development beyond what upper middle class families
6 with high resources were able to provide. More
7 careful analysis revealed that that was not because
8 those children were truly invulnerable, but it was
9 because those parents reached into their pockets,
10 used these resources, and used their social network

11 to basically provide the same kinds of services that
12 we were providing in the treatment condition.

13 OPERATOR: Slide.

14 DR. RAMEY: Let me go back to the
15 Abecedarian Project just very briefly and show you
16 some results of what happened when these children
17 went into school. Being better prepared, the
18 preschool children achieved reading skills at a
19 higher level from the time they were in third grade,
20 all the way through every follow-up we've done since.
21 When they were 12 years old, 15 years old. Indeed
22 we've just finished a follow-up at age 21 years.

♀

42

1 The effects on reading were not only
2 immediate, but they were lasting. The same is true
3 for the effects on mathematics achievement. These
4 were children going into good schools, well prepared,
5 in the early education treatment group, and in fact,
6 they fared well.

7 OPERATOR: Slide.

8 DR. RAMEY: In addition to the kind of
9 psychometric differences, there are differences of a
10 real world nature which have practical consequences
11 for you as governors. As for state legislators, the
12 provision of the pre-school education reduced failure
13 in grade from 56 percent to 30 percent by age 15. It
14 prepped special education placement from 48 percent
15 to 12 percent. As you know, special education costs
16 roughly two and one-half times per year what regular
17 education costs. And this buttresses the point that
18 Governor Patton and Rob Reiner were making earlier --
19 about, you can pay me now or you can pay me later.

20 OPERATOR: Slide.

21 DR. RAMEY: In early adulthood, the kids
22 who had early childhood education were more likely to

43

1 postpone having their first child until they were out
2 of high school.

3 OPERATOR: Slide.

4 DR. RAMEY: And they were more likely --.
5 That's what this one shows. Sorry, the one before it

6 shows they were more likely to be employed at higher
7 skilled jobs or still in school. As a matter of fact
8 there was a three-fold increase in the likelihood of
9 going to a four (4) year college, depending on
10 whether you had a preschool education or not.
11 Thirty-six percent versus twelve percent.

12 OPERATOR: Slide.

13 DR. RAMEY: Let me sum this up. This is
14 thirty-two years and a lot of money. And a whole lot
15 of people working a long time. This is what we know
16 and what we came to tell you. If we do this at a
17 level of quality that is commensurate with the needs
18 of children and with our knowledge base, we can
19 improve childrens intelligence, their reading and
20 math skills, the sense that they have of being in
21 control of what happens to them in school. Their
22 social competence, the years they spend in school,

♀

44

1 and their likelihood of being employed full-time at
2 decent jobs. And if we don't they are more likely to
3 repeat grades, to be placed in specialized education,

4 to have teen pregnancies, and to be convicted of drug
5 use, or to smoke. Those are in addition to the
6 benefits I've told you about, as far as education and
7 employment for the mothers.

8 OPERATOR: Slide.

9 DR. RAMEY: So do some well intentioned
10 programs not succeed. In analyses of programs that
11 have been tried and failed, here's our short list of
12 what we know. One, they tend to have poorly prepared
13 teachers. The programs are sometimes not intensive
14 enough. There are sometimes only a couple of hours a
15 day for three or four days a week. But they have a
16 remedial rather than a preventive focus. That they
17 don't directly engage the children in teaching
18 strategies that emphasize the core concepts that they
19 will have to evidence when they go to school. We
20 have so many different programs in each and every
21 state. We have redundancies and inefficiencies,
22 which, I believe, we could root out and invest that

♀

1 same money into effective programs.

2 OPERATOR: Slide.

3 DR. RAMEY: So with 22 minutes of your
4 time, here's what it all boils down to. I would urge
5 you to provide strong leadership for a comprehensive
6 early childhood educational initiative that is linked
7 explicitly to the K through 12 learning and
8 achievement of children. This is exactly what Rob
9 has been doing in California. This needs to be done
10 everywhere so that we bring every efficiency that we
11 can. I think that the evidence is clear that we must
12 pay careful attention to children who are at high
13 risk for school failure. Our program should be
14 grounded in scientific evidence and build upon the
15 existing resources.

16 OPERATOR: Slide.

17 DR. RAMEY: To that end, I think that we
18 need to find ways to combine funding streams. To
19 promote innovative partnerships. And to strengthen
20 existing programs that serve children from the
21 prenatal period through age five. One of the things

22 we've seen governors of many states do, like Rob,

♀

46

1 we're eager to work with you is offering incentives
2 for collaboration and getting away from playing the
3 game of we'll all come to the table. And we'll all
4 promise to collaborate, but you know that you better
5 leave as much money for your agency as when you came
6 in. And the way to cut that Gordian Knot, I believe,
7 is for you, as governors, to offer the incentives to
8 your various department heads. To in fact
9 collaborate and cooperate, to eliminate duplicative
10 and ineffective programs and to link future funding
11 to performance indicators of how programs are doing.
12 That happens in almost every other part of life, as
13 we know it. We've somehow managed to have early
14 childhood education get a bye on that one.

15 OPERATOR: Slide.

16 DR. RAMEY: I would say to you, you don't
17 have to find all new monies, there are monies coming
18 into each and every state, and into each and every
19 county, that already can be used as a based. And

20 what this slide does, is identify just some of them.

21 The various titles of the Elementary and Secondary

22 Education Act. Early Head Start, Head Start, Early

47

1 Intervention -- one of the things I would urge you to

2 do and which we've been doing a bit with Governor

3 Musgrove in Mississippi, and Governor Foster in

4 Louisiana, and others, is to find every dollar coming

5 into your state that can be potentially used to

6 address this issue. Then develop the master plan

7 because you may need less money to get to where you

8 want to go than you think you do if you start by

9 assuming that you have to find it all.

10 OPERATOR: Slide.

11 DR. RAMEY: And I would suggest that you

12 design and implement a strong, accountability system,

13 that continuously monitors program quality and

14 documents child progress and outcomes. And that you

15 use that information in a practical way to strengthen

16 the programs. This is not high stakes testing for

17 children. This is not some ruse to find ways to get

18 rid of programs. It's a way to give program manager
19 information to use to guide the quality to target
20 training and technical assistance. To ratchet up
21 things in a way that is done regularly in business
22 all across the country.

†

48

1 OPERATOR: Slide.

2 DR. RAMEY: So I believe the evidence is
3 in. It's clear, it's consistent, that part of the
4 educational outcomes can be achieved for all children
5 through the pre-K years and beyond. The benefits
6 include much more than just reading, although reading
7 is a crucial skill because we use that to learn math,
8 we use that to be socially competent. It links to
9 our social adjustment. And that, as it's been said
10 before, other programs that have done this have shown
11 cross benefit ratios of between one to four, into one
12 to seven. So in the grand scheme of things, this is
13 one of the better bets that we've ever had in social
14 or health situations.

15 OPERATOR: Slide.

16 DR. RAMEY: I know, that each and every

17 one of you as a governor, has as one of your goals,

18 to improve the quality of life for people in your

19 state. This is one of the ways that that can happen.

20 Anything that we can do to be of help to you, we will

21 gladly do it. We wish you the absolute best and

22 Godspeed on your journey.

♀

49

1 OPERATOR: Applause.

2 CHAIRMAN PATTON: Thank you, Dr. Ramey. I

3 think you presented some very startling facts, and

4 suggestions as to how we can achieve that. I want to

5 have a little discussion. I'm going to forego my

6 question, and ask Governor Kempthorne if you want to

7 start us off with a question, then we'll try to get

8 some more from the rest of the governors.

9 GOVERNOR KEMPTHORNE: Mr. Chairman, thank

10 you very much. It's been an excellent presentation

11 by our two outstanding speakers here this morning. I

12 would note that last year, in Idaho, we had the great

13 pleasure of having First Lady Laura Bush who was a
14 keynote speaker. The key note speaker, at a
15 gathering where we had Dr. Ramey, and other
16 distinguished experts in the field of early childhood
17 development.

18 My question to Dr. Ramey would be, and Rob
19 Reiner has affirmed this, too. We now know the
20 science. There's empirical data. So, can you give
21 us lessons learned on how it has been successful?
22 How to move this, which is some of the other lessons

♀

50

1 learned, whether there have been false starts. No
2 one can afford a false start. And yet, this is
3 critical that we get going.

4 DR. RAMEY: Thank you, Governor
5 Kempthorne. I think we know a lot about how to do
6 it, and I think that Rob was very clear in having
7 some suggestions for a master plan. Something this
8 complicated, clearly, has to be planned. The one
9 thing I would say that we know, is that there have
10 been no demonstrable benefits from low-quality

11 programs. As a matter of fact there are programs in
12 this country today that are actually harming
13 children. I believe that the creation of an
14 accountability system that measures the quality of
15 programs, that measures the performance of children,
16 is the most cost-effective way that we can address
17 this issue. Because we're in a situation in which
18 there are some really deeply held philosophical
19 positions. And the bloodiest wars that I know to
20 have occurred throughout history, are wars that are
21 based on differences in philosophy. I believe that
22 the scientific method allows us a way to bring

‡

51

1 credible evidence to bear and to have rational people
2 look at it. And that the debate will be elevated and
3 we can determine how many of our children are, well,
4 what kind of experiences have they had, how we can
5 feed back that information to strengthen our
6 programs. I don't think that is unachievable. I
7 don't think that it is too expensive. I believe that

8 the theoretical and practical technologies exist to
9 do it. We have done it in other places -- I think it
10 will be an uplifting set of contributions to this
11 entire effort. So I would urge you, to, as you go
12 about your plans, don't tack that on at the end.
13 Have that be a part of your planning from the very
14 beginning. Rob?

15 MR. REINER: I would just add to that.
16 What when you think about a K-12 system, you would
17 never say, well, we're going to just offer math to
18 that child, and assume that that child is going to be
19 education. You know, you develop a curriculum. You
20 develop a curriculum -- it's well-developed over
21 many, many years. So, when you talk about putting a
22 plan together, think about what a child needs from

♀

52

1 the pre-natal period through age five, in order to
2 make him school ready.

3 We talked about healthcare -- we talked
4 about early care and education. We talked about
5 intervention programs for families at risk, like home

6 visiting programs, and think about these as classes,
7 you know, if you will that a child needs.

8 The child needs all those things: family
9 support, parental support, needs all of those things.
10 So, when you develop your master plans or you develop
11 your plans, keep that all in mind. Then think about
12 the delivery system. I would submit to you that
13 there are a lot of programs all over the country, in
14 many states, but there's none that brings it into one
15 focused area. I would suggest that we have the K-12
16 system in place. I'm not saying that we're going ask
17 us to be run through the K-12, but definitely has to
18 be linked in partnership with K-12. You have HHS.
19 You all have HHS. You're talking about a delivery
20 system, and you have to work your partners. Exactly
21 what Craig Ramey said -- You've got to work the
22 partners! One of the nice things we did in

♀

53

1 California, and I can say because Gray's wife,
2 Sharon, brought us all together at a meeting where we
3 had folks in the Department of Education from HHS,

4 from Health Services, all brought to the table, to
5 say this is something we all need to work together
6 and develop.

7 The nice thing about it is, a lot of
8 departments that don't talk to each other, all of a
9 sudden are starting to talk to each other. Because
10 they recognize that in order to provide school
11 readiness, it isn't just pre-school. It isn't just a
12 healthcare plan. It is all of these things that are
13 brought together. I would say build off your
14 existing infrastructure, but find ways to bring them
15 all together. And, again, I go back to saying this is
16 a good time, even though you're strapped to really
17 put the time and the effort into planning, and how
18 you're going to implement this until the funds are
19 release. But that to me is the key. And, as Dr.
20 Ramey points out, you can't overstress money, because
21 without quality, you're just going to be throwing
22 your money out of the window.

♀

1 GOVERNOR PATTON: Sherman, my daughter,
2 who is in early childhood expert, preaches to me. I
3 think there was a situation in Romania where an
4 orphanage bought the Ceaucescu Regime kept children
5 in crib beds. They were fed, and I guess they were
6 kept relatively clean. They were certainly protected
7 from harm had no stimulation. The results were
8 horrendous. It was horrible how little brain
9 development had occurred. We're not talking about
10 custodial care, we're talking about quality care.

11 GOVERNOR PAWLENTY: This would be a
12 question for Professor Ramey. In Minnesota, we have
13 a fairly elaborate early childhood system. Based on
14 your research while you were still at Alabama, we did
15 some pilot projecting in the mid-1990's where we took
16 our existing early childhood education programs, and
17 we were offering a curriculum for parents of children
18 who were four and over. And provided some grant
19 monies to ask them to redesign their curriculum to be
20 more geared more towards parents of children who were
21 infants, or up to four (4) years of age. Those

♀ 22 programs went forward and they provided the service

55

1 to parents in our ECFE programs. We also had an
2 earlier, maybe not as elaborate version of the TIBBS
3 that Mr. Reiner has suggested. These are real good
4 programs, but as we looked at the affect on impact --
5 . What we are hearing back from the evaluators is, I
6 think, something that's very important for Governors
7 to keep in mind. I understand your research, and
8 ultimately the people who either corroborated it or
9 somewhat criticized or put it in a difference to say--
10 -. If you really want to achieve long lasting and
11 significant progress (particularly, for at risk
12 children), while the kids in the ECFE curriculum for
13 parents that is intermittent or these intermittent
14 programs may be helpful to achieve the effects that
15 you have described in Alabama.

16 And know, through your work at Georgetown,
17 it really needs to be high quality, it has to be
18 sustained. And for parents who aren't able to
19 provide it in a home setting, this almost an

20 institutional or at least, a formal delivery system
21 vehicle to it. And the Abecedarian project speaks of
22 the fifty-week window. There are folks who I think

♀

56

1 have been certainly applauding your work, that have
2 said, my goodness, in terms of doing this right. If
3 you really look at the delivery system to do it right
4 at the level to achieve the results that you've
5 experienced in your research. It's high quality,
6 institutional, or at least, formal day care. All
7 day, every day for parents who can't provide it. And
8 again, it mimicks the daycare that people of means
9 and influence, are able to provide their children.
10 But in order to do that, that's really what your
11 research says at core. And for some folks, who are
12 governors, who are broke, that's a high bar. Can you
13 just comment on are there ways, short of that vision,
14 that are still helpful, that we can, at least, make
15 progress with something short of your ultimate model
16 that you put in the Abecedarian Project.

17 DR. RAMEY: And thank you Governor. By
Page 62

18 the way, Minnesota has been a beacon of high quality
19 services to its citizen referral for a long time.
20 You've heard SEED and some other programs that have
21 just been fabulous. Many of us have been inspired by
22 that. Here's what I think we have to come to grips

‡

57

1 with. That is we have a spectrum of risk in the
2 population. WE have a commodity, if you will, this
3 early childhood education and related services:
4 health, nutrition, and so on. We have a commodity
5 that is highly desired, certainly by the upper middle
6 class, by the broad middle-class, that they're
7 already paying for. They are paying for it very
8 substantially. So we don't have to convince them
9 that this is something that they would like to have.
10 We're talking about a public finance issue. How do
11 we get the kids who without something are going to
12 come to school and be in the classrooms, or have the
13 flight out of public school to private school take
14 place. Because people can't deal with that range of

15 differences.

16 When the teacher in kindergarten has a kid
17 who looks like a two and a-half year old, and a child
18 of one of your friends, who looks like more than a 7
19 and year old in the same classroom. So, I think
20 it's about targeting. Now, I'm a great fan of
21 providing universal programs -- that is, that are not
22 segregated by social means testing. But I do think

♀

58

1 that we might be able to find ways in which parents
2 would pay some of the costs if they were able to, in
3 more of a tiered kind of reimbursement system. And
4 for those who just can't afford it -- our not
5 programming, it seems to me, is not a very good
6 option. Because it's special, and it's two and one-
7 half times the cost, and we can predict with greater
8 than 50% accuracy who's going to need that. It's not
9 talking about waiting ten (10) years to have to pay
10 the costs. You're going to pay the costs in
11 kindergarten and then first and second grade. So, I
12 do believe, that dealing with what I believe is

13 ethically a tough issue. And that is trying to be
14 sure that we understand who's most at risk and we've
15 worked with people in many different states:
16 Alabama, Mississippi, Washington, Minnesota as well.
17 To use the linkage of public health records to
18 education records, to write the equations that allow
19 us to predict, I must say, with alarming accuracy,
20 the number of kids you're going to deal with in your
21 early years, who have problems, for which the school
22 system is not prepared to deal.

♀

59

1 DR. RAMEY: That discussion, I think,
2 needs to take place conditioned state by state.
3 Because the population characteristics of state, and
4 the percentage of children who are at risk, varies
5 tremendously. New Haven and California, or
6 Connecticut and California, you know, are not likely
7 to have the same set of risk factors that would
8 result in exactly the same kind of response. But I
9 think we can tailor some of this. Is that helpful?

10 GOVERNOR PAWLENTY: It is.

11 DR. RAMEY: The bottom line is to go to
12 your ultimate vision or goal. It is a commitment to
13 high quality sustained daycare. Our ultimate vision
14 is that we could do this on the cheap, quickly and we
15 could save 95% of the kids. We just haven't figured
16 out how to do that yet.

17 GOVERNOR GRANHOLM: Dr. Ramey, I know that
18 you've seen a lot of programs and there's a lot of
19 great models out there. In Michigan, we're quite
20 affirmed (phonetic) in terms of our daycare
21 collaboration. I'd like to know from a best practice
22 perspective, if you could name one state or city that

♀

60

1 has a program that you would model after, what would
2 that be? That's question number one. How much per
3 child, does a quality system like you've described
4 cost? Can you and Rob Reiner come to Michigan?

5 OPERATOR: Laughter.

6 DR. RAMEY: Rob and I will go whole hands
7 and go anywhere together. The answer to the third

8 question is yes. Cost. Let me do that first. Cost is
9 going to be determined primarily by what you are
10 willing to pay the people who staff the system. In
11 the past, we have paid really dismal wages to people
12 in childcare, who when they work full-time are still
13 below the poverty. I'm very happy to say that in the
14 Abecedarian Project, we paid our teachers as if they
15 were public school teachers, and we paid them for the
16 full 12 months of the year. Which is why our costs
17 are higher than some other programs. I believe you
18 can now deliver a good program for something in the
19 neighborhood of about \$9,000 a year. There are some
20 efficiencies, though, I think can be realized. But
21 Head Start is now \$7,000, roughly dollars per year.
22 And it's a seven month a year program. Special

♀

61

1 education is running close to \$18,000 a year,
2 national average. If we paid teachers in childcare
3 the equivalent of what an average teacher would get
4 with two or three years experience in the public
5 school system: (a) we could both draw on the kinds of

6 people who would have the skills to operate a high
7 quality system, and [(b)] we could deal with this
8 abysmal turnover, which is a 40 percent turnover rate
9 per year that is driving quality down. So that's
10 cost. And there's a third.

11 GOVERNOR GRANHOLM: Best practices.

12 DR. RAMEY: Look to the gentleman, two
13 [down] to your right. Minnesota. Even though he has
14 talked about some of the difficulties, Minnesota is,
15 I think, a beacon state. North Carolina, what's
16 happened there. Georgia, California, even with your
17 \$35 billion projected deficit, is, I think, creating
18 one of the really innovative assessment and program
19 quality assurance systems. I think really
20 interesting things are happening. We're working with
21 Louisiana around their four (4) year old program.
22 They've implemented a universal pre-K four year-old

♀

62

1 program. I think there are a number of places that
2 are real beacons. The problem is, we haven't spread
3 that out to be truly to be available to an entire

4 population anywhere. Even the places that say they
5 have universal pre-K: New York, Georgia -- there are
6 still people not being served. People are doing
7 their best to get the resources to do it and now is a
8 tougher time than ever.

9 GOVERNOR SEBELIUS: So Dr. Ramey, thank
10 you very much. It's great to hear from you and Rob
11 Reiner, about not only the research, but [about] some
12 programs actually in place. As a follow-up to
13 Governor Granholm's question, can you talk a little
14 bit about whether or not you have looked at the
15 qualifications that are important for a quality
16 program? I assume, you know, we have teacher
17 credentials in order to get into a classroom. It
18 can't be just about pay? Have you established, sort
19 of a criterion for who is or is not qualified, if
20 you're looking at a child care setting or a program.
21 Beyond a curriculum, we need some qualified folks, I
22 would assume, delivering that, here. So, what does a

♀

1 qualified childcare worker look like?

2 DR. RAMEY: Let me give you a couple of
3 answers to that. One, when we began the Abecedarian
4 project, early childhood education meant K through 2.
5 So, we had to train our own teachers for young people
6 to teach younger children who recruited some people
7 who had college degrees and some who didn't. And we
8 gave them an intensive, pre-service, and inservice
9 training program. And we monitored their skills on a
10 daily basis. That's because we wanted a program that
11 had a chance of showing an affect. When it came time
12 to do the Infant, Health and Development Program, the
13 country had changed and there were enough people with
14 early childhood degrees, who specialized in the
15 preschool years. We were able to have people with
16 education degrees staff that. Most recently, we are
17 working in Louisiana, where under the leadership of
18 Senator Phil Jones, and Superintendent Cecil Picard,
19 and Governor Mike Foster, a universal pre-K program
20 has been created targeted for four year olds. And
21 it's run through the Department of Education. All

22 teachers in that program have to have early childhood

♀

64

1 certification, and teaching degrees. And in a recent
2 study of that system, we found that their classrooms
3 scored higher on the measures meant to indicate the
4 quality of that system than any group that's been
5 reported in the literature. There are a number of
6 surveys that have been done, the cost, quality, and
7 outcome surveys -- some stuff that Steve Barnett
8 here, has done, to show that in places where the
9 quality is low, that tends to be associated with very
10 low level staff credentials. So, in my dream, as I
11 look down the road 10 to 20 years, I see people
12 staffing these with career trajectories that begin
13 with a college degree. We couldn't get there
14 tomorrow if you had a \$100 billion dollars to invest,
15 because we have to get colleges and universities to
16 change. We have to prepare people differently than
17 we are preparing them now. And we have to create
18 that system that attracts people to career tracks
19 that have some chance of making a reasonable living.

20 MR. REINER: I would just add, also, when
21 it comes to quality providers, there's no substitute
22 for compensation. You also have to put forth some

65

1 kind of retention and compensation program that will
2 allow them to take this as a career path. It pays so
3 fewer dollars than even kindergarten teachers -- so,
4 arguably, if these teachers are as important or more
5 important to your children growing up, we have to pay
6 them on the same kind of pay scale that kindergarten
7 teachers get. You know we can share with you a
8 retention compensation program that we've done in
9 California that's produced thousands and thousands of
10 new quality childcare providers. But that's
11 something that you have to look into.

12 DR. RAMEY: I might just say, by the way,
13 since I mentioned that we paid our teachers in the
14 Abecedarian Project, and all other projects that I've
15 every directed, what teachers would be paid in the
16 public school system. In the Abecedarian Project, in
17 contrast, to the 40 percent turnover rate -- you know

18 what our turnover rate for teachers was? Zero.
19 Except for two that we fired.

20 MR. REINER: There are a lot of strategies
21 about how you can do that. I mean, right now, we've
22 got a universal preschool program in Los Angeles

†

66

1 County that we're instituting now. In order to do
2 it, you've obviously got to create a lot more
3 qualified teachers, so we're toying with the idea of
4 forgiving college loans, if you can get college
5 students to agree to a three, four, five year
6 commitment. And that way, the turnover rate is big,
7 because that consistency is critical for a child,
8 especially in the formative years, to have some
9 consistent teacher. You want to be sure that you
10 have somebody who is going to be in the system for a
11 while, and there are incentives that you can do.
12 Like retiring school loans, and such. And we're
13 looking at those kinds of things.

14 CHAIRMAN PATTON: I think we could

15 probably go on with this discussion for another half
16 hour or so, but we're going to have to terminate it.
17 Again, I think that we've gotten the message across
18 that this is an extremely important field, and there
19 are experts available. There are states that have
20 been successful. All of us could make improvements.
21 So again, Dr. Ramey and Rob Reiner, thank you all.

22 OPERATOR: Applause.

♀

67

1 CHAIRMAN PATTON: These winter meetings
2 are really intense, and all work, with the exception
3 of the banquet at the White House tonight. But this
4 summer we take it a little bit easier, and this
5 summer we are going to be hosted by Governor O'Bannon
6 in Indianapolis. Frank, do you want to give us a
7 little preview? I think all of us get in the amount
8 that was formally required. Is that what the
9 advertisement out there is all about?

10 OPERATOR: Laughter.

11 GOVERNOR O'BANNON: Be sure and go out and
12 get a picture taken with the Indianapolis 500 open

13 wheel racer that's out in the hall. Judy and I
14 certainly invite you to join us in Indianapolis from
15 August 16th through 19th, as we have our annual
16 meeting there. I think that for the new governors,
17 it's one of those special times when you can bring
18 families and get together and also discuss the issues
19 that are important to all of us. It's been 72 years
20 since we've had an NGA meeting in Indianapolis, I
21 mean, in Indiana. Which was not even in Indianapolis
22 at the time. We hope to give you the opportunity to

♀

68

1 taste a little Indiana during our meeting, and we
2 know you'll leave with some of the great memories and
3 experiences that we all have, particularly when we
4 were in Boise last year.

5 Let me take just a moment to tell you just
6 a little bit what we have planned, and you'll see
7 that it's a great opportunity for you and your
8 families to be with us, in Indianapolis. On Saturday
9 night, the governors will be celebrating a special
10 birthday at our new state museum, which is less than

11 one-year old. And it's a beauty. One of our famous
12 Hoosiers, Garfield, the cat, will be celebrating his
13 25th Birthday. His creator, Jim Davis, will be
14 joining us for dinner there. And certainly, we will
15 have some gifts for our governors' families.
16 Following our dinner, we will be entertained by the
17 Indiana August in a brand new amphitheatre that
18 overlooks the White River in downtown Indianapolis.
19 Next, to the museum area. On Sunday, we're going to
20 the Indianapolis zoo, where we will be greeted at the
21 front gates, by an elephant and a donkey.

22 OPERATOR: Laughter.

♀

69

1 GOVERNOR O'BANNON: If Jesse Ventura and
2 Angus King we'd still be trying to figure out another
3 animal. You know Indiana is quite a basketball
4 state. Our kids have grown up, as in many of your
5 states, to our Indiana Pacers. Even our elephants in
6 Indiana can dunk a basketball. You'll see that as
7 well as a dolphin show. And some of the best food

8 and following dinner, we will be doing some dancing
9 next to the lemurs.

10 On Monday, we will be going out to the
11 world famous Indianapolis Motor Speedway. So,
12 governors, really start your engines, because you're
13 going to have the opportunity to go around the track
14 at some very amazing speeds in whatever kind of
15 vehicle that we can put together at that time. We
16 have that excitement that will happen.

17 Be sure and mark your calendar for August
18 16th through the 19th. And we'll certainly roll out
19 our red carpet to you and show you our Hoosier
20 hospitality. June and I both look forward to hosting
21 you. Thank you, Paul.

22 CHAIRMAN PATTON: Frank, it sounds like it

♀

70

1 will be a very interesting, enjoyable and productive
2 summer meeting. We look forward to it. We talked
3 earlier about a few wagers that I've had the pleasure
4 of making over the years, that I have (inaudible). I
5 understand there was a wager made on the Fiesta Bowl.

6 Governor Taft, is there any truth to that at all?

7 OPERATOR: Laughter.

8 CHAIRMAN PATTON: Tell us about it.

9 GOVERNOR TAFT: The day I've been waiting
10 for is Saturday, January 24th is the day that has now
11 become one of the most important and memorable in
12 Ohio history. That was the day, of course, that many
13 of us watched the Fiesta Bowl. Possibly, the greatest
14 football game that probably we've ever seen, maybe
15 even the greatest in history. And obviously, the
16 greatest team won, since the Buckeyes prevailed over
17 the Canes on that day. I brought along -- this is a
18 special edition. We're kind of nudging Columbus
19 about Ohio State. This is a special edition of the
20 Ohio State Buckeyes Champs. OSU stuns Miami to win
21 the title in two overtimes. Now, I'm not normally a
22 betting man, but the national championship was too

♀

71

1 great a temptation for me. So Governor Bush and I
2 made a little wager -- that the losing governor would
3 wear the jersey of the winning team here at NGA.

4 OPERATOR: Laughter.

5 GOVERNOR TAFT: So if Governor Bush would
6 now join me at the podium.

7 OPERATOR: Laughter and applause.

8 GOVERNOR TAFT: I want to commend Governor
9 Bush because he is a man of honor; he is a man of his
10 word. There were some of his staff members who were
11 trying to get the spotlight subdued on this event, by
12 having it at RGA, Republican Governors, instead of
13 here. But Governor Bush said no, we're going to
14 honor this commitment. So, at this time, I want to
15 present you with this special edition. I know you
16 want to show that off in your office, Governor Bush.

17 OPERATOR: Laughter.

18 GOVERNOR TAFT: And most importantly, here
19 is the Buckeye jersey for you to wear, right now.

20 OPERATOR: Laughter and applause.

21 GOVERNOR BUSH: To show how optimistic I
22 was --.

♀

1 OPERATOR: Laughter.

2 GOVERNOR BUSH: You can just [give] this
3 to the four or five Miami fans that probably reside
4 in Ohio.

5 OPERATOR: Laughter.

6 GOVERNOR BUSH: I quickly realized
7 something about football. Some of you may have
8 watched the game, and you saw that call.

9 OPERATOR: Laughter.

10 GOVERNOR BUSH: I made the mistake of
11 saying that that was a tough call. It look like
12 maybe it would go Miami's way. I got about 50 e-
13 mails and phone calls inside my own state. And I
14 forgot how many people from Ohio live in Florida.
15 So, you do win the Ohio game. Anyway, I'll wear this
16 with a great pride on behalf of all Floridians who
17 have migrated from Ohio.

18 OPERATOR: Applause.

19 CHAIRMAN PATTON: They take this game that
20 was invented to previous basketball seasons pretty
21 seriously. Let me talk to you a little bit about a

22 problem that I think that all states are facing. In

♀

73

1 generally, it's the worst fiscal crisis since the
2 second world war. Over the past two fiscal years,
3 states have faced budget shortfalls of \$100 billion
4 dollars. We are now entering the third year of state
5 revenues inadequate to meet existing commitments.
6 States have already made substantial cuts in
7 expenditures. Some have raised taxes, and they've
8 spent down their reserves. So more spending cuts are
9 inevitable. Today, budget shortfalls across the
10 states are mounting. For the upcoming fiscal year,
11 states are collectively expected to face an
12 unprecedented \$82 billion dollar shortfall in
13 revenue, needed to maintain existing services.
14 Forty-nine of the fifty states have balanced budget
15 requirements, and we can't avoid the problem by
16 deficit spending. In the end of the day, states are
17 forced to confront difficult situations; that may
18 include painful cuts and vital services, laying off
19 employees, or increasing taxes to close these massive

20 shortfalls. Irrespective of what actions are chosen,
21 the states fiscal crisis will be a major drag on the
22 national economic recovery. To provide the most

♀

74

1 powerful stimulus to the economy, the federal
2 government should provide significant, immediate,
3 temporary fiscal relief to help states. This will
4 prevent economically, damaging tax increases and
5 program cuts that are being forced on the states.
6 These are actions on the state level would directly
7 offset much of the effect of any federal stimulus
8 package. This crisis is not about state budgets.
9 It's about the people. It's about providing
10 healthcare for our most vulnerable citizens. It's
11 about insuring public safety and security. It's
12 about guaranteeing that every child has access to a
13 quality education. And, it about creating an economy
14 that will provide good paying jobs for our people.
15 Last year, I was pleased to work in partnership with
16 Republican Governor, then NGA Chairman, John Engler
17 of Michigan, to craft a bi-partisan plan, to deliver

18 relief to the states. Joining with Republican
19 Senators Susan Collins and Democratic Senator Ben
20 Nelson, the NGA helped move a bi-partisan bill
21 through the Senate that will provide states with \$10
22 billion dollars in fiscal relief, and move our

†

75

1 stimulus efforts in the right direction. Republicans
2 and democrats in this organization convinced the
3 Senate to pass the Collins-Nelson proposal with an
4 overwhelming 75 votes. Although we didn't prevail,
5 we gained much needed momentum for the coming year.
6 As our state fiscal situations have (inaudible
7 phrase) and I, along with many of you have continued
8 to advocate for fiscal assistance as the NGA's
9 highest priority.

10 Together, we've not only convinced the
11 public that states are in dire need, but that fiscal
12 relief from the federal government is the key in any
13 effort to stimulate the economy. And of the
14 Republicans responding, many were not economists and

15 think tanks around the country, have not only echoed
16 our beliefs, they've championed them. These experts
17 have provided evidence and sound economic arguments.
18 In particular, that because states can not deficit
19 spend, in the short run, it will be very difficult to
20 get this economy going again, unless states are
21 provided fiscal assistance in order to avoid
22 draconian cuts in spending and increased taxes.

♀

76

1 On Friday, the Citizens for Long Term
2 Care, a coalition of consumer work on healthcare
3 advocates, including the AARP, that represents over
4 40 million Americans, called upon President Bush and
5 the Congress to provide at least \$20 billion dollars
6 for urgent state fiscal relief -- to help governors
7 prevent harmful tax increases, avert painful health
8 coverage cutbacks, and help boost the economy. In
9 addition, the AFL-CIO has publicly acknowledged that
10 the lack of federal aid to the states will further
11 weaken the economy and prolong the economic downturn.
12 They've called on Congress and the administration to

13 include providing fiscal relief to states in any
14 economic stimulus package. As our fiscal conditions
15 have worsened and further depressed economic
16 recovery, supporters in Congress on both sides of the
17 aisle have grown.

18 The Collins-Nelson Bill has been
19 resurrected this session. Not only with additional
20 bi-partisan co-sponsorship, but with an additional
21 \$10 billion in assistance to the states. In another
22 bi-partisan sign of support for the states,

♀

77

1 Republican Senator (inaudible) Snowe, and Democratic
2 Senator Chuck Schumer have introduced a bill
3 providing state and local governments with \$40
4 billion dollars with fiscal relief. Congress has
5 begun to recognize the magnitude of the problem as
6 well as the potential benefit to the economy.
7 Senator Baucus has proposed granting \$75 billion
8 dollars to the states in unfettered money to address
9 the fiscal crisis and stimulate the economy. Leader
10 Pelosi and Senator Daschle in fiscal relief packages,

11 respectively for states.

12 These proposals include not only direct
13 assistance, but additional funds to meet our growing
14 homeland security transportation and other needs as
15 well. But again, this is not a partisan issue. In
16 our discussions with Congress over the past few
17 months, we've continued to gain supporters from both
18 sides of the aisle. We've come this far together
19 because we've stood together.

20 Over the next year, Republican and
21 Democratic governors will build upon the momentum
22 we've achieved. Our goal must be to do what's best

♀

78

1 for the citizens of our states and ensure a full
2 return to a prosperous economy.

3 CHAIRMAN PATTON: Before asking Governor
4 Kempthorne to introduce our next speaker, I want to
5 mention that Senator Conrad of North Dakota was to
6 speak this morning about providing fiscal relief for
7 the states. Unfortunately, Senator Conrad did inform

8 me, that he would not be able to attend this
9 morning's session. So, I'd like to introduce Senator
10 Kempthorne, who will introduce our speaker this
11 morning. Governor Kempthorne. I darned promoted
12 you, didn't I? I'm sorry about that.

13 GOVERNOR KEMPTHORNE: That's alright.
14 Honored to be here. Mr. Truman, thank you very much.
15 Although my introductory remarks are of a very dear
16 friend, of myself and Patricia, Senator Larry Craig.
17 Senator Craig would want me to acknowledge that as we
18 watch this competition between Florida and Ohio, we
19 had some competition between Iowa and Idaho.
20 Governor Vilsack was very gracious when the Iowa
21 Cyclones were not successful against the Boise State
22 University State Broncos at the Humanitarian Bowl.

♀

79

1 We appreciated the gifts which I presented to the
2 coach and his wife. Thank you. You see how easy you
3 got off.

4 OPERATOR: Laughter.

5 GOVERNOR KEMPTHORNE: Ladies and

6 gentleman, it is a real honor for me to introduce
7 Senator Larry Craig from Idaho. For six years, I had
8 the honor of serving with him in the United States
9 Senate before I voluntarily made the decision to run
10 for the office of Governor. He just completed his
11 chairmanship of the Republican Policy Committee. He
12 was recently elected to his third term in the United
13 States Committee. Among his committee assignments,
14 he served on the Appropriations Committee, and if --
15 I will mention now just those areas where he has
16 jurisdiction. It shows you how it applies to so many
17 of the issues we're dealing with. He oversees
18 funding on the following sub-committees: energy and
19 water development, labor, health & human services,
20 education, military construction, V.A., HUD and
21 independent agencies, agriculture, rural development
22 and related agencies. He is the newly elected

♀

80

1 Chairman of the Senate Special Committee on Aging,
2 and a member of the Committee on Energy and Natural
3 Resources. Also, in a variety of other positions

4 that he holds in national organizations, he is on the
5 National Congressional Youth Board of Directors.

6 Senator Craig and I, along with Senator
7 Crapo, and Congressman Butch Hotter, and Congressman
8 Mike Simpson, were just in Idaho, were we awarded the
9 Congressional Youth Award to young Idahoans
10 (phonetic). This is a program I would encourage all
11 of you to look into. It's the only other medal,
12 besides the Congressional Medal of Honor, that
13 Congress allows to have its name affixed to. We are
14 proud that Idaho has the most recipients currently
15 among the 50 states. Larry, and his wife, Suzanne,
16 have three (3) wonderful children, and I think, of
17 all the titles that Senator Craig has had in his
18 life, right now the one that he enjoys most is
19 reflected -- he is grandfather to five (5) beautiful
20 grandchildren. Ladies and gentleman, a dynamic
21 leader in the United States Senate, and a good friend
22 of the Governors of the United States, Senator Larry

♀

1 Craig.

2 OPERATOR: Applause.

3 SENATOR CRAIG: Governor, Senator -- you
4 see I can still get away with saying that. Thank you
5 very much for that kind introduction. Mr. Chairman,
6 Governor Patton, to all of you, thank you for an
7 opportunity to come by and visit with you for a few
8 moments this morning.

9 I look around this membership of governors
10 and I see some colleagues that I once served with in
11 the House, and of course, my governor, in the Senate.
12 So, what I am about to talk to you about, is, to many
13 of you, not at all foreign, and certainly as it
14 relates to a state, federal relationship. One that
15 you are key to at this moment in time. Concerned
16 about what is going to have a great impact on all of
17 us, as we work our way through some difficult times.
18 I must tell you that Dirk and I have just come off
19 the President's Day Recess Circuit out in Idaho.
20 That means that you attend about 20 different Lincoln
21 day banquets, lunches and dinners, back to back,

22 across about 645 miles of turf. So, if Dirk's a

♀

82

1 little worn and drawn out, you'll understand why.
2 And, his bride, Patricia, was right there with him.
3 We went into those audiences with this message. I'm
4 talking about tax cuts and spending restraints and
5 stimulating the economy. And the audience is sitting
6 there smiling, and Dirk is talking about cuts and
7 potential tax increases, and difficult times, and the
8 audience is sitting there nodding. I tried to figure
9 that one out. Of course, that's the very reality
10 that we are all dealing with at this moment. You on
11 the home front, at the states --. I was once a state
12 legislator; I lived through good times and bad times
13 as a state legislator. I will say, by spread of
14 revenue versus proposed expenditure. Not anywhere
15 near as great as that which you face today. At the
16 same time, we're just coming off from a time here,
17 when we had an unprecedented, and I think, a very
18 positive four years, of a balanced budget. The first
19 time since 1920. A brief time during the Eisenhower

20 Administration, and it was during that period of time
21 I was very proud of our Congress, for the way it
22 responded and the way it paid down some debt. And was

♀

83

1 looking at some tax relief until President Bush came
2 to town, and I was very pleased to support him in
3 that effort. So now we are in a much different
4 circumstance. The President has just brought his
5 budget to the Hill. It is a wartime budget. It has
6 a \$307 billion dollar deficit in it. And we're
7 struggling with that, at the same time. Knowing that
8 what we do can have more positive impact on the
9 economy to get it moving, to get investment moving.
10 To get people back to work, than certainly
11 collectively the states can. But the states can play
12 a role, and governor I think you've expressed that.
13 So, for a few moments let me talk as if I were Kent
14 Conrad. Only in this respect.

15 He was once the Chairman of the Budget
16 Committee, just the last few years. He is no longer
17 that chairman, as a result of Republicans gaining

18 control of the Senate in the last election. But if I
19 were the budget Chairman, and I'm not, I would talk
20 to you somewhat like this. What I would say that
21 Kent couldn't say, was that this year we will produce
22 a budget. We will produce a budget resolution and we

†

84

1 will move the reconciliation process that wasn't done
2 a year ago. And of course, in the last month that
3 we've spent the time trying to get the remainder of
4 the '03 budget up. And what the other side, and I'll
5 try to be a little non-partisan here, couldn't
6 accomplish in 12 months, we got done in four (4)
7 weeks. On schedule, and under budget, we saved the
8 taxpayers of this country about \$10 billion dollars
9 of extra spending that was programmed or would have
10 been programmed into that budget.

11 At the same time, we offered some clearly
12 needed services. We addressed Medicare, and the slip
13 in payment that has gone to doctors in hospitals. We
14 adjusted the urban road financially, in the hospital

15 reimbursement that many of you who have rural and
16 urban hospitals understand very well. I think that
17 what we did was very positive on the whole, and I
18 would also tell you that you're in the midst of a
19 budget situation. Not only the crisis, but also,
20 trying to reconfigure a budget. Had we had done our
21 work last September and October the way it ought to
22 have been done, you would have had a much clearer

♀

85

1 picture of where you were, at least with federal
2 revenue, than you do today.

3 Having said all of that, we will produce a
4 budget. We are at work doing that now. Don Nickles
5 now chairs that committee. He is committed to
6 working with the President and the Congress to get
7 that budget out. We hope to have that out and a
8 conference report by April 15th. That's optimistic.
9 Extremely optimistic. In a bi-partisan sense, no
10 Democratic or Republican Congress has ever really
11 quite done that. But that's what the law prescribes.
12 But we will get there. And in doing so, we will

13 produce a reconciliation bill. The reason that term
14 is awfully important, is, if you're going to do
15 healthcare reform, and you're going to do it with 51
16 votes, and without a filibuster, and if you're going
17 to do a stimulus package of tax reform, you've got to
18 budget reconciliation and have that in place.

19 Inside the budget resolution, passed by
20 the Congress, it will then establish spending limits
21 of the upper limit and the whole parameters of the
22 budget process. Then it will direct those of us who

♀

86

1 serve on the appropriations committee to get at the
2 business of shaping that budget and sorting those
3 dollars out. But key is reconciliation this year.
4 And the reason it is -- if you're interested in
5 Medicare reform and prescription drugs, and the
6 blending of Medicare and Medicaid, to some degree,
7 and a change in that formula, then encourage us to do
8 that because without that we won't get it done.
9 We'll be locked in the partisan battle on a pre-
10 presidential timeframe of the kind you saw a year

11 ago. We understand that it is critical, and I think
12 we will get that done. Certainly, those of us that
13 work together in the House and the Senate understand
14 that.

15 Remember, and I believe this very
16 strongly, the President proposes and the Congress
17 disposes. And in saying that, you have a budget
18 committee and an appropriations committee on the
19 Senate side. Now there's some other process on the
20 House side that's going to be working very closely
21 with this President this year to bring that budget
22 into place -- that has that kind of economic stimulus

♀

87

1 package in it.

2 We're going to bring those tax reforms and
3 tax cuts that we have proposed and spread out --
4 bring them current as we should. We think that's
5 going to be tremendously stimulative, and strangely
6 enough, I chairing the aging committee, did a series
7 of hearings over the last month that folks are

8 scratching their head and say why would you do
9 hearings on taxes, Senator, if you're chairman of the
10 aging committee.

11 Well, I did it on the dividend issue.
12 And, gee, here's what I found folks. Fifty-two
13 percent of our seniors are the beneficiary of that.
14 And my colleagues on the other side said, well that's
15 only for the rich. No, that's not quite true. In
16 this country today, when you get to be 65 years of
17 age, if you worked on a line job all of your life,
18 were a member of a union and had good pay, you're
19 going to have about \$150,000 worth of stock and
20 dividend paying kind (phonetic) of stock when you
21 retire. Not only when it stimulate the economy from
22 that standpoint of helping the elderly who are on

♀

88

1 fixed incomes, but the new modeling shows that it
2 will reduce the overall cost of capital to corporate
3 America whose going to create those new jobs or
4 replace those jobs that you've missed in your state,
5 by anywhere from 10 to 25 percent. All of a sudden,

6 those who look at what our President offered, who on
7 first blush said, oh, it's only for the rich, are
8 backing off and looking at it again. And projecting
9 that it may the potential of being the greatest of
10 being the greatest stimulus piece of the total
11 package. No just short term, but somewhat immediate.

12 As a result of that, I think you'd rather
13 see a good many of us not only arguing the total
14 package that our President has offered, but that
15 component of it. I already see Chuck Grassley
16 changing his mind as the figures come in, and others
17 are now talking about it in a much more positive way
18 that they did at its initial effort.

19 What can we do for you? I would suggest
20 to you that I will not support a concept like revenue
21 sharing or something like that. I mean, whose
22 revenue is it. Why we should we simply borrow and

♀

89

1 give to you, in light of you having to make some
2 tough choices yourself. You're making them, I know
3 that. I don't play lightly to that. But we ought to

4 be able to help you in those systemic areas.
5 Healthcare might be one of them. Medicaid might be
6 one of them. Areas that you found very, very
7 difficult to control. Largely because it's been
8 driven by forces outside of your control. There, I
9 think, if we do a reform of Medicare and prescription
10 drugs, and incorporate some of that, we might be able
11 to help you do that.

12 Total federal grants to state and local
13 government, in '02 were \$350 billion dollars, right
14 now. That's what states across this country are
15 getting from the largest of the general treasury of
16 this country. That's up 159 percent since 1990. So,
17 Uncle Sam has not been a Scrooge to state
18 governments. A very big piece of the action in your
19 state comes from the federal largesse. Total federal
20 grants to state and local government were up 26
21 percent. And spending in '02, up from 24 percent.
22 And, I'm talking total state and local government.

♀

1 Up from 24 percent in 2000; up from 21% in 1990. And
2 it's the highest level of support since the early
3 1980's. So, clearly, over the last decade, the
4 federal government has been coming into the state
5 environment increasingly so, with grants, and aid
6 directly. Some, obviously that the state legislators
7 and governors may not have all that much direction
8 over, but there is a piece of the total dollar being
9 spent out there -- a very large chunk of it.

10 Total federal grants to state and local
11 government were 17 percent of the federal budget in
12 '02. Sixteen percent in 2000; ten percent in 1990.
13 The reason I give you these figures; let's talk
14 reality folks. Our president, who's not a liberal,
15 who's fiscally responsible, who's trying to fight a
16 war, and I think, a worthy war, and is spending a lot
17 of money on homeland security, that will flow right
18 through to you and your agencies, brought us a \$307
19 billion dollar deficit budget. And I find it
20 interesting that the amount of money that we send out
21 to you is \$325 billion dollars. I guess if we

22 discontinued that, the deficit would go away.

♀

91

1 No, we're not going to do that; that's not
2 the way it's going to be. But what I'm trying to
3 suggest to you, that if you go to the Hill to argue
4 for a program that's simply going to pay out \$40 or
5 \$50 billions of dollars to states, beyond what's
6 currently going on, beyond the kind of reform that
7 will go on, in Medicare, in Medicaid, beyond the \$3.2
8 billion we've already additionally put in to
9 Medicaid, in just the last couple of months.

10 Think about it. Think about who you're
11 going to be talking to. And the tough choices I'm
12 going to have to make and we're going to have to make
13 as federal legislators. And the fact that just
14 across the street, there's a printing press. It's
15 not simply a green card to go. It's a reality that
16 money gets borrowed out of the economy and the debt
17 goes up and we're going to have a lot of critics out
18 there saying wait a moment, Congress. You've let the
19 deficit get out of control again.

20 You're also going to have an Alan
21 Greenspan that's going to be saying, and that's as
22 much an overall damper on the growth of an economy as

♀

92

1 anything we can do. Those are the realities,
2 certainly, that I'm going to face, and that you're
3 going to face as you visit with us about those kinds
4 of programs.

5 State government is the great incubator of
6 new ideas and change. You've proved it in welfare
7 reform. You've proved it in a lot of other areas.
8 I've always said, as a federal legislator, having
9 been a state legislator, that you lead and we follow.
10 And I mean that in the context of new ideas, creative
11 ideas. The kind of change that ought to come about
12 in healthcare.

13 Some of the things we can't do. We're
14 locked in, oftentimes. We're you're not. You can
15 take a much smaller package, see the reforms
16 immediately, adjust it accordingly, and as a result,
17 reflect a piece of the whole. We can pick those kind

18 of ideas up and move them forward. And, that's
19 exactly, I think, the opportunity we have.

20 So, let me suggest something else to you.
21 Because I look at where you've all gone. I recognize
22 that the 1990's were awfully good to state

‡

93

1 government. I recognize that many of you spent well
2 beyond inflation, and increase in population because
3 you had the revenue.

4 We had the revenue here, we balanced the
5 budget. I'm a fiscal conservative. But I'll tell
6 you -- I spent a lot more money in the 90's, and in
7 the last five years than I thought I was. Because it
8 was there and it was easy to spend. While I was
9 chairman of the Republican Policy Committee, I
10 oftentimes brought people to the Hill, to talk about
11 surplus politics versus deficit politics. And how to
12 change the thinking of Congress to recognize that
13 just because you had a largesse, didn't mean that you
14 had to spend it. Well, you did and we did. That's

15 not a criticism, that's an observation. And now, to
16 try to sustain those levels of spending at a time of
17 the kinds of declines of revenue that you had would
18 suggest that you've got some choices.

19 I'm certainly not here to tell you how to
20 make them. Only to conclude by this so that I can
21 respond to any questions you might have. The
22 politics of deficit are growing in Washington, D. C.

♀

94

1 None of us takes lightly the \$307 billion deficit
2 that our President has just proposed in his budget.
3 In fact, I'm the guy that's saying to people like Don
4 Nickles, and members of the budget committee, you've
5 got to come in under that and you've also got to
6 propose a budget that shows a progressive declining
7 deficit over the next several years if you're going
8 to get support of the kind you need.

9 You're also going to have to stimulate the
10 economy, and you're also going to have to fight a
11 war. You're going to have to reform Medicare. And
12 I'm the one that's doing all the hearings now on the

13 reform of Social Security down the road. So, our
14 docket is full. And the choices are not easy ones.
15 But, I will conclude with this. We provide for the
16 common defense. That is our first and foremost
17 responsibility. You are now in a city, your nation's
18 capital has a responsibility to potentially carry out
19 a war in the very near future. For your security and
20 for mine. For the safety of our children and clearly
21 the safety of the world in the long term. I believe
22 that. A majority of Congress believes that. Our

♀

95

1 President believes that. And I think the world
2 generally agrees with us. And it is in that
3 investment that the first commitments lie, and why
4 all others are important. There will be a second or
5 third degree factor coming to them in the short term
6 as we resolve this issue. And as we bring our
7 budgets closer to control and deal with that, and
8 work with you to try to resolve some of your problems
9 And some of the impact of a flat economy, let us
10 begin to grow this economy. I know that your

11 situation and mine would be a great deal easier if
12 what we do here moves this economy back to its feet.
13 And your revenues begin to flow again. With that,
14 I'll be more than happy to respond to any questions
15 that you might have. Governor.

16 OPERATOR: Applause.

17 CHAIRMAN PATTON: Thank you. As we face
18 difficult choices, we realize that you and the
19 President do likewise. Let us take a few questions.
20 Bashful group, here. Governor Doyle. I'm sorry.
21 I'm getting a little lost. Governor?

22 GOVERNOR DOYLE: Thank you. I'm a new

‡

96

1 governor. And I think that many here who have joined
2 me in early January certainly understand what we face
3 when you talk about how we're going to have to make
4 cuts. I spent six weeks doing nothing but that. The
5 correction has been somewhere around the 20% range of
6 our budget. But I think it's pretty obvious to a new
7 governor that there are a couple of very major

8 federal programs that were largely federal
9 undertakings that now are falling on us heavier and
10 heavier. Our Medicaid budget is increasingly the
11 program for healthcare for senior citizens in this
12 country. No longer Medicare, but Medicaid. And the
13 states increasingly pick that up.

14 Our school systems are under enormous
15 pressure because of rising special education costs in
16 which the federal government, despite promises
17 decades ago, have not fulfilled. I certainly accept
18 your call that the states should do their part in
19 these difficult times. And I think we all are. But
20 I hope that there is some consideration being given
21 for the increased efforts that we are having to pick
22 up right now to fulfill basic federal obligations in

♀

97

1 senior health care and special education.

2 SENATOR CRAIG: Governor, a very
3 appropriate question as it relates to IDEA and
4 Special Education requirements, and that mandate.
5 You're absolutely right. We're funding it at 17

6 percent. We should be funding it at the 40 percent
7 promised. Our problem is the unwillingness of both
8 the federal and state folks to work cooperatively for
9 the reform of that. We now put \$32 billion into that
10 program, and that's at 70 percent of expenditure.
11 And we've seen, if you will, the due process portion
12 of that drive cross beyond where they ought to be.
13 And, of course, school boards are committed to them
14 because it's a mandate. I'm willing to put more
15 money into that. I voted for an additional \$2.5 to
16 \$3 billion dollars a year into that program. At the
17 same time, I'm going to start speaking much more
18 loudly in the period of reform of IDEA -- that we
19 reform it, so that it is not an absolute open,
20 unchallenged uncapped spending program. Both state,
21 local and federal. I think we have to deal with
22 that. When we capped it here in the District, or at

♀

98

1 least capped the due process clause per child. We
2 brought those costs down from \$9,000 to \$3,000
3 dollars, and that was just the legal bill. So,

4 that's a factor. I shouldn't say per child, but per
5 case, carried through the due process provision.

6 We can and will work with you on Medicare.
7 Dual eligibility, Medicare, Medicaid is something
8 that we ought to be looking at. We will do a
9 prescription drug bill this year. We're going to put
10 anywhere from 30 to 40 billion dollars in the budget.
11 It was in there a year ago for that purpose. That
12 will be helpful. It's not going to solve the problem,
13 but it will be helpful in bringing down some of those
14 costs you talk about, or at least your share of them.

15 CHAIRMAN PATTON: Other questions?

16 GOVERNOR JOHANNIS: Governor Johannis from
17 Nebraska. Let me just start out and say, I, for one,
18 appreciate your honesty. I think you've approached
19 this very, very directly, and I can kind of
20 understand why you got elected in your state. I
21 think in some respects, you've got it about right.
22 Spending in the 1990's did increase dramatically, so

♀

1 in just a decade, our budget doubled in the State of
2 Nebraska. The year before I became governor, it
3 increased 15.5 percent, very clearly. I think you
4 can see that's not sustainable, even in tremendous,
5 economic times. And I suspect, that we're not
6 unique. The 1990's were a great time. There's a lot
7 of money laying around, a lot of new programs. I
8 would also suggest that your thought about a massive
9 bailout -- We should be careful what we wish for.
10 All that's going to do is create one enormous cliff
11 to fall off of. Twelve months, 24 months from now.
12 I look back at the welfare reform days when Governor
13 Engler, and then Governor Bush, and Governor Thompson
14 led that effort. And I think they had a profound
15 impact. Their impact was not to go to Washington,
16 and say shovel more money at us. Their impact was to
17 say, give us greater ability to manage our programs
18 at the local level. I certainly get the impression
19 that this administration is reaching out to governors
20 to say let's try to do that in some other areas.
21 Now, as we all know, this is somewhat uncharted

22 waters. But that's where I think we can have the

♀

100

1 greatest impact, at the state level. On a long term
2 permanent basis. So we're not falling off that cliff,
3 12 and 24 months from now. Flexibility does make a
4 heck of a difference in how we manage our programs,
5 and so, I guess what I would like to ask you is, what
6 chance do you see for greater flexibility.

7 Number two, needless to say, the
8 prescription drug benefit would be a dramatic help to
9 our citizens. May have some positive impact on dual
10 eligibles. Those individuals that receive both
11 Medicaid and Medicare. What chances do you see of
12 support growing for that? Because those kinds of
13 things, I think, can have a direct positive impact
14 over a long term over state budget issues.

15 SENATOR CRAIG: Governor, I agree with
16 you. There is no doubt that when we send out federal
17 programs, we oftentimes straight-jacket all of you
18 into performing a certain way. It may or may not fit
19 you, but it's quite typical of an attitude here that

20 we somehow know better than you than you as to how a
21 program ought to be run and administered. So,
22 there's been substantial resistance over the years

♀

101

1 and to giving that type of flexibility, more and more
2 of that is coming. You've got a president that's
3 certainly arguing that. And I support him in that
4 argument. There are ways that we can help you, so it
5 gives you some running room and chances to make
6 decisions that I think would be most helpful. Show
7 us where your greater problems are. Show us where
8 you need that flexibility. Come work with us on
9 that. I'll be the first at the table to sit down at
10 the table with you as I'm sure my colleagues would,
11 to help solve some of those problems that don't drive
12 those costs or allow you that. You're also right.
13 We did the same thing here in Washington, as it
14 related to spending. But there was a phenomenon in
15 the decade of the 90's that you ought to record
16 because this probably has never happened before.
17 State government budgets from '90 to '03 during that

18 period of time increased by 88 percent. Federal
19 budgets only grew by 70%. I think that's probably
20 the first time in our nation's history that actually
21 state government was growing faster than the overall
22 federal government. So, the reality is here folks.

†

102

1 The figures don't lie. Now the choices have to be
2 made.

3 CHAIRMAN PATTON: Governor Musgrove.

4 GOVERNOR MUSGROVE: Thank you, Mr.

5 Chairman. Senator Craig, without getting into the
6 debate, as you just said about what happened in the
7 90's. I think that all of us as governors are
8 concerned about where we are now. Because if we're
9 in the situation of reforming our budgets and
10 reducing our costs, when we're exponentially hurt, or
11 it's made more difficult if the increased obligations
12 from Washington flow our way. So, it is at a time
13 where you have counterproductive actions. For
14 instance, last year, "No Child Left Behind" that all

15 of the support in the emphasis of education has now
16 what appears to be unfunded costs coming to the
17 states. That is, regardless of what happened to the
18 budgets in the 90's. Now we're seeing increased
19 costs coming back to the states. The way I believe
20 would come to you and come to Congress, and ask, for
21 the flexibility, recognizing and believing that we
22 can be laboratories, but at the same time,

♀

103

1 flexibility, with increased obligations, really
2 hampers our ability to be able to deliver budgets
3 back home. Because, as you know, I guess, with every
4 one of us, with the exception of Vermont, we have to
5 balance our budgets. At the same time, I think this
6 is an effort where we ought to work very
7 cooperatively, very closely together, and recognize
8 our responsibility and flexibility, but simply
9 request of you in an effort to curb federal spending,
10 don't shift that to us and cause us to have to pick
11 up extra obligations.

12 SENATOR CRAIG: It's well put, and I won't

13 add to it. Clearly, we recognize that some of the
14 things that we have done for all the right reasons
15 need some adjustment along the way. You've got a
16 Congress that still remains very committed to "No
17 Child Left Behind." And, the measurement of growth
18 and excellence in education. And, yes, there are
19 costs involved. We've just hired on a former
20 secretary of education. He's now a senator. I
21 always laugh and say, you can't believe it, but even
22 here, we have a committee on committees. And I

♀

104

1 cheered that in the Senate this year shaping the new
2 committee structure, and we put Lamar on the
3 education committee. And we waived a Senate
4 regulation for that purpose to focus on this along
5 with the chairman of that committee, and our
6 president and secretary.

7 GOVERNOR PAIGE: To make sure we can offer
8 some of that flexibility and necessary revenue where
9 it might fit to work with your departments of
10 education. To continue to assure that we have that

11 standard of excellence, that test or measurement of
12 excellence. Reward the good, and if necessary,
13 penalize those who aren't doing it. So clearly, we
14 do lift all. That sentiment is very much there. We
15 recognize the out year impact and I think that's one
16 of those priority areas that we will have to deal
17 with.

18 GOVERNOR MUSGROVE: By way of specific and
19 example, and I'll close with this. All of us believe
20 we must work together to make the reforms in health
21 care, obviously. And a greater degree of
22 flexibility. However, if all of the proposals deal

♀

105

1 with next year and the year after, the states are in
2 a very difficult crunch right now. And I believe an
3 opportunity to be able to help the States in the
4 short term, giving us a chance to make those flexible
5 difficult decisions that you talk about. We'd, in
6 conjunction, work together with you all to make that
7 available, so I would trust that you all would look

8 at that very short term. View to the states as we
9 look to the flexibility in making difficult decisions
10 for our people.

11 SENATOR CRAIG: Thank you.

12 CHAIRMAN PATTON: I'd like Governor
13 Kempthorne to ask the last question, and close out
14 this part of the discussion. I know there lots of
15 more questions we could ask, but I don't want to
16 impose on the governor.

17 GOVERNOR KEMPTHORNE: Larry, I would just
18 like to ask you. This is the wrap up question. But,
19 we've been talking about dual eligibility -- the
20 Medicare, Medicaid. You have referenced it in your
21 comments. We've talked about prescription drugs. We
22 know that there have been different programs that

♀

106

1 have been offered by both parties. But they have not
2 moved forward. Our president has called for a
3 prescription drug program, he's called for reform of
4 Medicaid. Do you believe this year, there is a high
5 probability that Congress can coalesce and that we

6 will see success in this area? I'll add that
7 Secretary Tommy Thompson has said that we are going
8 to offer great flexibility to the states. So what's
9 the likelihood and what is the role of governors in
10 making this happen.

11 SENATOR CRAIG: I believe that we can pass
12 a prescription drug, Medicare reform package this
13 year. I say this because most of the heavy lifting
14 was done last year. You saw a variety of packages
15 out there. The House passed a version. The Senate
16 ultimately got to the edge of that, but the politics
17 of congressional elections got in our way. There is,
18 on the Senate side, we call it tri-partisan package,
19 that probably has the greatest approach, or the
20 greatest support behind it. We've worked very
21 closely with the President on it. My reference to
22 reconciliation vehicle again. Because of the

♀

107

1 political nature of this, there are at least thirty
2 (30) votes for a universal prescription drug program.
3 Federal government pays all. But that's not going to

4 happen. They're going to put in a deductible level;
5 we're going to put in a premium to be paid. It will
6 be small, and it may be means tested. I would vote
7 for that in a moment. To be able to focus on our
8 truly neediest. But doing so, there will be upper
9 limits. And I think that ultimately, we will get
10 there this year. And, certainly, your help would
11 be to reflect to us the kind of impact that would
12 have, on not only state budgets, but the citizens of
13 the states themselves. That's something, I think, we
14 can accomplish and we will work overtime to get it
15 done. We have promised the President to try to have
16 it on his desk by late summer. I think we can get it
17 done. Thank you all.

18 CHAIRMAN PATTON: Thank you very much.

19 OPERATOR: Applause.

20 CHAIRMAN PATTON: We're going to move into
21 an executive committee meeting.

22 GOVERNOR KEMPTHORNE: Thank you very much,

♀

1 Mr. Chairman. We all know that this month we had a
2 tragedy when we lost the Columbia and the seven brave
3 astronauts that were aboard the Columbia. There is,
4 at the National Science Center, which is a non-profit
5 organization --. The CEO is Joe Edwards, a former
6 astronaut. He has flown shuttle missions. He is a
7 graduate of the U.S. Naval Academy; he's a top gun
8 graduate, but this is a fund that has been set up for
9 the families, the spouses and children of the crew
10 members of Columbia. Just outside these doors,
11 you'll see, next to the Harley Davidson Motor
12 Company, and for the Harley Davidson dealership in
13 San Diego. We're asking all governors that would
14 like to participate to sign that anniversary edition
15 Harley-Davidson. I want to thank Wayne Curtin who is
16 the manager of governmental affairs for the Harley-
17 Davidson Motor Company. And from New York, Mike
18 Shelby, the owner of the San Diego dealership. And
19 for Fuzzy Timms, who was the service manager who
20 brought this bike. What we will do is, after this
21 has been signed by America's mayors, and we will ask

22 members of the administration to sign as well, we

♀

109

1 will find the appropriate forum. And perhaps, it may
2 be Ebay, where we will simply auction this. And all
3 the profits will go to the National Science Center
4 Families Fund. So it's a very worthy opportunity for
5 us to just say to those seven families, we will
6 always remember their lost loved ones and we will
7 always remember them as heroes. This allows the
8 National Governors to send a very strong message.
9 Thank you.

10 CHAIRMAN PATTON: Thank you, Dirk. I'm
11 sure we'd all appreciate the opportunity to
12 participate in that. With that, we'll now go into
13 the executive committee meeting. I would urge all
14 governors to attend. The executive committee
15 consists of nine people, myself, Governor Kempthorne,
16 Governor Huckabee of Arkansas, Governor Rowland of
17 Connecticut, Governor Minner of Delaware, Governor
18 Bush of Florida, Governor Vilsack of Iowa, Governor
19 Musgrove of Mississippi, and Governor Levi tt of Utah.

20 With that, may I have a motion and second to approve
21 the minutes of the November 15th, 2002 Executive
22 Committee Meeting.

♀

110

1 OPERATOR: Voices (so moved).

2 GOVERNOR KEMPTHORNE: Mr. Chairman, I move
3 adoption.

4 GOVERNOR MUSGROVE: Mr. Chairman, I move
5 adoption.

6 GOVERNOR PATTON: All in favor, say aye.

7 OPERATOR: Say aye. Course of ayes.

8 GOVERNOR PATTON: Let us start with the
9 approval of the Executive Committee Policy Proposals
10 beginning with new EC-5 Policy, Home and Security
11 Comprehensive Policy. May I have a motion that is
12 second?

13 GOVERNOR KEMPTHORNE: Mr. Chairman, if I
14 may I would move and block these policies unless
15 there is a request from a governor to have an item
16 withheld from that block.

17 CHAIRMAN PATTON: Okay, we have a motion
Page 122

18 to consider several policies and block. That would
19 be the EC-5, Homeland Security Comprehensive Policy.
20 Governor Rowland?

21 GOVERNOR ROWLAND: I'd make a motion that
22 we'd table EC-7. I would support the remaining

111

1 policies.

2 CHAIRMAN PATTON: The motion is to table
3 EC-7, Federal Fiscal Assistance for States. That's a
4 non-debatable motion. We've never taken a roll call
5 vote, but is there a second? I'm sure there's a
6 second.

7 OPERATOR: Voices (second).

8 CHAIRMAN PATTON: Will someone call the
9 role here? Is that what we're going to do? Ray, do
10 you have the roll call?

11 MR. SCHEPPACH: The vote is to table this
12 motion.

13 GOVERNOR KEMPTHORNE: Oye.

14 GOVERNOR HUCKABEE: Oye.

15 GOVERNOR BUSH: Oye.
16 GOVERNOR ROWLAND: Oye.
17 GOVERNOR LEAVITT: Oye.
18 GOVERNOR PATTON: No.
19 GOVERNOR VILSACK: No.
20 GOVERNOR MUSGROVE: No.
21 GOVERNOR MINNER: No.
22 MR. SCHEPPACH: Which two did file for it?

♀

112

1 CHAIRMAN PATTON: The motion is to
2 consider the rest of the policies in block. Is there
3 discussion on any of the other policies.

4 GOVERNOR VILSACK: Just a question,
5 Governor Patton. We will pass these policies on and
6 they will become part of what we discuss on Tuesday,
7 is that correct? Is that what we're doing, here?

8 CHAIRMAN PATTON: Yes. This is to bring
9 them to the full body on Tuesday.

10 GOVERNOR VILSACK: And those return, not
11 included, including the one that was just tabled.
12 They aren't going to be able to discuss that or can

13 discuss it on Tuesday. How does this work?

14 CHAIRMAN PATTON: Let's discuss it in
15 governors only. I'm not the parliamentarian here, so
16 we'll figure out what happens on Tuesday, later on.
17 Any discussion on the policies under consideration.

18 OPERATOR: No response.

19 CHAIRMAN PATTON: If not, all in favor of
20 considering them and passing them on in blocks. Say
21 Oye.

22 OPERATOR: Course of Oyes.

♀

113

1 CHAIRMAN PATTON: Opposed.

2 OPERATOR: No response.

3 CHAIRMAN PATTON: I guess not. It looks
4 to me like Governor Kempthorne's going to give us a
5 financial update.

6 GOVERNOR KEMPTHORNE: Mr. Chairman, thank
7 you very much. Fellow Governors, NGA's financial
8 statements are found on pages 16 through 18, of your
9 executive committee agenda book. NGA, at the center
10 of midway of the 2003 fiscal year. The December 2002

11 financial statements show a small operating fund
12 surplus, with total revenues slightly under budget at
13 49 percent. Total expenses at 48 percent. NGA and
14 the Center Endowment Funds have experienced declines
15 in net market values for the past six months. But it
16 performed well against a benched mark indexes. The
17 Center's temporarily restricted contributions from
18 Foundations are running ahead of budget. (Inaudible)
19 restrictive bad assets can be used for future summer
20 activities. NGA's operations are financed by state
21 dues and the list of current outstanding dues is
22 found on page 18. The number of vacant NGA staff

♀

114

1 positions have been held pending collection of state
2 dues payment. That would complete the report, Mr.
3 Chairman.

4 CHAIRMAN PATTON: Thank you, Governor
5 Kempthorne. Before we adjourn, let me remind you of
6 a few items. The governors only luncheon and work
7 session will begin at 12:00 o'clock, in Saloon 1 on

8 this level. The committee sessions will begin at
9 2:30 at various other rooms on this level. Tonight
10 we have the dinner at the White House. I remind you
11 that each governor is to provide their own
12 transportation. Monday, we will have the meeting
13 with the President at the White House. The buses
14 will leave for that at 8:45 sharp. Let's try to be
15 ready to go and stay on schedule for the White House.
16 With that this session is adjourned. Thank you. See
17 you tomorrow in plenary session.

18 OPERATOR: Adjourned at 11:40 a.m.

19

20

21

22

♀

NATIONAL GOVERNORS' ASSOCIATION

* * *

WINTER MEETING

PLENARY SESSION

ORIGINAL

J.W. Marriott Hotel

1331 Pennsylvania Avenue, N.W.

Grand Ballroom

Washington, D.C.

Tuesday, February 25, 2003

9:45 a.m.

The plenary session commenced, pursuant to notice, at J.W. Marriott Hotel, Grand Ballroom, on Tuesday, February 25, 2003, in Washington, D.C., at 9:45 a.m., Governor Paul E. Patton, Chairman, presiding.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

P R O C E E D I N G S

(9:45 a.m.)

GOVERNOR PATTON (Presiding): Good

morning, welcome to the final session of the 2003 Winter Meeting of the National Governors' Association. We'll get directly to our program which includes a bipartisan leadership of the Congressional Congress in both Houses, the Senate and the House both parties. On our panel this morning, we're going directly to the program and I would ask Governor Bredesen of Tennessee to come to the podium and introduce our first presenter. Governor Bredesen?

GOVERNOR BREDESEN: Thank you. Before I

formally introduce Senator Frist, I want to recognize that he had a special occasion this past weekend. He celebrated his 51st birthday at his alma mater, Princeton University and got the Alumni Association honored him with the Woodrow Wilson award for distinguished service to our nation. So congratulations, Senator for that.

(Applause.)

GOVERNOR BREDESEN: I believe that on my

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 51st birthday I got a tie and a card, so good for
2 you. I think most of you know the Senator's story.
3 Before politics, he had a very successful career as a
4 heart surgeon working to heal the sick. He now has a
5 second job as Senator and now Majority Leader,
6 working to keep our national healthy. I take this
7 moment just to hope that he remembers, as he
8 considers all these budget issues that we have as
9 states where he'll play a major role obviously that
10 his instrument of choice as a surgeon was not an ax;
11 it was scalpel and that occasionally a respirator was
12 needed more than surgery.

13 I would say to all of you that obviously
14 the Senator has a partisan job here in Washington
15 now. His reputation in Tennessee is very strongly
16 bipartisan, a great willingness to work with both
17 sides and working for the good of our state and I'm
18 sure that will carry over working for the good of our
19 nation.

20 It's my great honor and pleasure to
21 introduce a friend, a man I respect very, very much,
22 Senate Majority Leader Bill First from the Great

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 State of Tennessee.

2 (Applause.)

3 SENATOR FRIST: Bill, thank you. It is
4 indeed an honor for me to be with you today and to
5 share some of the thoughts from the perspective of
6 the new majority leader of the United States Senate
7 in terms of what I see our agenda being and the
8 possibility of opportunities we have to work together
9 on the issues which I know are important to you as
10 governors and clearly important to us as legislators
11 and clearly important to us as legislators at the
12 federal level.

13 As Phil mentioned, it wasn't that long ago
14 that I came into politics in 1994. That was a year
15 that many new and outstanding public servants were
16 elected at the federal level, but more importantly at
17 the state level and all across America.

18 As I was coming over from the Capitol a
19 few minutes ago, up the steps was Tom Carper, and it
20 reminded me that it wasn't that long ago in fact in
21 1994 that he was elected Governor of Delaware and now
22 sits at my side to walk in and have Dirk Kempthorne

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 be sitting next to me, where we were sitting very
2 close to one another not that long ago in the United
3 States Senate does remind me in an institutional
4 corporate way of the strong ties between the United
5 States Senate and those of you who are in the room
6 today.

7 I do think as we look back to 1994, there
8 was a very special class of governors elected at that
9 time, not so much by the caliber of individuals but
10 what they did accomplish is working to reduce taxes
11 on working families, reducing crime in a very
12 aggressive of way, of improving education by making
13 our schools more accountable and helping to create
14 from those early years, not that long ago. A long
15 period of sustained economic growth but a period that
16 we are being challenged by today and that's been the
17 focus of much of your discussion over the last
18 several days.

19 As I look back in the 1990s, I do think
20 that there was an increasing realization that the
21 states are the real working laboratories, not just
22 for the ideas but for solutions. In the United

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 States Senate, as we march through the next two
2 years, I look forward to listening very carefully to
3 you and to your staff and to what you have learned to
4 the needs that you identified, to the solutions that
5 you propose.

6 There are a number of challenges that
7 you've heard about from the federal level that we're
8 addressing both on the floor of the United States
9 Senate today and ore the next several weeks, which
10 you've talked about over the last couple of days. We
11 have the whole issue of the on-going war on
12 terrorism, we have the issue of the jobless economic
13 recovery, we have the issue which is so much the
14 focus of your discussions and ours. That's is the
15 challenges of budgets that are being strained to
16 where it is a challenge even to me to our basic
17 responsibilities. How you address those, how we
18 address those, how we interact one with the other
19 will be important not only to our time and to the
20 people that we represent but we're pretty much define
21 the United States of America in the decade and indeed
22 over much of the century ahead of us.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Let me focus my remarks in three areas
2 that you've touched upon but three areas that we will
3 approach very directly over the coming weeks and
4 months in the United States Senate. First, Welfare;
5 second the issue of bioterrorism and first response,
6 and third touching upon what you discussed a great
7 deal yesterday in terms of health care so I won't go
8 through that again, but hopefully compliment with my
9 remarks what you began to address yesterday. As I do
10 that, I want to continue to reach out and the reason
11 why I'm so privileged or feel privileged to be with
12 you today is to be able to tell you that we need you
13 as we address each of these three issues as well as
14 the many other issues that come before us.

15 Welfare. I mentioned I came to public
16 service in 1994. In 1996 we had the Welfare Law.
17 Caseloads have dropped. Child poverty has declined
18 dramatically. Millions of Americans have been
19 empowered in ways that up until that time we had not
20 seen, where we really do focus on moving from this
21 dependency of welfare to the dignity of work.

22 The program has been extended temporarily

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 through June. The House has passed a bill, the
2 United States Senate will be addressing welfare
3 modernization and welfare reform in its
4 Reauthorization Act in the next several months. It's
5 a high priority for congress. It will go through our
6 Finance Committee, it is beginning that march through
7 the Finance Committee now. I think there are several
8 things that you can expect, although the exact
9 details have not been determined.

10 First our bill will continue the current
11 level of funding for the TANF block grant. That's
12 the right policy, even though I know caseloads have
13 dropped dramatically, we will be giving states more
14 flexibility in our version to spend that money.

15 Second, we'll strengthen work
16 requirements, how we straighten work requirements and
17 what those specific work requirements are we need to
18 listen to you. We shall listen to you as we go
19 forward. Our goal is not to make it more difficult
20 but easier for people to move from welfare to work.

21 Third, the President has proposed very
22 specific initiatives to encourage healthy marriages

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 and strong families. That's critical to the well
2 being of our children, the future of our country, and
3 I hope and expect that we will be able to include
4 those initiatives in our Welfare Reauthorization as
5 well.

6 Fourth, continuing the strong partnership
7 between the federal government and the states is
8 absolutely critical to the future success of welfare
9 reform. That once again understates the underpinning
10 of a successful welfare bill and that is us listening
11 and working with you, so you can express the
12 realities of what has occurred on the ground.

13 To those of us here in the United States
14 Senate, there is no higher priority for government at
15 all levels than protecting the American people.

16 Let me just briefly comment on the issue
17 surrounding terrorism and bioterrorism. It wasn't
18 that long ago in October 2001 that the Anthrax
19 attacks were carried out here around the country;
20 Florida, Washington, D.C., New Jersey, New York and
21 in the Senate Office Buildings. Most of you know that
22 the postal service really came to a screeching halt.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 The Hart Building, which is the largest Senate office
2 building, was closed for months. The panic and
3 paralyse we all felt and indeed those terrorist
4 attacks and indeed we don't know who the perpetrator
5 is. We don't know whether it was a single terrorist
6 or a group of terrorists but it was a deadly attack
7 affecting 21, killing five, but leaving thousands and
8 thousands in the neighborhood year, but really around
9 the country who are placed on antibiotic treatment.

10 Terrorists know that your communities
11 remain not unprepared but still under prepared today.
12 There's a clear federal role, a federal role that the
13 President and Secretary Thompson and Governor Ridge
14 have led on. There's a state role and there's a role
15 and there's a role in the states most dramatically
16 influences and that is how well we are prepared at
17 the local level. How well-equipped individual
18 families are to respond, and first responders are to
19 reach out and answer those calls that we know must be
20 made and will be made in order to protect our
21 individual citizens.

22 Our public health system for all too long

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 and I point the finger principally at our federal
2 government has been under funded. It was under
3 funded for a period of about 20 years, which means
4 that we have a lot of catching up to do, which does
5 require a substantial investment. All of you are
6 feeling that investment today, or the necessity for
7 that investment. There's a federal responsibility
8 there and a strong state and local responsibility.
9 The fact that before September 11th, that nine out of
10 ten public health departments did not have staff in
11 bioterrorism that one third of public health
12 departments serving communities serving 25,000 or
13 fewer had no Internet access.

14 Where we know that rapid communication is
15 absolutely critical to be well-prepared and to
16 respond to a bioterrorist attack is really
17 inexcusable. It was unacceptable. The federal
18 government has taken initiatives both in terms of
19 funding and in terms of legislation. The money from
20 the first tranche has been released from the federal
21 government. We passed an appropriate bill that was
22 signed by the President last Thursday that will

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 further accelerate that funding.

2 I recognize that it takes a huge
3 investment to rebuild, not just sustain, but rebuild
4 the public health infrastructure, which is our first
5 line of response.

6 The third issue that I'd like to just
7 touch upon is one that relates to the most common
8 question and I receive, and that is what is your
9 greatest challenge as Majority Leader of the United
10 States Senate? My answer is to compel the Congress
11 to stretch its horizons beyond just two years or just
12 beyond four years so that we can correct what is an
13 inevitable imbalance between our policies today and
14 the aging of our population which is unprecedented.

15 The baby boom after World War II is
16 traveling through our system. The first baby boomers
17 will hit 65 in about seven years. With that it
18 becomes a tidal wave. It's an intimate tidal wave.
19 It's powerful, it's long lasting, it does not go away
20 and with the doubling of the number of seniors over
21 the next 30 years and with a work force that will be
22 diminished from four workers today supporting each of

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 those seniors to around 2.3 workers means that we
2 have a huge challenge at the federal which will
3 inevitably will affect you at the state level over
4 the next 10, 20, and 30 years. It can be most
5 dramatically viewed as we look at Medicare.

6 A 38-year-old entitlement program that
7 centers on health care security for our seniors and
8 our individuals with disabilities. As most of you
9 know, Medicare is a wonderful program and as a
10 physician, I have had the blessing to take care of
11 thousands and thousands of Medicare patients. It's a
12 wonderful program that has provided health security
13 on the catastrophic cost protection to seniors over
14 the years, but it is outdated. It's a 1965 version.

15 At the same time that we've had Medicare,
16 which over time has been modified and changed every
17 few years, we've had health care delivery mechanisms
18 radically change to the better. We've had more
19 integrated care, we've had huge advances in terms of
20 science in medicine, many of which have not be
21 adapted or assimilated into our Medicare program. So
22 we do need to take the opportunity now and I

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 recognize that we have a war on terrorism that is on-
2 going. We have possible military action in Iraq if
3 Saddam Hussein does not disarm.

4 But at the same time, we have this huge
5 challenge before us with effects, just not all of us
6 in the room, but the next generation and our children
7 as this demographic tidal wave begins to hit. A lot
8 of the issues that I hope to address will settle
9 around our addressing the basic entitlements because
10 with the shifting demographics, it will take
11 increased funding over time. That increased funding
12 will challenge the very necessary investments that we
13 must make in infrastructure, whether it's public
14 health whether it's education or in our Medicare
15 system.

16 Yesterday you talked a lot about Medicaid.
17 I want go back into those discussions specifically,
18 other than I do serve on the Finance Committee and
19 look forward to working with you as we shape the
20 Medicaid proposal that's been put on the table by the
21 President of the United States. I mentioned to
22 Governor Bredesen coming in that I looked forward to

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 working with him.

2 In Tennessee, we have some very specific
3 problems, very similar to the challenge that you have
4 in your health care program, both in the financing
5 but also in the deliveries so that we can fulfill the
6 obligations that we have to those people who are on
7 our Medicaid roles today, and who deserve an element
8 of health care security that heretofore we've been
9 able to give but now is being challenged by the
10 budget realities that all of you see each and every
11 day.

12 There's a specific overlap between the
13 Medicaid and the Medicare, the dual eligibles. The
14 dual eligibles give us a great opportunity as they
15 are addressed at the federal level. Again, in
16 conversation with you, the dual eligible is a group
17 of somewhere around 14 to 15 million people that we
18 have the opportunity, as we look at new benefits like
19 prescription drugs, to be of tremendous assistance to
20 you.

21 I believe and John Breaux may even have
22 mentioned yesterday, because he and I have been

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 working on this aggressively, that it's important
2 that we modernize Medicare. We have to modernize
3 Medicare if we're going to continue with the benefits
4 that our seniors deserve. As a part of that, we will
5 include prescription drugs. I will continue to push
6 to do that in an integrated fashion and as we do that
7 it gives us an opportunity to look at the fastest
8 growing part of your Medicaid budget that is
9 prescription drugs in your Medicaid budgets.

10 The part of that budget that goes to
11 prescription drugs alone doubled. Over the last
12 year, that growth will continue as we project into
13 the future and that opportunity of addressing
14 prescription drugs, especially in that dual eligible
15 population is one that I look forward to working with
16 you on as we address modernization of our Medicare
17 program.

18 Public service involves big ideas and it
19 should involve big ideas and the largest challenge
20 that we all have as we struggle to address the issues
21 that approach us day in and day out of getting by the
22 next several months in terms of these budgets is to

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 continue to remind ourselves why most of us entered
2 public service. The realization that none of us can
3 do this alone is one that we all have and it's been
4 reflected in many of your conversations with others
5 ore the last several days here.

6 As the Majority Leader of the United
7 States Senate, I look forward to working with all of
8 you in a bipartisan way, recognizing that we have to
9 deal with the short-term issues but at the same time
10 we have to address those short and mid-term issues in
11 this larger framework of this aging population,
12 federal entitlements that are going to be consuming a
13 larger part of the federal budget which really pulls
14 funds out of other important areas that can be of
15 even more direct benefit to you as Governors.

16 That's the challenge that we have over the
17 next several years.

18 I think I will stop with that. I do want
19 to thank you once again for the opportunity to be
20 with you and would be happy to take questions if we
21 have a few minutes to do that.

22 GOVERNOR PATTON: Thank you, Senator

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Frist, we really appreciate it. I'd like Governor
2 Kempthorne to monitor the question and answer
3 session. Governor?

4 GOVERNOR KEMPTHORNE: Let me open this up
5 and let me first say however you can see the quality
6 of the man in the majority leader. Not only does
7 Bill Frist bring tremendous intellect but he brings
8 the compassion of a physician and you can see that he
9 is the utmost gentleman. Having served with this
10 man, I can tell you he's respected on both sides of
11 the aisle and this is someone who can bring people
12 together and we have a good partner in the Majority
13 Leader here.

14 With that, let me open this up. Governor
15 Granholm.

16 GOVERNOR GRANHOLM: Thank you, Senator
17 Frist. I have two questions. One is the comets
18 about Medicare overhaul and the dual eligibles. We
19 in this organization have taken a position with
20 respect to dual eligibles and the prescription drug
21 benefit that is needed immediately. If however, that
22 position or that emphasis is linked to the overhaul

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 reform of Medicare directly, I worry that we will not
2 see the benefit of the prescription drug benefit of
3 dual eligibles.

4 The context of your remarks seems to
5 indicate that in the overall reform, is that going to
6 be a sweetener in order to get the overall reform or
7 can we see a dual eligible package with prescription
8 drugs this go round.

9 SENATOR FRIST: The issue really gets at
10 the heart of the political challenges that we have as
11 we move forward. Overall modernization of Medicare
12 and integration where you don't have just the
13 surgeon's knife which is what I did for 20 years
14 before coming to public service, or the internists or
15 acute care/chronic care.

16 But you also assimilate prescription drugs
17 which are more powerful than the surgeon's knife
18 today and will be in the future.

19 More powerful than the hospital bed will
20 be more important to both quality of life and length
21 of life in the future. We have to bring it to the
22 table and assimilate into an integrated health care

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 package. The risk is to say let's not do that but
2 let's just address prescription drugs in an
3 independent package unrelated to integrating it into
4 health care which in the short term is where people
5 are politically are driven.

6 Another way to approach it would be to
7 look at just the dual eligibles. In other words that
8 population, we can't do everything for everybody
9 right now. We have these budget challenges that you
10 have and we have so let's just take the most
11 vulnerable population which we could define as both
12 your medicaid population as well as of the dual
13 eligibles, itself, and just make that a federal
14 responsibility.

15 In the short term it will probably get us
16 by and get you by but in seven years where you have
17 the baby boom coming on, where you have a doubling of
18 the number of seniors for workers paying into this
19 not really a trust fund but pay as you go system and
20 then 25 years or 30 years from now, two works
21 actually paying into the system. The system falls
22 apart and it falls apart dramatically at a point that

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 it can't be fixed.

2 To answer your question, it has to be
3 short term, mid-term, long-term. You'll hear me talk
4 about integration of the package so that seniors can
5 have the same sort of care that I have as a Unite
6 States Senator, based on a federal employee's health
7 benefit plan and integrated package where you do have
8 a lot of choice. At the same time, that's going to
9 take time. That's why Medicare is so much more
10 difficult than social security. They both have the
11 same actuarial base to it. Social security you just
12 kind of dial formulas up and down.

13 Health care is different as all of you
14 know because health systems delivery takes time to
15 incorporate. It's very intimate with the most
16 personal parts of your life, so again you don't want
17 to do anything that is so drastic that it scares
18 seniors, and you don't want to take current choices
19 away from seniors. So you're exactly right. It'll
20 take several years for the major program. So our
21 challenge is to do something now and link it to an
22 integrated package later.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 What one Congress does is not binding to
2 the next Congress so that's politically a challenge.
3 What we do short term might well be to address the
4 dual eligibles. It might be to really look carefully
5 at this prescription drug card that gives us a handle
6 on health delivery systems and can be a first step,
7 and you can actually target the card to a dual
8 eligible population. So it's one of the proposals
9 that's on the table. I think it is a mistake not to
10 link doing something right now for the American
11 people without recognition that what you promise now
12 will fall apart in seven or eight or nine years
13 unless we have the integrated model.

14 GOVERNOR KEMPTHORN: Senator Musgrove,
15 Mississippi.

16 SENATOR MUSGROVE: You've just elevated me.

17 (Laughter.)

18 GOVERNOR KEMPTHORN: Ronnie?

19 SENATOR FRIST: First I want to ask you
20 this question about the medical malpractice down
21 there. All my friends down in Mississippi, all my
22 doctor friends are leaving the state because of these

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 frivolous lawsuits. But go ahead.

2 (Laughter.)

3 SENATOR FRIST: My Daddy's from
4 Mississippi so I love Mississippi. It's all my
5 friends. It is one of the issues, the whole
6 liability reform issue is a big issue for us. Anyway
7 I'm sorry. Ask your question.

8 GOVERNOR MUSGROVE: I think I was the only
9 governor -- well I take that back -- Governor Guinn
10 called a special session to deal with that. The
11 Mississippi Medical Association felt like it was
12 important.

13 But first of all, Senator Frist, let me
14 say thank you for being here this morning and sharing
15 with us. I think in hindsight people will say and do
16 say that the success of Welfare reform was brought
17 out because of the governors' very active involvement
18 with the Congress in both the House and Senate and
19 the administration to make that happen.

20 Yesterday we enthusiastically and
21 unanimously supported a study committee to work with
22 the Congress and with the Administration as you deal

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 with the Medicaid reform, and obviously the dual
2 eligible and those things.

3 I would just ask you to include that same
4 degree of involvement and listen as we're the ones
5 that implement the health care in those forms back in
6 the states, as you look at and deal with this whole
7 arena.

8 SENATOR FRIST: I appreciate your saying
9 that. I first got in politics in 1994, I mentioned.
10 But working with Edward McWhirter whom many of you
11 know; I'm a Republican, he's a Democrat so he
12 probably wished he didn't have that great influence
13 on me coming into politics but it really was looking
14 at state issues that all of you deal with in the
15 Medicaid system. I don't pretend that we have the
16 answers at the federal level. We're getting ready to
17 take 40 million people, give them opportunities and
18 options and more integrated health care if they want
19 it. But I don't pretend that even thought that was
20 my life that we know he answers. The real answers
21 are going to come from you.

22 If we look around the room, you have more

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 laboratories in health care than anything we can
2 anticipate at the federal level, so it really is
3 listening very carefully how we address the specific
4 problems. What you see in prescription drugs,
5 you're doubling in Medicaid is the same thing we see
6 in Medicare for seniors today where they're going to
7 spend \$2 trillion dollars in prescription drugs over
8 the next ten years.

9 That's seniors and the dual eligibles fall
10 in that population. Two trillion dollars. That's
11 something that Medicare is not paying for today at
12 all, so our challenge is putting a benefit that takes
13 care of a portion of that, the same thing we need to
14 address with your most rapidly growing element as
15 well.

16 GOVERNOR KEMPTHORN: Governor Holden of
17 Missouri.

18 GOVERNOR HOLDEN: Thank you Senator. My
19 questions touch on the same thing raised by the other
20 two governors. In the area of prescription drugs, we
21 all understand there are tremendous costs and there
22 has been some discussion about coverage at the

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 mandatory level. What about those optional programs
2 that we have at the state level that are called
3 optional in some regard but the courts have sometimes
4 determined that it may be optional at the federal
5 level but mandated that we have to pay for them at
6 the state level.

7 We need to make sure at the prescription
8 drug effort covers both those categories as you move
9 forward.

10 SENATOR FRIST: I think it's a good point.
11 It gives us an opportunity, and I look at
12 prescription drugs at the federal level as an
13 opportunity to start with a fresh slate. Most of you
14 have inherited either promising people prescription
15 drugs at a time when we had no earthly idea that we
16 would have this exceptional growth, so you're caught.
17 If you modify things in some way, people say you're
18 taking away certain benefits. At the federal level,
19 we have an opportunity to learn from you what all of
20 you have done because remember Medicare today covers
21 no out-patient prescription drugs, none whatsoever.

22 Therefore we have an opportunity by

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 listening to you carefully what you have learned,
2 what works, what sort of delivery system works with
3 prescription drugs. What does not work to be able to
4 incorporate that into Medicare. Once we do that,
5 when you put it in Medicare, which affects 40 million
6 people, that becomes the standard that many of you
7 would likely either adhere to. The private sector
8 certainly is going to follow what we do in the
9 federal government. A huge responsibility depends
10 upon your input.

11 GOVERNOR KEMPTHORN: Governor Rendell of
12 Philadelphia.

13 GOVERNOR RENDELL: Senator, I have a
14 request that isn't going to cost the federal
15 government any money but I think it would be very,
16 very important in the reauthorization of TANF, we
17 understand the need and the desire to increase the
18 work requirement. The president told us that when
19 you extrapolated out and taken into account a lot of
20 factors, it would be about 38 hours. Go from 30 to
21 38 hours a week. I don't have a problem with that if
22 we're given the flexibility to make the decision to

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 allow education as part of that 38 hour requirement.
2 If we're really serious about transitioning people
3 from welfare to work, we don't want to just put them
4 from welfare to a dead end minimum wage job. And it
5 is crucial. The populations that left, and I think
6 Welfare reform has been a success but we all
7 recognize the population that's left is the hardest
8 population to successfully transition. It is very
9 important that we're able to count hours spent in a
10 educational program as time towards that work
11 requirement. It doesn't cost a thing. Give us the
12 flexibility to make that choice ourselves.

13 That's been resisted in the past and I
14 think it's a big mistake. If you truly want to make
15 welfare to work successful.

16 SENATOR FRIST: Governor, thank you. The
17 issue of how we define the hours hasn't been
18 determined in the United States Senate yet, so having
19 that input and listening very carefully, now is the
20 time for us both to hear it and for all of you to
21 make your cases with your Senators and leadership and
22 others as well.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 GOVERNOR KEMPTHORN: Governor Leavitt of
2 Utah.

3 GOVERNOR LEAVITT: Thank you, Senator.
4 The presidents recently signed the defense
5 appropriation bill. We had a discussion yesterday
6 about the elements related to homeland security.
7 There was some disappointment on that part as to the
8 amount and to the levels of prescription that were
9 included in those appropriations that could be passed
10 to the states and local governments first responders.
11 We would join in that disappointment but recognize
12 the need for the President to move that forward.
13 It's my guess that'll be a supplemental that will be
14 presented by the Administration given the nature of
15 the conflict in Iraq. I'm wondering if those two
16 elements of that could be discussed again at that
17 time.

18 The levels of flexibility specifically
19 that we have in being able to use the money that will
20 be going to first responders.

21 SENATOR FRIST: A number of you have been
22 in to see me and I heard you loud and clear, and I'm

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 sure you have made it clear and will increasingly
2 make it clear that the moneys are appreciated and the
3 levels of money are important, but if it doesn't get
4 down to you in a timely fashion, and if you don't
5 have the flexibility, it simply doesn't have the
6 value that we think in Congress that we're giving you
7 as we go forward. The supplemental itself and
8 they're likely if military action is required, there
9 will be a supplemental. I don't know when it would
10 be. I don't know how large it would be and what it
11 would include.

12 I can say that we'll focus on homeland
13 security. I predict as well as equipping and having
14 the appropriate resources internationally, so I'll
15 certainly take that into consideration as we go
16 through. Issues like bioterrorism which is just a
17 sub-segment but which is very much influenced by the
18 first responders, we passed a bill, as you know,
19 three days ago. We didn't pass it but the President
20 signed it. In that particular area, it'll be about a
21 billion dollars. It was right at a billion dollars.
22 It was a billion dollars before.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 I know a number of you haven't gotten that
2 money even in the first tranche because of various
3 plans that you have to put on the table and whether
4 the plans have been held up or slowed up in some way.
5 Haven't seen that money but it's absolutely critical
6 that we get the money down without too many strings
7 attached so that you can use the program.

8 GOVERNOR LEAVITT: It's an area where we
9 think we can add to the effectiveness of that and
10 given the confluence of all of the pressures in a
11 bill that large, it was obvious that the President
12 wasn't going to be able to do anything on that piece
13 but if it's re-openable at least that portion of it,
14 we think it would be critical to our ability to
15 deliver what I think the Congress had in mind when it
16 appropriated.

17 SENATOR FRIST: The whole issue of this
18 on-going war on terrorism, it's different than
19 anything else we've seen. I'm sure you've talked
20 about it the last couple of days, but our success and
21 your success is 100 percent determined on what does
22 not happen as to what does happen. And it's not

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 following any geographic region. It's not won by a
2 decisive battle.

3 We have been historically under prepared
4 today. Many would say we are unprepared if there is
5 a biological attack, for example, in your community
6 right now, do you have the appropriate first
7 responders and have they been adequately trained.
8 The answer is we're getting better and I'm sure you'd
9 tell me that but for us to be fully prepared we have
10 a ways to go and that flexibility in funding is
11 critical to understand.

12 GOVERNOR KEMPTHORN: Governor O'Bannon, did
13 you have a question? I'll take Governor O'Bannon and
14 then Governor Martz. Then I will make a concluding
15 comment.

16 GOVERNOR O'BANNON: I might just in a
17 general sense talk about what the governors talk
18 about when they come here, particularly in a national
19 recession and the difficulty in funding our budgets
20 and certainly making a lot of cuts which we've
21 already done, and then we get people kind of painted
22 as people coming here with our handout. Certainly I

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 don't want to be in that position but I do want to
2 continue to talk with the Congress and the President
3 about the programs that were set up such as No Child
4 Left Behind, and it's being funded about six or seven
5 billion dollars less than when the program was
6 passed.

7 That we look at the program IDEA, the
8 school program for Special Ed that's short about \$11
9 billion dollars, and the first Responder Homeland
10 Security which is about \$3.5 billion dollars. That
11 will be coming because I think you've now passed the
12 budget, but when we look at those, those would be of
13 great help and support for us because we can't borrow
14 money to raise our budget or we can't borrow money to
15 cut taxes, so we're really in a position that's very
16 different from the federal government, and any help
17 that you could give there would be greatly
18 appreciated.

19 First, Governor, I appreciate your both
20 listing them, and the priorities are correct. Our
21 challenge federally, as all of you know, we have a
22 deficit that will be about \$300 billion dollars and

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 that's large although it's about 2.8 percent of GDP
2 and if you look over the last 20 years, the majority
3 of those years we've been in a budget or we've been
4 in a deficit that's higher than 2.8 percent. I say
5 that because to my mind it means that even though we
6 have a deficit for this period of time, if we pass
7 this sort of legislation that the President talked
8 about the other day, it's the only way out of the
9 deficit but the issues I talk about, social security
10 and Medicare and aging of the population is to grow
11 the economy.

12 So if we can do that, the government
13 can't do it all but if we can put a structure in to
14 truly help grow the economy which gives us the long
15 term both hope and reality of getting out of the
16 deficits, then we absolutely must and this is what I
17 feel as we have a war on terrorism, take appropriate
18 action in Iraq, continue to invest in the issues that
19 you just mentioned, which is the infrastructure which
20 does provide the economic engine for growth of
21 growing that pie over time whether it's an idea which
22 the United States federal government has not

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 fulfilled the obligation -- they get up and talk a
2 good game but they've not fulfilled the obligation to
3 you and your states in terms of funding or basic
4 education where indeed the United States Congress in
5 the bill the President signed Thursday, we put in
6 more money than even the President had asked for for
7 education for the Congressional response and
8 understand we have a continued obligation there if
9 our goal is to really grow the economy over time.

10 GOVERNOR KEMPTHORN: Governor Martz?

11 GOVERNOR MARTZ: Senator, thank you.

12 Congratulations on your new position. We appreciate
13 your work on behalf of all Americans.

14 One of the issues, this is not one of the
15 issues that all governors related to but it's surely
16 one that western governors relate to and that's the
17 drought. We are looking and hoping to have a
18 national drought policy that will give us more
19 monitoring systems, be able to tell when we're going
20 into this so that we can help farmers and ranchers
21 right now in Montana and most Western States.
22 Agriculture is our number one industry. We've sold

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 off half as many cattle as we have people prematurely
2 and our agriculture industry being number one is
3 being hit. Our markets are declining because of the
4 drought and I know you can't make water but there are
5 some things that we can do. It's a cyclical issue at
6 best but we have flood plans, we had a hurricane
7 plan, we've had a tornado plan. This is a natural
8 disaster that touches so many of our western states
9 and I would really like you to look at that. I would
10 really like that the Western Governors' Association
11 would be involved somehow in the final decision.
12 We've got a good plan out there.

13 I think Senator Rieber is one of the ones
14 pushing on that plan for Montana. I should say
15 Representative Rieber.

16 Please if you would look at that, let us
17 have some input on that.

18 SENATOR FRIST: Thank you. The issue
19 surrounding drought and agriculture more broadly is
20 an issue and Senator Dorkin can comment shortly
21 because he's been very involved. We've spent as much
22 time on that particular issue as we did on any issue

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 which expresses both the concern and the concern and
2 the focus. The legislation that the President signed
3 last Thursday, there was a drought response of \$3
4 billion. Some people said it should be 10, 6, 3;
5 some people said it shouldn't be any. But there's \$3
6 billion dollars. Much of the debate was on how well
7 that should be targeted in terms of the people who
8 are really affected acutely by the drought in terms
9 of the final negotiations.

10 But I think what you're really saying is
11 that we need to step back and have a policy such that
12 instead of reacting acutely to episodic illnesses or
13 events, that we have a policy that would smooth out
14 that expense over time. From a legislative response,
15 it would certainly be easier instead of the kneejerk
16 reaction that we're always in the position of doing.
17 That's where we're all challenged in terms of short
18 term, long term, mid-term planning of really being
19 able to step back out of the acute challenges that we
20 have and be able to look ahead five years ahead or
21 ten years ahead.

22 GOVERNOR KEMPTHORN: Mr. Leader, we

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 appreciate so greatly your being here. We know of
2 your time constraints so we're going to abide by
3 that. We have with us of course our other friend
4 from the Senate, Byron Dorgan and we have Steny Hoyer
5 and Mike Castle who we'll be listening to in just a
6 moment. But if I may, I know you Bill and John Brow
7 yesterday were in a session that John said went for
8 about six hours on Medicare reform and health care.

9 We are forming the task force. I would ask
10 that you consider, as we move forward, an opportunity
11 that we could sit down with you and those you choose
12 from the Senate for a working session with our Task
13 Force. I think it would be extremely beneficial for
14 all of us.

15 The other thing I would just put back on
16 the table. As you know, in working with John Glenn,
17 John Glenn and I were able to get the unfunded
18 mandates through. Ed Rendell, Mike Leavitt, many
19 aground this table were helpful, but you do have that
20 tool. Legislation is scored by the Congressional
21 Budget Office. They will identify right on the front
22 page, if there's an unfunded federal mandate, you

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 know it takes one member of either House to throw the
2 flag, which then requires a vote to be called to
3 determine if in fact Congress wants to pass an
4 unfunded federal mandate onto the states.

5 So we'd just remind you, you have that
6 flag in your pocket.

7 SENATOR FRIST: Thank you, and Dirk, thank
8 you for leadership. That was always for really the
9 first bill when I came in to sort of watch go through
10 before the United States Senate, so I need to start
11 back out a little bit and get some of these mandates
12 off of you.

13 Thank you very much for the opportunity to
14 be with you.

15 (Applause.)

16 MR. PATTON: Thank you, Senator Frist.

17 Our next speaker from the other side of
18 the aisle is Senator Byron Dorgan of North Dakota.
19 He is in his second term in the U.S. Senate after six
20 U.S. terms in the U.S. house. He's a key member of
21 the Senate appropriations, commerce, science and
22 transportation energy and natural resources and

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Indian affairs committees. the Senator is chairman
2 of the Democratic Policy Committee and is a former
3 state tax commissioner. He's probably got a unique
4 understanding of fiscal problems.

5 With that, Senator Dorgan.

6 (Applause.)

7 SENATOR DORGAN: Governor, thank you very
8 much. My former colleague, Dirk, it's nice to see
9 you here. There was a Cherokee Indian Chief who once
10 observed that the success of a rain dance had a lot
11 to do with timing.

12 (Laughter.)

13 SENATOR DORGAN: It occurs to me that the
14 same is true of public policy. Your timing in coming
15 here today and the intersection of a range of
16 extraordinarily challenging things that confront our
17 country, both in domestic and foreign policy is
18 almost unprecedented. We all want our country to
19 succeed. It seems to me that every morning, every
20 day, every week and every month in recent months, the
21 first message is we brush our teeth, get ready for
22 the day and have the television and radio on the

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 first messages about Iraq, war with Iraq. The fact
2 is our economy will not recover until we get passed
3 all of this.

4 You cannot have predictability, certainty
5 and confidence in the future when that is the major
6 leading news story every single day for months. And
7 all of us want our economy to recover. We have
8 different approaches perhaps on how we think we ought
9 to achieve that, respectfully different approaches.

10 There's the story of the caterpillar that
11 climbed on a clump of grass and observed, I see the
12 world. A squirrel on the same ground climbed a tree
13 and said I see the world. And an eagle flying over
14 head observing the same ground said I see the world.
15 They're also of course the same ground but saw it
16 differently in different detail.

17 So we come together as Democrats,
18 Republicans and a couple of independence here and
19 there, governors and Senators and members of Congress
20 and others trying to evaluate how can we put public
21 policy together that works for our country. The fact
22 is we have an economy that's struggling, and if you

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 don't use the social security trust funds, which we
2 should not incidentally, the are called, quote,
3 trust, unquote funds.

4 The deficit is well over \$400 billion
5 dollars a year and climbing. A very serious problem.
6 From my perspective, our current physical policy
7 simply does not add up, and cannot add up, so it is
8 true for me, and I think for everyone, the easiest
9 lift in American politics has always been and will
10 always be to propose tax cuts. But that is not
11 always an appropriate lift. Sometimes it's
12 appropriate in the 1990s it certainly was. The
13 states tax basis were reduced on a permanent basis by
14 about eight percent, as a result of permanent tax
15 cuts during good times.

16 Now we have tougher times and the
17 obligation, particularly of governors and others
18 including those of us in Congress is to evaluate how
19 do we try to put this puzzle together. How do the
20 pieces fit. We had here at the federal level, a 1.7
21 trillion dollar tax cut. And it was supported by
22 sufficient numbers to be signed into law, and very

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 shortly thereafter we had an intersection of several
2 events. One we had a recession. Second we had
3 September 11th, and a subsequent war on terrorism.
4 The collapse of the stock market or pancaking of the
5 market as a result of the tech bubble burst and then
6 in addition, we had the most significant corporate
7 scandals perhaps in American history.

8 All of that occurred in a relatively short
9 period of time. Some of us we suggested we should be
10 more conservative in fiscal policy in the event
11 things happened that were unforeseen but that was not
12 the case, so we now run into some pretty tough ground
13 here dealing with these issues and fiscal policy.

14 All of us want to put this economy back on
15 track, first and foremost to do that is to get beyond
16 these foreign policy issues, especially war issues.
17 That's the only way you breed confidence and
18 certainty with respect to the future.

19 Second, I think we will see a stimulus
20 plan of some type. I do not support a permanent plan
21 that is \$600 and some billion dollars as offered by
22 our President. I certainly have great respect for

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 the President but what we ought to do with respect to
2 a stimulus plan is we ought to have a plan that is
3 immediate, temporary and effective. Immediate,
4 temporary and effective. The President's plan is not
5 immediate and it is not temporary and in my judgment,
6 for example, exempting dividends from taxation will
7 not be effective in providing a stimulus to this
8 economy.

9 I believe there ought to be some state
10 assistance with respect to a plan. I don't know what
11 that level ought to be, but clearly we have imposed
12 burdens on the states which we are not paying for,
13 whether it's Medicaid or No Child Left Behind, or
14 special education. We clearly have done that and we
15 ought to have a piece in a stimulus package that
16 responds to that need. It occurred to me sa I was
17 driving to work today, hearing about a deal that was
18 negotiated in Turkey yesterday of \$26 billion in
19 financial aid that we ought to create a Turkey
20 standard of sorts.

21 (Laughter.)

22 SENATOR DORGAN: It seems to me that if we

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 can find money for Turkey, we can find money for
2 Kentucky.

3 (Applause.)

4 SENATOR DORGAN: Or Michigan, Maine, North
5 Dakota or Minnesota for that matter. Turkey is an
6 abiding good friend of ours. I just think this is
7 all about choices and priorities so I suggest that we
8 talk about a Turkey standard with respect to economic
9 opportunity for our states in this country.

10 Let me just for a moment go over a list of
11 three or four quick items in just about three or four
12 minutes, that describes our priorities. By that I'm
13 talking now as Chairman of the Democratic Policy
14 Committee.

15 We do have, from time to time, respectful
16 disagreements. That's what I think best serves our
17 country. Energy. We believe there ought to be an
18 energy bill passed by this Congress. I think the
19 President feels that way too, and I believe some of
20 which is being proposed by the white house makes a
21 great deal of sense.

22 Moving to a fuel cell economy, that is a

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 hydrogen economy with fuel cells makes great sense to
2 me. I'll be introducing a piece of legislation in
3 the Senate today. \$6.5 billion dollars over ten
4 years that decides that we ought to have an Apollo-
5 type project. There ought to come a time when we're
6 no longer putting gasoline through our carburetors.
7 My first car was a 1924 Model T Ford that I restored
8 as a young boy, a sophomore in high school. Bought
9 it for \$25, took two years to restore it, discovered
10 girls and decided to sell it, which was a very big
11 mistake.

12 (Laughter.)

13 SENATOR DORGAN: But you know you put
14 gasoline in a 1924 Ford the same way you put gasoline
15 in a 2003 Ford. Nothing has changed in three
16 quarters of a century. Over half of that, which we
17 need for oil in this country is imported, a
18 substantial portion of it from very troubled parts of
19 the world which would hold our country hostage if,
20 God forbid, something happened tonight to interrupt
21 that supply.

22 If our energy policy is simply dig and

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 drill, then it is a policy called yesterday forever,
2 as far as I'm concerned, and that will not best serve
3 this country. Yes, we should dig, yes we should
4 drill, yes we need to produce more, but in addition
5 to producing more, which has to be part of energy
6 bill because you need a transition period, five, ten
7 and 25 years, you need production, you need
8 efficiency, you need conservation and then you need
9 big ideas like limitless and renewable sources of
10 energy that take us well into the future. That's an
11 energy policy that I think will make sense for this
12 country.

13 Education. No Child Left Behind, is a
14 policy that the president and the Congress embraced
15 but you can't leave the funding behind. We need two
16 things with it or it will not work. One, it has to
17 be flexible enough in its administration so that the
18 template that goes over a school in New York in the
19 middle of the city that goes over my school in
20 Region, North Dakota, because they don't work the
21 same. THE basics of education are the same but the
22 templates are not one-size-fits-all if you're going

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 to have the right kind of administration of this
2 piece of legislation.

3 And second the implied promise of funding
4 simply has not been met. The president did not
5 propose it and the Congress has not funded it. We
6 need to do that. I want this program to work but we
7 must, it seems to me, provide the funding for it.

8 On health care we have significant
9 Medicaid issues as you know. I don't personally
10 believe, and I think most of my colleagues don't
11 believe we ought to say to senior citizens we support
12 the need for a prescription drug plan in Medicare but
13 in order to get it you have join an HMO. Rose the
14 opportunity to find the doctor of your choice.
15 That's no a good bargain in my judgment for senior
16 citizens. We need to work on Medicare and Medicaid
17 in very significant ways. But I don't believe the
18 way to resolve this issue of prescription drugs is to
19 say to seniors, the only way you can get a
20 prescription drug package is to move into an HMO.

21 Finally, at Homeland Security, we have
22 very serious challenges there. We in Congress have

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 appropriated money that has not been used and not
2 been spent. First responders do not yet have the
3 kind of funding they need.

4 If some serious problems exists this
5 morning somewhere in this country, it won't be a
6 well-trained federal official who's going to go
7 there. It's going to be an emergency person, it's
8 going to be someone from a fire department or police
9 department or emergency personnel that are going to
10 be there and those first responders need the training
11 and need the help to be able to respond appropriately
12 in this day and age. So we need to do much, much
13 better.

14 I come from a landlot state. We have 5.7
15 million containers coming into our major ports on
16 containership so they don't come to North Dakota, but
17 they pull them off with a winch and put them on 18
18 wheels and run them all across this country; 5.7
19 million containers, 100,000 are inspected; 5.6
20 million are not. Is that a problem in this country
21 with respect to security? You bet your life it is.

22 And I can go through six or eight more

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 areas including northern border security, which we
2 share with Canada, a range of those issues that are
3 very important. We cannot scrimp on Homeland
4 Security. We do so at our peril.

5 Let me make one final comment. Governor
6 Leavitt and I have been working on this issue of
7 taxing remote sales, internet catalogues and so on.
8 You are losing a substantial amount of revenue that
9 is owed to your states in the form of use tax but not
10 paid to your states.

11 We in Congress, working with the Governors
12 have tried to do something about that. It is not a
13 new tax, the tax is old, it is just not collected.
14 And a substantial amount of money, billions and
15 billions and billions of dollars is money that you
16 need and money that you ought to collect. The
17 Congress ought to give you the opportunity to do
18 that. We're not talking about a labyrinth of
19 complexity here for Internet sellers or catalogue
20 sellers; we're just saying that when you're competing
21 against main street businesses, meet the same
22 obligation they have. Make the sale and collect the

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 tax and remit it to the government to help fund our
2 schools and build our roads and do the things
3 necessary to make a better life in our states.

4 Finally let me conclude by telling you
5 this. I have great respect for you all. I have
6 worked in the state capitol for some years before I
7 came to the U.S. House and the U.S. Senate. I was
8 reading McCullough's book about John Adams recently.
9 He, as you know, traveled a lot as they were trying
10 to frame and create this new country of ours. He
11 would write to Abigail from aboard. He represented
12 our country in England and France.

13 He was working on how to try to put his
14 fledgling new country together and he would write to
15 Abigail and say to her where would the leadership
16 come from. Where would the leadership emerge in this
17 country to help put this new country together, and
18 then he would plaintiff say to Abigail, there's only
19 us; me, Thomas Jefferson, Ben Franklin, George
20 Washington, Madison, Mason. There's only us. Of
21 course with two centuries of hindsight we see that
22 "only us" represented some of the greatest talent in

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 human history.

2 It is appropriate it seems to me at
3 intervals to our country to ask the same question.
4 Where will the leadership come from? Where will it
5 emerge. Always in this country in two centuries it
6 has been answered by men and women yes in the White
7 House and the governorships and in the Congress to
8 say, it's us, it's now, and we must lift the load to
9 do what's necessary to put our country back on track.

10 It is a great country, we're lucky to be
11 Americans and lucky to be alive now, but that
12 inherits with it significant challenges, especially
13 for those of us who serve now. We thank you for your
14 service and wish you well. God bless you.

15 (Applause.)

16 MR. PATTON: Thank you, Senator Dorgan.
17 He's going to have to excuse himself. We do have two
18 more presenters and hopefully they'll be able to stay
19 around and we can have a discussion.

20 Our next guest will be introduced by
21 Governor Minner of Delaware. She just reminded that
22 I have a propensity to pronounce that Minter. There's

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 no "t" in her name. The reason I do that is that in
2 my part of the world, a minner is a small fish that's
3 gobbled up by other fish.

4 (Laughter.)

5 MR. PATTON: I think we can all agree that
6 Governor Minner is no a minner in the traditional
7 sense of the word. But with that, Governor Minner,
8 please introduce our next presenter.

9 (Applause.)

10 GOVERNOR MINNER: Thank you, governor.
11 However, I will tell you the definition of minnow in
12 Delaware is quite different. It's a small fish used
13 to catch the big fish.

14 (Laughter.)

15 GOVERNOR MINNER: It is indeed my pleasure
16 to introduce a person whom I've had the opportunity
17 to work with in the Delaware General Assembly as well
18 as the time he spent as Lt. Governor and Governor.
19 Michael, welcome to our group, or I should say
20 welcome back to our group. Since you served eight
21 years serving with this group as well. Mike was a
22 very active participant in this organization and

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 brought back to Delaware many good ideas. One of the
2 reasons I'm here is because of the leadership that
3 they showed in this organization in bringing good
4 ideas back to Delaware.

5 Mike has served Delaware well, if you
6 think of just the few things that I've said but he
7 really started as our Deputy Attorney General, he
8 served as a state legislator, as Lt. Governor and two
9 terms as the governor of Delaware. He's currently in
10 his fifth term representing the first state as
11 Delaware's sole member in the House of
12 Representatives.

13 Each of these positions has provided him
14 with a new perspective on Delaware and he met those
15 challenges and served well. With thoughtful
16 consideration and by reaching across the aisle,
17 whether in Delaware or in Washington, Mike has played
18 a key role in negotiating many of the federal as well
19 as state issues.

20 The Congressman chairs the Subcommittee on
21 Education Reform and is a member of the House
22 Financial Services Committee and a member of the

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Permanent Select Committee on Intelligence.

2 His priorities include improving the
3 quality and relevance of education research.

4 Studying the nation's financial markets, and how they
5 serve the consumers and pushing to protect United
6 States intelligence, please join me in welcoming a
7 long-serving member of our Delaware community of
8 elected officials, my friend and coworker, Mike
9 Castle.

10 (Applause.)

11 REPRESENTATIVE CASTLE: Thank you very
12 much, Governor Minner. I'm leaving all of the
13 mintoes and minner and all that stuff alone. But I
14 am delighted to be here to join Governor Patton,
15 Governor Kempthorne and the other governors I see who
16 were in the House of Representatives when I was
17 there. Governor Vilsak is easily the best educated
18 governor here since he also went to Hamilton College
19 as I did, and all the rest of you. It's just a
20 delightful position. I can't say how rewarding being
21 a governor really is.

22 I saw Bill Richardson has said that it was

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 his experience that the members of the Congress
2 didn't particularly to the governors. One of the
3 quotes that you've read as you've gone through this
4 four days, and I followed what you've been talking
5 about, that's probably true to agree to the extent
6 you adopt resolutions or whatever but I will say one
7 thing. When a governor calls his or her
8 congressional delegation and says we want something,
9 usually I've noticed that they jump pretty high, so I
10 would say disregard the overall aspect of it and look
11 at the individual states and realize you have a
12 tremendous amount of power in the Congress of the
13 United States. Together you have that power as well.

14 I know what you've been talking about.
15 I've sort of followed all that. I'm going to try not
16 to duplicate too much here and perhaps we can get Q&A
17 that way, but I saw a poll, I don't know where, but
18 there's a national journal house race hotline type of
19 thing but basically it's sort of interesting.

20 If you look at the issues we're talking
21 about here today, and that we're all vitally
22 concerned about, you realize that there's one of them

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 really that dominates everything. That's the
2 economy, but after that everything else really
3 relates to the war, to terrorism, to homeland
4 security. That's what's on people's minds today.

5 When you break it down to health care on
6 the variety of issues that were in the teens in these
7 polls and they're not showing up at two to three to
8 four percent because of the great concerns am I going
9 to have job and are we going to go to war, which is
10 really what it's all about.

11 Some of these questions are frankly beyond
12 what we're going to be in control of in the Congress
13 of the United States, particularly the war
14 circumstance but a lot of the issues that relate to
15 the economy and jobs are within our power and within
16 your power.

17 I have read some of the resolutions you've
18 been looking at. I would just say a few things
19 having been in Congress now for a little bit over ten
20 years. That is I think it's very unlikely there's
21 going to be any kind of a general help or handout to
22 states and local jurisdictions in terms of dollars.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Maybe it'll happen, maybe you can make it happen. I
2 personally don't think it's very likely to happen
3 based on what I've seen.

4 On the other hand, I've seen some real
5 movement in some of the existing programs. In fact,
6 the very programs that you were talking about here
7 today, in terms of where Congress is going.

8 Let me give you some examples. Education
9 is one I know something about because I'm on that
10 Committee but in the last six years in the Congress
11 we've increased education spending or funding by the
12 Congress of the United States by an average of 14.5
13 percent a year. That's pretty unusual when you
14 really consider it. Usually, you're lucky if you get
15 a cost of living increase out of the United States to
16 go through some six years now with increases about
17 14.5 percent is really a little bit out of the
18 ordinary in terms of what Congress has done.

19 For instance, the Elementary and Secondary
20 Education Act which is really what the No Child Left
21 Behind is all about, it's addressed up version is
22 ESEA has gone from fiscal year '96 at \$23 billion

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 dollars to \$53.1 billion dollars.

2 And IDEA that much discussed programs in
3 where the federal government should be which has a
4 statute which says, as we all known, that the federal
5 government should pay up to 40 percent of that
6 program has gone from fiscal year '96 to this year at
7 18.1 percent. So there's been a dramatic increase in
8 that and it got substantial increases even in the
9 last fiscal year '03 budget, which as you know is
10 sort of tangled up. It just got done about two weeks
11 ago about four months late but both of those programs
12 had fairly significant increases.

13 We're going to be looking at IDEA in the
14 Education Committee just to touch on something we're
15 going to be dealing with, and there probably would be
16 some sort of a glide path, if you will, to get to the
17 full 40 percent funding. That seems to be the target
18 even though the statute says up to 40 percent.
19 That's what Congress is thinking about \$10 billion
20 off of that right now, and by glide path, I don't
21 think it's going to happen in one year, I don't think
22 it's going to happen in two years.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 But I think if you look at ten years and
2 perhaps less, you're going to see Congress probably
3 looking at that particular issue. We'll also be
4 obviously looking at matters of concern to use the
5 discipline issues, the over identification issues,
6 issues that concern everybody, and that will try to
7 give you more flexibility on Total One increases have
8 been going along as a rapid pace as part of that
9 education increase. They've been occurring at a
10 higher level even than the other education spending
11 which is significant.

12 No Child Left Behind, what we're talking
13 about in No Child Left Behind obviously are the
14 authorizations levels which my Committee has done
15 because the appropriations have not lived up to that.
16 But again, the increases have been fairly substantial
17 in that particular area.

18 There is some flexibility in that which
19 you probably all know. You can change 50 percent in
20 various programs around the No Child Left Behind with
21 the exception of Title I so that you can go from one
22 place to another. I've been working with our

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Governor, with Ruth Ann, on this particular program
2 and her secretary of education lately.

3 I would encourage all of you, if you
4 aren't doing it to do the same thing. You probably
5 are doing. If you have questions about that, if you
6 are concerned about the assessments and the standards
7 and the testing you're putting in place, I would
8 rapidly get in touch with the Department of Education
9 and see what flexibility there is. I'm not
10 guaranteeing that there'll be flexibility on
11 everything but there probably is more than perhaps
12 meets the eye. I would encourage everybody to do
13 that.

14 I heard the discussions on Medicare and
15 Medicaid and obviously Senator Frist is much more
16 knowledgeable along that than I am, and perhaps
17 almost everybody in the Congress of the United States
18 of America. But we have obviously passed
19 prescription drugs as part of Medicare solutions in
20 the House and the Senate. We've never gotten
21 together on a final bill. I don't know whether
22 that's going to happen this year or not. Clearly

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 that's a matter of huge concern to you in terms of
2 what you're doing, and matter of concern to the
3 country. And I think something we ought to pay
4 attention, and I read about all you're doing in
5 Medicaid and the presentations by Governor Thompson,
6 the President and others, and that's an extremely
7 complex subject.

8 In my experience in my ten years in
9 Congress when I was a governor sitting with you all,
10 my sense is that that's a difficult an issue to deal
11 with from a legislative point of view as anything
12 that I've ever seen. And as a result of that, we're
13 all going to have to work together to get that done.

14 In the meantime, I would recommend
15 strongly community health center programs to all of
16 you. I'm sure you've all toured your community
17 health centers. I have found them in Delaware to be
18 extremely effective. They're doing a good job.
19 They're really take care of our population.

20 Sometimes the parts of the population that
21 worked there before, the Hispanic population and
22 others, and there are a lot of new moneys being put

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 into that, and I will tell you that's a good
2 alternative to some of the insurance issues that
3 exist out there and something that I would pay a lot
4 of attention to.

5 We're going to be dealing with Head Start
6 later in the Education Committee probably after the
7 Easter break, between Easter and Memorial day or
8 July 4th, and trying to make that program somewhat
9 more professional than it is now. There is some
10 discussion of changing it from Health and Human
11 Services to Education. I don't think that's very
12 likely to happen personally, but that's probably
13 going to be put on the table.

14 There's also discussion of some sort of a
15 program to have the states get involved with all the
16 early education programs funded at the federal level,
17 take the money and be able to put together your own
18 programs. That may not happen in full, but it would
19 be parlor project, and I would tell you it would be
20 of something that is of some interest to some of you
21 in terms of what we're doing.

22 Homeland Security is a matter of

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 legitimate concern I think to everybody in this room.
2 There's never going to be enough for Homeland
3 Security. You can look at anything. I came down on
4 train from Delaware today for example. Is there
5 enough security on trains? Probably maybe's there's
6 enough in airports now but not enough at our ports,
7 for example. Perhaps our buildings aren't as well-
8 guarded as they can be. The bottomline is I think if
9 we work together we can make a difference as far as
10 Homeland Security is concerned. And yes some things
11 do need to be funded in that area.

12 We will probably do a budget resolution by
13 the end of March, just to give you a timeline.
14 That's significant because we did not have a budget
15 resolution last year. It's the reason I think the
16 appropriation bills got held up.

17 The actual reconciliation and finishing
18 all that will take longer in the House of
19 Representatives are going to start on the tax cut
20 probably the next two weeks. I think Chairman Thomas
21 of the House Ways and Means Committee will introduce
22 that. And then we'll have a couple of weeks of

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 hearings and then perhaps some sort of a markup which
2 might be different than the President's bill.

3 There's obviously so disagreement as to where to go
4 exactly with that in terms of the overall amount and
5 in terms of some of the internal elements of it, so
6 that needs to be looked at very carefully.

7 The whole war effort or the whole
8 potential war situation will continue on here for a
9 while, but clearly it's impacting the economy, it's
10 impacting a lot of decisions everybody's making. But
11 I have to guess just from what I'm reading from what
12 you're all hearing that some time in March, some
13 resolution of that will come along.

14 As I've indicated, IDEA will be going
15 along fairly quickly now in the next few weeks; then
16 Head Start should be right behind it. In the House
17 of Representatives. It's my judgment that on all the
18 programs I've just touched on that governors have not
19 only a huge interest but have a huge ability to
20 impact how these things come out. Again, it may have
21 to be done individually through your own members in
22 the House or the Senate.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 The bottomline is I don't know of a single
2 member of Congress who's not going to turn to his or
3 her governor for advice in terms or where these
4 programs are going and what we should be doing.

5 We will be in full session now right
6 through until August, with a week off here and there
7 for certain breaks. That we would encourage all of
8 you to stay in touch and to work with us in every way
9 you possibly can.

10 I've always been a believer that the
11 governors are as important as any elected officials
12 in this country in terms of the overall welfare of
13 this country, and while we go back home and you look
14 at your own individual state, the bottomline is
15 collectively you make a huge difference in terms of
16 the impact of where America is going.

17 So I am honored to be able to be here to
18 speak to you and I'm sure that I speak for all
19 members of Congress to say that they would be both
20 pleased and honored to hear from you on these issues
21 of importance to all of us. Thank you very much.

22 (Applause.)

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 MR. PATTON: Thank you Congressman Castle.
2 Again you've raised a lot of interesting topics that
3 I know the Governors are interested in discussing
4 with you in detail and I hope you can stay around
5 while our last presenter for this morning's program
6 talks to us a little bit and of course that's
7 Congressman Steny Hoyer, the House Democratic Whip,
8 the second ranking leadership post for House
9 Democrats.

10 Congressman Hoyer is serving is 11th term
11 in the United States House of Representatives,
12 representing the Fifth Congressional District of
13 Maryland. As the whip, he helps Democrats determine
14 their legislative agenda and strategy, unity for the
15 party's position within the Democratic caucus and
16 among Democrats nationally and crafts and delivers
17 the Democrat message.

18 The Congressman is also a Senior Member of
19 the House Appropriations Committee and currently
20 serves on its subcommittees on the Treasury, Postal
21 Service, and General Government, Labor Health and
22 Human Services and Education and in the legislative

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 branch, he's a former president of the Maryland
2 senate so he knows state issues.

3 And I can say that while I've been
4 governor, I think Congressman Hoyer has been the most
5 or at least one the most willing members of Congress
6 to come and talk to us about a variety of issues. I
7 think he makes almost all of our winter meetings.

8 Congressman, it's a pleasure to have us
9 with you again this morning. Thank you.

10 (Applause.)

11 REPRESENTATIVE HOYER: Thank you very much
12 Paul. I know you're dying to hear a long speech from
13 me after hearing some very good information from both
14 sides of the aisle.

15 Governor Patton, I want to thank you for
16 the work that you have done with the Congress through
17 the years inn various different capacities, and
18 Senator Kempthorne has heard me speak before, so he
19 left.

20 (Laughter.)

21 REPRESENTATIVE HOYER: I want to say I
22 don't envy any of you. Some of you have been my

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 former colleagues. I'd like to say to people I'm a
2 legislator and any legislator with half a brain can
3 avoid almost all responsibility. Jennifer's laughing
4 over there.

5 The fact of the matter is you can and the
6 fact of the matter of the most part is the buck
7 stops, you can't. And for the fact of the matter of
8 the most part, the buck stops on your desk.

9 Virtually every state capital as NGA's
10 fiscal survey of state capitols reported in November.
11 Nearly every state capitol is in fiscal crisis. The
12 updated budget shortfalls for fiscal 2003 which are
13 \$20 to \$30 billion I understand are added to the
14 projected shortfalls for fiscal 2004.

15 Our states must direct a collective
16 shortfall of almost \$100 billion dollars by the end
17 of summer. Today I want to deliver three messages
18 from the House Democratic Leadership first. We're
19 committed to helping the states whether this budget
20 storm jumpstarting our static economy which has a
21 devastating impact on your bottom lines is our number
22 one priority.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Mike you said that number one the most
2 immediate is Iraq but certainly the number one
3 priority of the American people and getting our
4 people back to work and doing well.

5 Secondly, we believe that elements of the
6 President's tax plan, if enacted, will severely
7 restrict funding for vital priorities such as
8 Homeland Security, education, and health care and
9 severely impact your states.

10 And third, we're deeply concerned about
11 the Administration's proposed shift of
12 responsibilities to the states on Medicaid, on Head
13 Start, on housing subsidies as well as the federal
14 governments ability to fund such programs in light of
15 the squeeze on discretionary spending.

16 Mike I disagree with you frankly, and
17 maybe we can discuss later, that the reason we didn't
18 pass appropriation bills had to do with the failure
19 to pass a budget resolution. Under Democratic and
20 Republic Administrations, we have done what is called
21 a deeming resolution, simply to say has the House a
22 budget resolution. We haven't reached accommodation

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 between the Senate and the House we'll act on the
2 House numbers. We've done it that in both the
3 Democratic and Republican leadership. We didn't do
4 this year.

5 In my opinion we didn't do it not because
6 we didn't couldn't do it but because we didn't want
7 to put bills on the floor which were very politically
8 controversial because frankly they cut back on
9 commitments that had been made but which were not
10 kept.

11 In January House Democrats unveiled an
12 economic stimulus plan. Here I will use some
13 different words than Byron but the message is the
14 same; fast acting. We need to get the economy moving
15 now, not next year, not two, three, four, five years
16 from now but now.

17 So the Democratic plan is fast acting and
18 is \$136 billion dollars on the House side total,
19 which is about a fifth or a little more than the
20 Republican plan offered by the President.

21 However, it spends twice what the
22 President proposes in 2003 because we want it to be

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 fast-acting. It is fair, it affects everybody in
2 America in that it gives ten percent tax cut for the
3 first \$6,000 of income to every American. If you
4 make \$6 million or you make \$6,000, you get ten
5 percent of the first 6000 cut, and it is fiscally
6 responsible.

7 I told you it was \$136 billion over ten
8 years, it is hundred billion now. What kind of
9 Washington math is that. The fact is we accelerate
10 some expenditures which would be in 2004, 2005, do it
11 in 2003 which is where we need the stimulus and save
12 money and interest later on. It would create an
13 estimated one million jobs, and as I said cost \$136
14 billion dollars.

15 Our plan also would provide relief to the
16 states which the President does not including \$10
17 billion for Medicaid cost sharing, a one year/one
18 time increase in the federal share of Medicaid
19 benefits as provided in the Dingell/Brown bill. Ten
20 billion federal grants to help the states with their
21 urgent unmet Homeland Security needs, and an
22 additional \$5 billion for highway funding, and \$6

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 billion for discretionary use by the states for unmet
2 needs. That's about \$36, \$37 billion dollars in 2003
3 for the states for infrastructure and for other
4 expenditures you need to make in sharp contrast as I
5 said to the President's plan which ignores the states
6 altogether, and to make matters worse, it would dig
7 an even deeper hole for the states.

8 The Administration's plan to eliminate the
9 dividend tax would erase the tax advantage of tax
10 free state and local bonds. I'm sure you're
11 considering that, I know you're talking about it.
12 Without that tax advantage, governments will be
13 forced to raise interest rates to attract buyers,
14 thereby boosting the cost of government borrowing.

15 Furthermore, by accelerating and making
16 the rest of the 2001 tax cuts permanent removes all
17 flexibility in dealing with the under determined
18 costs of the war on terrorism.

19 Senator First said, and he is correct,
20 that the Congress and frankly your state legislatures
21 and frankly sometimes executives tend to look short
22 time; sometimes in two-year cycles, sometime in four

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 year cycles. It's understandable, the system.

2 But the fact is what we are looking at
3 both in 2001 and 2003 in terms of the proposal we
4 believe on our side of the aisle, creates very
5 substantial, critical, long-term problems that we are
6 not anticipating.

7 Perhaps worst of all, the President's
8 plan, in my view, is as I said fiscally
9 irresponsible. It's costs are passed on to the next
10 generation and other levels of government. It drives
11 us deeper into debt and ensures deficits in the next
12 decade at least. That is uncontested. That is in
13 the CBO report, that's in the OMB report, those are
14 uncontested figures as to where we are in debt.

15 I would say to you that for the four
16 years, the last three years of this past century and
17 the first year of this century, we were in surplus.
18 It was the first four years that we had in surplus in
19 the federal government in over a century.

20 Where some see a purposeful squeeze on
21 discretionary spending designed to reduce the size of
22 government, we see a fiscal straightjacket that

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 leaves the richest nation on the face of the earth
2 unable to meet critical needs. I don't mean
3 discretionary needs. I don't mean things that we
4 would like to do but things that I think everyone
5 around this table, irrespective of parties, says
6 needs to be done.

7 In fact, we've already witnessed the
8 effect of a tight budget debate on the appropriation
9 bill. There's been some discussion of that. For one
10 year, the President's \$3.5 billion package for first
11 responders, state and local police, firefighters,
12 emergency medical teams, languished. That is to say
13 we had money on the table being proposed and frankly
14 being supported across the board. You got zero of it
15 because it languished. We passed a supplemental
16 appropriation bill, \$5 billion dollars which had a
17 half a billion dollars in first responder which the
18 President refused to approve. Because we said you
19 have to designate this as an emergency. We believe
20 Homeland Security and defense is an emergency when
21 confronted with a war either on terrorism or on a
22 rock.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 When that funding was finally approved, it
2 was largely drawn from existing law enforcement and
3 public safety programs. We said \$3.5 billion. It is
4 a little less than a billion. Why? Because we've
5 taken money out of other programs and designated them
6 for homeland security but if you cut Byrd grants, if
7 you cut aid to police, it's fungible.

8 You folks are in the position of either
9 deciding well we're going to cut the services that
10 are being performed with this hand while we increased
11 the services we need to perform with the other hand.
12 The net effect of that \$3.5 billion is an additional
13 approximately one billion dollars giving use of
14 ability to respond to critical situations.

15 House Democrats between it's simply
16 unacceptable to skimp on homeland security funding
17 when we are considering enormous tax cuts that would
18 overwhelmingly benefit the better off.

19 House Democrats believe we must consider
20 new creative methods ensuring our security such as
21 enhancing port and border security which previous
22 speakers have discussed.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 Byron Dorgan pointed out the incredibly
2 small percentage of cargo that we inspect coming into
3 this country. Additionally, we're committed to
4 funding the No Child Left Behind Act as well as
5 increasing child care funding and maintaining state
6 flexibility in the reauthorization of welfare reform.

7 Currently Governors were doing neither and
8 I think your staffs know it and you know it as well,
9 and Mike, while I understand an authorizing
10 perspective that we said we were going to do good
11 things with the No Child Left Behind Act, and in fact
12 I supported the No Child Left Behind Act, as almost
13 everybody in the Congress did and the President
14 enthusiastically signed it. Leaving No Child Behind
15 is not cost free. Rhetoric will not educate any of
16 our children or take them by the hand and get them
17 down the road.

18 You Governors or state legislators could
19 avoid responsibility. We can say great things. We
20 can say we want to do this and we can put forward
21 great visions of where we want to go. But when it
22 doesn't happen, people look at you and say why isn't

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 this happening? They said in Washington this was
2 going to happen. The No Child Left Behind Act was
3 under funded by \$7 billion dollars.

4 In other words, we said it would cost \$7
5 billion dollars to accomplish the objectives that we
6 set forth in the No Child Left Behind Act and the
7 budget that was submitted within almost literally
8 days of saying that and going around talking about
9 signing it, was under funded by several billion
10 dollars. Perhaps that was fiscal reality but we
11 ought to have fiscal honesty with our people and say,
12 no, we're going to leave some children behind

13 You talk about Head Start, all of you know
14 of the Head Start eligible children of America, 40
15 percent of them have no room in the inn. A program
16 that everybody says works.

17 Let me say that I'm very pleased that the
18 President and the Congressional leadership from both
19 parties supported on a very positive note \$1.5
20 billion dollars for election reform.

21 As you know, Bob Nay and I, Senator Mitch
22 McConnell, and Senator Dodd worked together in a very

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 bipartisan way. Senator Bob Nay is an
2 extraordinarily able and conscientious legislator and
3 who it was my great privilege to work with on this
4 particular piece of legislation, \$3.8 billion
5 authorized. We had put \$2 million dollars in a bill
6 and I went down to the White House. Senator
7 McConnell was there and we said, Mr. President, we
8 need to fund this bill or it'll be an unfunded
9 mandate.

10 The President agreed. Mitch Daniels
11 agreed. Mitch Daniels is really running the show as
12 all of you know. In any event, we had \$1.5 billion
13 in there this year and we hope to have the President
14 not as much money in for the 2004 as I think we need,
15 and we're going to be working to get more. But to
16 replace machinery, to give you the flexibility on
17 your statewide registration, opportunities, your
18 provisional balloting and other things that the law
19 requires you to do, we're going to provide funds for
20 it.

21 As you know, we worked very closely with
22 all of you with state and local officials on the help

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 America Vote Act. This funding is essential, as all
2 of you know, to upgrading and improving our election
3 system. But again that funding is only a downpayment
4 on election reform. We have another \$2.5 billion
5 dollars to go.

6 The Help America Vote Act authorized \$3.8
7 billion over four years and I urge you to join me in
8 working to ensure full funding of this landmark law.
9 The \$1.5 billion was essentially off budget.

10 Governor Martz, I didn't mean to interrupt. But the
11 \$3.1 billion for the drought aid was not off budget
12 and we had to offset it. I believe in both
13 instances, there was an emergency. The emergency on
14 election reform is we've got a presidential election
15 coming up. We had a controversy last time. We want
16 to have the system working well for the next one.

17 The drought aid is obviously why it's an
18 emergency. Governors, you are the chief executives
19 of the states and you have a tremendous opportunity
20 to make your influence felt. I urge all of you to
21 seize this opportunity to prevail upon your state
22 delegations the importance of the funding priorities

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 that you determine are important. Forget about what
2 we in Washington say. We're pretty much saying the
3 same things. Many of you recall we worked together
4 in bipartisan fashion in the nineties to impress upon
5 the federal government the dangers of unfunded
6 mandates and the impact of shifting responsibility.
7 You must continue, in my opinion, to make that
8 bipartisan appeal. There's still the possibility of
9 getting some significant fiscal relief for states in
10 the budget this year.

11 Congressional Democrats and I hope
12 Republicans stand ready to assist you in this effort,
13 but it's incumbent on you to reach out and to talk to
14 your members. I agree with Mike Castle. I will tell
15 you we don't do bipartisanship very well in
16 Washington, D.C.

17 I'm from Maryland and when I was president
18 of the senate, some of my strongest supporters were
19 Republicans. Now there were only ten out of 47, so
20 there wasn't much use for partisanship. And frankly
21 I found the differences, when I served in the state
22 legislator in the state government to be more urban

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 city versus rural than it was Republican versus
2 Democrat.

3 But you know the problems. Every day you
4 confront the problems. Bob May and I sat down
5 together for literally tens of tens of hours figuring
6 out. We had differences, our parties had different
7 perspectives on what they wanted to do with election
8 reform but we knew what the problems were and we came
9 up with what we think are solutions.

10 This is the richest nation on the face of
11 the earth. Because it is the richest nation on the
12 face of the earth, in my opinion we can solve our
13 problems. We're not like perhaps Turkey. I loved
14 Byron's turkey standard. We can solve everyone of
15 the problems and ladies and gentlemen we can leave no
16 child behind, and we can confront Iraq.

17 I voted for welfare reform. Democrats
18 were equally divided but we can do a welfare reform
19 bill without passing onto you unfunded responsibility
20 for about \$11 billion dollars in addition to child
21 care and other related expenses. We can do that, but
22 we have to confront our people and say we have to do

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 it together. And we may have to scrimp a little bit
2 but the richest nation on the face of the earth can
3 solve our problems, we can do it together, and the
4 Governors can make an extraordinary contribution to
5 that objective if you do it in a bipartisan what is
6 real and what is unreal. I urge you to do so.
7 You've helped us but much more important, you will
8 help our country in doing so. Thank you very much.

9 (Applause.)

10 MR. PATTON: Thank you, Congressman Hoyer.
11 I think both of our panelists have raised issues that
12 this group is involved in, so let us have a
13 discussion for as long as they can stay with us.

14 Questions? Comments? Governor Vilsack.

15 GOVERNOR VILSACK: Thank you, Mr. Chair.
16 I appreciate both of the representatives being here
17 today. This question is really directed to
18 Representative Castle, my fellow continental.

19 REPRESENTATIVE HOYER: We understand
20 everybody body can't get into the University of
21 Maryland, Governor.

22 (Laughter.)

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 GOVERNOR VILSACK: You don't want to go
2 there, Steny.

3 (Laughter.)

4 GOVERNOR VILSACK: Congressman, I was
5 listening with great interest to your concerns about
6 your education, and I can tell you that in our state,
7 we are very proud of our education system. In the
8 top ten in ACT and SAT scores, class graduation
9 rates, class sizes, computers in the classroom, but
10 we are deeply concerned because of the Leave No Child
11 Behind parameters. Our state is the only state that
12 has a local control philosophy, one in which we don't
13 have state standards for students but we've got them
14 for teachers. We are approaching accountability very
15 aggressively. We've been testing our students for 50
16 years using longitudinal studies to structure
17 curriculum, so we are deeply concerned about the
18 federal government coming in and explaining to us how
19 we need to do this when they're not willing to
20 provide all of the resources necessary to implement
21 the plan.

22 My question to you is, do you feel that

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 with the appropriations that have been authorized and
2 approved, that we are adequately and fulling funding
3 Leave No Child Behind. And if you do believe that,
4 how is it that there was a difference between the
5 amount of money that was originally authorized and
6 the amount of money that was appropriated. What did
7 we not do when we were going to do with additional
8 money? Could you explain that to me.

9 REPRESENTATIVE CASTLE: Thank you,
10 Governor. Maybe we ought to change that name to the
11 fighting continentals, but your point's well taken.
12 We pass a lot of legislation in the Congress.
13 Frankly I never really understood it all. But we
14 have authorization legislation. That essentially
15 sets authorizing numbers. Sometimes it's just left
16 open-ended; sometimes it's high. Almost inevitably,
17 it's higher than what the appropriators will actually
18 do. So the political argument is well you didn't
19 funded it all the way because you didn't fund it as
20 high as the authorization.

21 In the case of No Child Left Behind, quite
22 frankly, I am personally interested in driving that

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 number as high as we can. There are some of us in
2 the Republican party who held up the Labor HHS
3 Education Funding Bill for that reason because we
4 were concerned about education. As a matter of fact,
5 as I indicated my discussion, we have been increasing
6 the set 14.5 percent a year over the last six years
7 which is a huge difference over what it was before.
8 And we have done particularly a lot with Title I and
9 IDEA and some other elements that actually go into No
10 Child Left Behind.

11 I have several thoughts. One is that is a
12 process that we're going to go through again right
13 now. We are in our '04 appropriation cycle already.
14 They're starting to look at the budget, they're going
15 to start to look at the appropriation. As you know,
16 it's due by September 30th. It will probably be
17 delayed somewhat but there's probably a better chance
18 than there has in previous years, recently at least
19 to get it done in time this year.

20 The President is focused on education.
21 The members of the House and Senate, and I think
22 that's true Steny that Republicans and Democrats are

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 really focused on education. I think Democrats will
2 try to push it all the way to the top of the
3 authorization, but there are some of us on the
4 Republican side who are going to push it pretty hard
5 too, to try and get those figures higher. They're
6 probably not going to get up to the authorization
7 levels, as has been indicated today, six or seven
8 billion dollars more.

9 But I would tell you that's one area that
10 will not be ignored in terms of where the members of
11 the House and Congress are. As I said earlier, talk
12 to your members. There is no more effective
13 lobbyists in this country than the members of
14 Congress than the Governors of their own state on the
15 members of the House and Senate in my judgment. That
16 can make a huge difference as well, and also helps
17 you with some of the so-called unfunded mandates.
18 And remember there is the ability to move some of
19 that money around. You might want to look at that.

20 And I would also tell you, and I know of
21 Iowa's standards. I know you've done well, and I
22 used to work with Terry Branstad on some of these

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 things. And you do have an enviable record in
2 education.

3 But that should be taken into
4 consideration and I believe the Department of
5 Education understands that.

6 The standards assessments and the testing
7 that go with it ought to be set by you, not by the
8 federal government. It's required that it be done
9 but it still be set by you and you should be able to
10 get what fits your state best in order to educate
11 your children which might also help with the costs
12 somewhat.

13 So I would tell you that you are probably
14 not going to talk about this in terms of the 100
15 percent of authorization but you are talking about an
16 area in which I think there's flexibility in Congress
17 to go higher among the appropriators and even among
18 the individual members.

19 MR. PATTON: Congressman Hoyer is going to
20 have to leave us, but comment.

21 REPRESENTATIVE HOYER: I wanted to
22 comment, Governor, very briefly. I just asked

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 because I want to confirm if you take the No Child
2 Left Behind Act authorization -- I said it was \$7
3 billion behind in 2003 -- given the level of funding
4 that we gave it, the 2004 budget that has now been
5 talked about and presented is \$9 billion behind. Of
6 course that's the add-on from what we didn't do in
7 2003 and the expectation of what we're going to do in
8 2004.

9 Now there is no expectation that we have
10 \$9 billion extra dollars in this area, in the
11 Medicaid area. I mean the needs are obvious and the
12 articulated objectives are very, very large. But
13 clearly we need to get much closer than continuing to
14 fall behind the promises that we made in No Child
15 Left Behind, if the states are going to be able to
16 accomplish the objectives. I think we all agree it's
17 the states that are going to deliver these services.

18 I think it's somewhat ironic when
19 President Clinton proposed some testing, voluntary
20 testing, to give some standards that the then-
21 Chairman of the Education Committee was very opposed
22 to that bill.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 And that if you compared what the Clinton
2 proposal was in terms of requirements on the states,
3 they were substantially less than the requirements
4 that ultimately ended up in the No Child Left Behind
5 Act. I tended to agree with President Clinton and I
6 agree with President Bush that citizens who invest
7 substantial sums need to have some thought, is my
8 child being educated in Iowa or my child in Maryland
9 going to be able to compete with the child in Iowa
10 where you have a very good system.

11 I think parents have a right to that
12 knowledge and will be more willing to invest in
13 education if in fact they are getting that product.
14 But it seems to me we cannot expect the states to
15 perform if we continue to under fund a program with
16 the promise that the states are going to have to meet
17 but they don't have the funding to do so.

18 GOVERNOR LEAVITT: Governor Patton?

19 MR. PATTON: Are you going to be able to
20 stay just a minute? Great, okay.

21 GOVERNOR LEAVITT: Can I just ask one
22 quick question. You mentioned earlier in your

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 remarks Medicaid. There are 40 plus of us now that
2 are in the position of fighting through the process
3 of having to reduce benefits against our better
4 judgment and will in many cases. You alluded to the
5 concern you have, at least I interpreted it to be
6 sending flexibility to us to manage that problem.

7 Could you tell me --

8 REPRESENTATIVE HOYER: I don't have a
9 concern with giving flexibility Governor in a certain
10 sense. I think there's a national responsibility to
11 ensure that our citizens have the availability and
12 again in the richest nation on the face of the earth,
13 of health care.

14 Now the problem you have at the federal
15 level, we raised taxes, we have dollars to spend and
16 we want to accomplish what we say we want to
17 accomplish. If we do so and then say well here's the
18 money for the states, i.e., a revenue sharing program
19 and the objective does not get accomplished because
20 the states under real fiscal pressure, if they have
21 great flexibility, don't apply it to certain
22 objectives that people think at the federal level may

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 be necessary, but at the state level the judgment is
2 made differently. That's the problem.

3 But let me tell you, Governor, my
4 experience at the state level and very active in NCSL
5 and my concern always was that when somebody tells
6 you they're going to give you in effect a block grant
7 and give you flexibility, inevitably it is meant
8 they're going to cap the dollars that you get either
9 short term or long term.

10 Now as you know, the full program's not on
11 the table so we don't know exactly what it is, but sa
12 I understand it, for seven years you're going to get
13 some more money and then in three years you're going
14 to have to make it up. So the ten-year program is
15 essentially a zero funded game for you. That may not
16 be absolutely correct but the shorthand I've read so
17 far seems to indicate that.

18 But if I gave you the impression that I
19 fear flexibility at the state level, I don't. As I
20 say, I voted for the Welfare Reform Bill. The
21 democrats were divided 98/98 on the Welfare Reform
22 Bill that President Clinton signed and the

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 overwhelming number of Republicans voted for the very
2 bipartisan effort which gave some flexibility.

3 Very frankly, what we're now doing is
4 we're going to cut down your flexibility to some
5 degree as we under fund welfare reform. We had an
6 alternative that we offered that would have helped
7 you with the expenses that were commensurate with the
8 Welfare Reform Bill and the increase somebody
9 mentioned earlier.

10 Our Bill gave education as a credit for
11 part of the increased work that was called for in our
12 bill and at the Republican bill. But I don't have
13 any problem with flexibility in the states. I think
14 obviously there are different ways to do things in
15 different areas. Dorgan made that point, Byron
16 Dorgan made that point; things weren't the same in
17 North Dakota as they are in New York or California.

18 GOVERNOR LEAVITT: Conceptually, I would
19 like to drill down a little bit because we're just in
20 the early process now of formulating as a group our
21 approach on this. Conceptually if we're talking
22 about taking the same amount of money we've been

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 expending in the past or more, and working to spread
2 the benefit of that over more people, so as to
3 protect access. In reality what it may mean is that
4 more people get slightly less but more people, it's
5 better for everyone to have some as opposed to a few
6 to have everything.

7 Conceptually is that a place that you
8 think the states could fruitfully pursue?

9 REPRESENTATIVE HOYER: I don't want to
10 discuss the ramifications of what you mean by some
11 people get less. Obviously, there are points at
12 which if you get less, you essentially get very
13 little or it's not effective, and there are obviously
14 at the federal level, certain levels we want to make
15 absolutely sure have access.

16 But conceptually I don't think the concept
17 is wrong, but when you say "same amount of money;
18 we'll just spread it thinner" it depends upon the
19 ramifications to those from whom you take and who you
20 add.

21 GOVERNOR LEAVITT: Just as a matter of
22 information, there are literally 40 of us now that

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 are in a position or more that are in a position of
2 having to deal with this. As it is now, if we have
3 to do anything to adjust those dollars, every piece
4 of our budget and I think every other state is down,
5 down, down, except one and that's Medicaid and it's
6 up, up, up.

7 So in order to mitigate the level of how
8 many more dollars we're spending at the expense of
9 education, for example, we're having to eliminate
10 entire groups. The last one that was in our state
11 added was the blind, aged and disabled. I was proud
12 to be there to add coverage for them, but they're the
13 next group, the logical one to say, do you really
14 want to take blind, aged, and disabled people off the
15 Medicaid rolls.

16 The answer to that is no. If I could
17 provide some copays among the rest of the population,
18 that just seems like a lot better option. It's the
19 same tool that any other private sector manager or
20 any health care manager at the state level or federal
21 level, we're all deploying the same thing, but we
22 don't have those flexibilities.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 What that really amounts to is that
2 somebody might be paying a copay or there may be a
3 benefit they don't receive no. But it allows us to
4 keep the blind, aged and disabled on the rolls.
5 That's the kind of access flexibility we're talking
6 about.

7 I know there are those who will dispute
8 the reduction of any benefit but as it's currently
9 structured, we're going to take entire groups, entire
10 blocks of benefits away and we're losing people off
11 Medicaid.

12 REPRESENTATIVE HOYER: Governor I
13 understand what you're saying an the decisions we're
14 making at the federal level -- and I talked about it
15 and I know it's a tough thing for you, I know I read
16 about in Utah you're having a terrible time now
17 talking about whether you want to fraise taxes.

18 Nobody wants to raise taxes. You don't
19 want to raise taxes. But life is a series of
20 tradeoffs. If you don't want to raise the revenues
21 available, then you either have to take the blind and
22 disabled off the list, or somehow spread a lesser

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 some amount among those remaining.

2 GOVERNOR LEAVITT: Or a greater sum.

3 REPRESENTATIVE HOYER: Those are tough
4 choices. Our party has been losing in this battle,
5 the battle being that in 2001, we had plenty of
6 money, we had \$5.6 trillion dollar surplus that we
7 we're going to have over the next ten years. Some of
8 us said that's pie in the sky; you're kidding
9 yourself. Forget about the downturn in the economy.
10 We've got a mandatory minimum tax, an alternative
11 minimum tax as you know that's going to cost us a
12 very large sum of money to fix as we go from about
13 one or two million being affected to 30 million
14 people being affected because we didn't index in 1986
15 the alternative minimum tax. That's a figure that
16 everybody knows we're going to fix, but is not being
17 considered within the budget framework.

18 Now if we're going to fix that, we need to
19 pay for it. If we're going to pay for it, we ought
20 not to be cutting our revenues. Prospectively I'm
21 not talking about raising people's taxes; I'm talking
22 about not cutting them prospectively on the theory

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 that you have enough money to accomplish; not cutting
2 the blind, lame and disabled off the rolls.

3 But I certainly think if we get to a point
4 where those are eh alternatives, then ameliorating,
5 which is what you're talking the adverse impact on
6 people, certainly we at the Washington level daggone
7 well ought to be accommodating in that effort if we
8 make the decision that that has to be done.

9 MR. PATTON: Amen. I know he's go to
10 leave. I want Congressman Castle to comment but I
11 want Congressman Hoyer to hear the fact is sir, he
12 states have reached he limit of what they can pay
13 for, so we do need to engage in negotiation on these
14 issues. We're not going to have a perfect world.

15 Thank you, sir.

16 Mr. Castle?

17 (Applause.)

18 REPRESENTATIVE CASTLE: Thank you,
19 Governor. Mike, the bottomline is you can't reinvent
20 the wheel too many more times here. You can come up
21 with all the flexibility plans or whatever you want
22 to do in terms of Medicaid, Medicare or health

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 insurance or whatever. But if you look at the
2 demography lines of this country and you realize the
3 aging of the population, he risks that involves from
4 he health point of view including long-term care, the
5 costs and I was talking to Governor Rendell about
6 this, but he cost of equipment in hospitals today,
7 the cost of prescription drugs, this country is going
8 to have to commit a greater percentage of its gross
9 product to health care a some point if we're going to
10 live longer and high quality lives.

11 I think the American people are willing to
12 pay for that. It may come out in a whole lot of
13 forms. It may be a government program such as
14 Medicaid, Medicare. It may be copayment, it may be
15 an effort to hold down costs. It's probably going to
16 be a combination of all those things but that crisis
17 is arriving I think, and I think it's going to
18 involve the governors, the president and he Congress
19 of he United States to sit down and say what is the
20 longer term solution with respect to health care in
21 general.

22 If people want it, they are willing to pay

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 than they are now, and we seem to be a little bit
2 unwilling to undertake that political struggle but I
3 think it's going to have to happen.

4 MR. PATTON: Thank you Congressman Castle.
5 We're going to have to draw this discussion to a
6 close. Thank you for being here. We have the
7 attention of the Congress and the Administration.

8 Governors have a great opportunity over
9 the next seven or eight months to effectuate some of
10 the things, not all of the things, but some of the
11 things that we've talked about during these four
12 days. It's going to take the personal involvement of
13 the Governors, and so before we conclude our business
14 session in a moment, it's my plea to all of the
15 Governors to devote yourself personally to getting
16 involved in all of these issues, helping us maintain
17 our consensus approach and then convince the Congress
18 one on one with your Congressional Delegation.

19 If we can do that, the Governors and the
20 people of the country are going to have a relatively
21 successful year.

22 With that, let us go to our final

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 concluding part of the program to get our policies
2 acted upon.

3 I would like for the sake of time if we an
4 move the policies en bloc if there is no objection,
5 we'll do that. Governor Johanns, Chairman of the
6 Committee on Economic Development and Commerce is
7 recognized. Governor Johanns.

8 GOVERNOR JOHANNNS: Thank you, Mr.
9 Chairman. Our number one priority was
10 reauthorization of T21. We have a policy on that.
11 We have amendments to six existing policies and
12 reaffirmation of another policy. If there's no
13 objection, I would move the adoption of these
14 policies en block.

15 MR. PATTON: Is there a second?

16 VOICES: Second.

17 MR. PATTON: All in favor say aye?

18 (Chorus of ayes.)

19 MR. PATTON: Opposed, no.

20 (No response.)

21 MR. PATTON: The policies are adopted.

22 Governor O'Bannon, Chairman of the Policy

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 on Human resources.

2 GOVERNOR O'BANNON: We had a very full
3 meeting with great speakers that came before us, and
4 certainly moved forward. House Approved Resolution
5 43 Principals for Medicaid Reform, which I think will
6 be a big help in our task forces, as you move
7 forward, but I would like to recommend on behalf of
8 the Committee on Human Resources one new policy
9 position. Amendments to ten existing policy
10 positions, two in the form of substitutes. These
11 have been approved by our Committee and I so move to
12 have them approved.

13 MR. PATTON: Is there a second?

14 VOICES: Yes.

15 MR. PATTON: All in favor say aye.

16 (Chorus of ayes.)

17 MR. PATTON: Opposed, no?

18 (No response.)

19 MR. PATTON: The policies are adopted.

20 Governor Wise, Chairman of the Committee
21 on Natural Resources.

22 GOVERNOR WISE: Thank you, Mr. Chairman.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 The Vice Chairman Governor Owens and I conducted in
2 the Natural Resources Committee met on Sunday, heard
3 a set of interesting and informative presentations on
4 drought and on energy legislation.

5 Our first considered discussed drought
6 prepared in this legislation featuring Congressman
7 Alcee Hasings and U.S. Department of Agriculture
8 Under Secretary Mark Ray.

9 Our second panel reviewed issues
10 surrounding energy legislation in the 108th Congress
11 and he prospects for passage. The Committee adopted
12 amendments to give existing policies and reaffirmed
13 four policies without change. The policies
14 recommended to the NGM membership for amendment
15 include NR Four Super Fund and Osha Coastal and Zone
16 Management, NR 23, abandoned mine reclamation and
17 NR 24, investing outer continental shelf revenues.

18 All these policies were adopted
19 unanimously except for NR 23 with the Committee
20 noting the objection of Governor Friedenthal of
21 Wyoming. In addition, last October the National
22 Resources Committee adopted an interim amendment to

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 NR 18, comprehensive energy policy. The amendment
2 added a new section recommending multi-state entities
3 for planning and citing electricity transmission
4 lines. That amendment requires favorable action by
5 the membership to become a permanent part of NR 18.

6 On behalf of the Committee, I would move
7 the adoption of our policy recommendations.

8 MR. PATTON: Is there a second?

9 VOICES: Second.

10 MR. PATTON: All in favor say aye.

11 (Chorus of ayes.)

12 MR. PATTON: All opposed, no?

13 (No response.)

14 MR. PATTON: Mr. Musgrove, do you want to
15 make a comment?

16 GOVERNOR MUSGROVE: Mr. Chairman, I didn't
17 understand what you said about Governor Friedenthal.
18 I was just wondering would the same thing he noted in
19 the Committee, would it be appropriate that he give
20 you instruction to note that?

21 GOVERNOR WISE: It's my understanding he
22 gave me instructions and permission to note his

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 objections to that. We'll work with him over the
2 next year to try and meet his objections.

3 MR. PATTON: Now we have some Executive
4 Committee policies that need to be adopted. Governor
5 Kempthorne, do you have a motion.

6 GOVERNOR KEMPTHORNE: So moved.

7 MR. PATTON: I don't think we need any
8 explanation. We've already discussed them. Second?

9 VOICES: Second.

10 MR. PATTON: All in favor say aye.

11 (Chorus of ayes.)

12 MR. PATTON: Opposed, no?

13 (No response.)

14 MR. PATTON: Those policies are adopted.

15 Again, let me express my personal thanks
16 on behalf of the Chair and the Vice Chair for all of
17 the work that the many Governors have done over these
18 last three or four days to come to consensus on some
19 vital policies. It's been a productive meeting, and
20 I'm pleased to now call it adjourned. Thank you all
21 and good day.

22 (Whereupon, at 11:40 a.m., the hearing was

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

1 adjourned.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

410-684-2550

Look-See	\$5.6 [1]	aboard [1]	addressed [2]	18:11; 39:18; 54:16;
Concordance Report	97:6	51:11	15:15; 58:21	68:14; 74:4
---	\$53.1 [1]	absolutely [6]	addressing [4]	alcee [1]
UNIQUE WORDS:	59:1	9:8; 11:15; 31:5; 34:16;	6:8; 8:2; 14:9; 16:13	103:7
2,145	\$6 [2]	92:16; 94:15	adequately [2]	alive [1]
TOTAL	72:4, 22	accelerate [2]	32:7; 85:2	52:11
OCCURRENCES: 6,958	\$6,000 [2]	12:1; 72:9	adhere [1]	allow [1]
NOISE WORDS: 388	72:3, 4	accelerating [1]	27:7	28:1
TOTAL WORDS IN FILE:	\$6.5 [1]	73:15	adjourned [2]	allows [1]
18,703	46:3	access [4]	105:20; 106:1	96:3
---	\$600 [1]	11:13; 94:3, 15; 96:5	adjust [1]	alluded [1]
SINGLE FILE	43:21	accommodating [1]	95:3	91:4
CONCORDANCE	\$7 [3]	98:7	administration [6]	alma [1]
---	78:3, 4; 89:2	accommodation [1]	23:19, 22; 29:14;	2:16
CASE INSENSITIVE	\$9 [2]	70:22	47:17; 48:1; 100:7	alone [3]
---	89:5, 10	accomplish [6]	administration's [2]	16:11; 17:3; 55:13
INCLUDES ALL TEXT	---	5:10; 78:5; 89:16;	70:11; 73:8	alternative [4]
OCCURRENCES	---	91:16, 17; 98:1	administrations [1]	63:2; 93:6; 97:10, 15
---	- 1 -	accomplished [1]	70:20	alternatives [1]
DATES ON	108th [1]	91:19	adopt [1]	98:4
---	103:10	account [1]	56:6	altogether [1]
IGNORES PURE	11:40 [1]	27:19	adopted [7]	73:6
NUMBERS	105:22	accountability [1]	101:21; 102:19; 103:11,	alumni [1]
---	11th [3]	84:14	18, 22; 105:4, 14	2:17
POSSESSIVE FORMS	11:9; 43:3; 67:10	accountable [1]	adoption [2]	ameliorating [1]
ON	1990s [2]	5:13	101:13; 104:7	98:4
---	5:19; 42:12	achieve [1]	advances [1]	amen [1]
- \$ -	---	41:9	13:19	98:9
	- 3 -	act [13]	advantage [2]	amendment [4]
\$1.5 [3]	30th [1]	8:4; 58:20; 71:1; 77:4,	73:9, 12	103:14, 22; 104:1, 4
78:19; 79:12; 80:9	86:16	11, 12; 78:2, 6; 80:1, 6;	adverse [1]	amendments [3]
\$10 [2]	38-year-old [1]	84:8; 89:2; 90:5	98:5	101:11; 102:9; 103:12
59:19; 72:16	13:6	acted [1]	advice [1]	america [8]
\$100 [1]	---	101:2	66:3	4:17; 6:21; 61:18;
69:16	- 4 -	acting [2]	affairs [1]	66:16; 72:2; 78:14;
\$11 [2]	4th [1]	71:14, 17	40:1	80:1, 6
33:8; 82:20	63:8	action [4]	affect [1]	american [7]
\$136 [3]	---	14:2; 30:8; 34:18;	13:3	9:15; 22:10; 42:9; 43:7;
71:18; 72:7, 13	- 5 -	104:4	affected [3]	70:3; 72:3; 99:11
\$2 [2]	51st [2]	active [3]	37:8; 97:13, 14	americans [3]
25:7; 79:5	2:16; 3:1	23:17; 53:22; 92:4	affecting [1]	7:18; 35:13; 52:11
\$2.5 [1]	---	64:17	10:7	amount [10]
80:4	- 9 -	actual [1]	affects [2]	29:8; 50:8, 14; 56:12;
\$20 [1]	98/98 [1]	64:17	27:5; 72:1	65:4; 85:5, 6; 93:22;
69:13	92:21	actuarial [1]	age [1]	94:17; 97:1
\$23 [1]	92:21	21:11	49:12	amounts [1]
58:22	9:45 [3]	acute [2]	aged [3]	96:1
\$25 [1]	1:14, 18; 2:2	19:15; 37:19	95:11, 14; 96:4	ann [1]
46:9	---	acutely [2]	agenda [2]	61:1
\$26 [1]	- A -	37:8, 12	4:7; 67:14	answer [6]
44:18	a.m. [4]	adams [1]	aggressive [1]	10:19; 12:10; 18:2;
\$3 [2]	1:14, 18; 2:2; 105:22	51:8	5:12	21:2; 32:8; 95:16
37:3, 5	abandoned [1]	adapted [1]	aggressively [2]	answered [1]
\$3.1 [1]	103:16	13:21	16:1; 84:15	52:6
80:11	abide [1]	add [5]	aging [4]	answers [3]
\$3.5 [4]	38:2	31:9; 42:7; 94:20;	12:14; 17:11; 34:10;	24:16, 20
33:10; 75:10; 76:3, 12	abiding [1]	95:12	99:3	anthrax [1]
\$3.8 [2]	45:6	add-on [1]	agree [6]	9:18
79:4; 80:6	abigail [3]	89:6	53:5; 56:5; 81:14;	antibiotic [1]
\$30 [1]	51:11, 15, 18	added [3]	89:16; 90:5, 6	10:9
69:13	ability [5]	69:13; 95:11; 104:2	agreed [2]	anticipate [1]
\$300 [1]	31:14; 65:19; 70:14;	addition [4]	79:10, 11	25:2
33:22	76:14; 87:18	43:6; 47:4; 82:20;	agriculture [4]	anticipating [1]
\$36 [1]	able [20]	103:21	35:22; 36:2, 19; 103:7	74:6
73:2	7:12; 9:3; 15:9; 27:3;	additional [3]	aground [1]	anyway [1]
\$37 [1]	28:9; 29:19; 31:12;	72:22; 76:12; 85:7	38:19	23:6
73:2	35:19; 37:19, 20;	additionally [1]	aid [4]	apart [3]
\$400 [1]	38:17; 49:11; 52:18;	77:3	44:19; 76:7; 80:11, 17	20:22; 22:12
42:4	63:17; 66:17; 79:2;	address [12]	airports [1]	apollo-type [1]
\$5 [2]	88:9; 89:15; 90:9, 19	6:17, 18; 7:9, 13; 14:8;	64:6	46:4
72:22; 75:16	---	16:16, 20; 17:10; 20:2;	aisle [5]	appeal [1]
		22:3; 25:3, 14		

81:8	81:12	42:13	9:17; 11:11; 30:16	briefly [2]
applause [12]	assistance [2]	battle [3]	bioterrorist [1]	9:16; 88:22
2:21; 4:2; 39:15; 40:6;	15:19; 44:10	32:2; 97:4, 5	11:16	bringing [1]
45:3; 52:15; 53:9;	association [5]	becomes [2]	bipartisan [8]	54:3
55:10; 66:22; 68:10;	1:1; 2:6, 17; 23:11;	12:18; 27:6	2:7; 3:16; 17:8; 79:1;	brings [1]
83:9; 98:17	36:10	bed [1]	81:4, 8; 83:5; 93:2	18:7
apply [1]	attached [1]	19:19	bipartisanship [1]	broadly [1]
91:21	31:7	begins [1]	81:15	36:19
appreciate [6]	attack [3]	14:7	birthday [2]	brow [1]
18:1; 24:8; 33:19;	10:6; 11:16; 32:5	behalf [4]	2:16; 3:1	38:6
35:12; 38:1; 83:16	attacks [2]	35:13; 102:7; 104:6;	bit [7]	brown [1]
appreciated [2]	9:19; 10:4	105:16	39:11; 57:19; 58:17;	72:19
30:2; 33:18	attention [3]	behind [27]	67:6; 83:1; 93:19;	brush [1]
approach [5]	62:4; 63:4; 100:7	33:4; 44:13; 47:13, 15;	100:1	40:21
7:3; 16:21; 20:6; 93:21;	attorney [1]	58:21; 60:12, 13, 20;	bless [1]	bubble [1]
100:17	54:7	65:16; 77:4, 11, 12, 14;	52:14	43:5
approaches [2]	attract [1]	78:2, 6, 12; 82:16;	blessing [1]	uck [2]
41:8, 9	73:13	84:11; 85:3, 21; 86:10;	13:10	69:6, 8
approaching [1]	august [1]	89:2, 3, 5, 14, 15; 90:4	blind [5]	budget [26]
84:14	66:6	believe [15]	95:11, 14; 96:4, 21;	3:8; 15:10; 16:8, 10;
appropriate [8]	authorization [6]	2:22; 15:21; 44:9;	98:2	17:13; 20:9; 33:12, 14;
11:21; 30:14; 32:6;	85:14, 20; 87:3, 6;	45:17, 19; 48:10, 11,	bloc [1]	34:3; 38:21; 59:9;
34:17; 42:11, 12; 52:2;	88:15; 89:2	17; 70:5; 74:4; 75:19;	101:4	64:12, 14; 69:12, 19;
104:19	authorizations [1]	76:19; 80:12; 85:3;	block [3]	70:19, 22; 75:8; 78:7;
appropriated [3]	60:14	88:4	8:11; 92:6; 101:14	80:9, 11; 81:10; 86:14;
31:16; 49:1; 85:6	authorized [4]	believer [1]	blocks [1]	89:4; 95:4; 97:17
appropriately [1]	79:5; 80:6; 85:1, 5	66:10	96:10	budgets [4]
49:11	authorizing [2]	ben [1]	board [1]	6:15; 16:9, 22; 32:19
appropriation [7]	77:9; 85:15	51:19	75:14	build [1]
29:5; 64:16; 70:18;	availability [1]	beneficial [1]	bob [3]	51:2
75:8, 16; 86:13, 15	91:11	38:13	78:21; 79:1; 82:4	building [2]
appropriations [5]	available [1]	benefit [10]	body [1]	10:1, 2
29:9; 39:21; 60:15;	96:21	17:15; 18:21; 19:2;	83:20	buildings [2]
67:19; 85:1	avenue [1]	21:7; 25:12; 76:18;	bonds [1]	9:21; 64:7
appropriators [2]	1:9	94:2; 96:3, 8	73:10	burdens [1]
85:17; 88:17	average [1]	benefits [6]	book [1]	44:12
approve [1]	58:12	15:18; 16:3; 26:18;	51:8	burst [1]
75:18	avoid [2]	72:19; 91:3; 96:10	boom [2]	43:5
approved [5]	69:3; 77:19	bet [1]	12:15; 20:17	bush [1]
76:1; 85:2; 102:4, 11,	award [1]	49:21	boomers [1]	90:6
12	2:18	bill [32]	12:16	business [1]
approximately [1]	ax [1]	3:22; 4:3; 8:1, 10; 9:10;	boosting [1]	100:13
76:13	3:10	11:21; 18:7; 29:5;	73:14	businesses [1]
area [9]	aye [4]	30:18; 31:11; 35:5;	border [2]	50:21
25:20; 30:20; 31:8;	101:17; 102:15; 104:10;	38:6; 39:9; 45:18; 47:6;	50:1; 76:21	buyers [1]
60:17; 64:11; 87:9;	105:10	55:22; 61:21; 65:2;	borrow [2]	73:13
88:16; 89:10, 11	eyes [4]	72:19; 75:9, 16; 79:5,	33:13, 14	byrd [1]
areas [5]	101:18; 102:16; 104:11;	8; 82:19; 86:3; 89:22;	borrowing [1]	76:6
7:1, 2; 17:14; 50:1;	105:11	92:20, 22; 93:8, 10, 12	73:14	byron [5]
93:15	<hr/> - B - <hr/>	billion [49]	bottomline [4]	38:4; 39:18; 71:13;
aren't [2]	baby [3]	30:21, 22; 33:5, 9, 10,	64:8; 66:1, 14; 98:19	77:1; 93:15
61:4; 64:7	12:15, 16; 20:17	22; 37:4, 6; 42:4;	bought [1]	byron's [1]
arena [1]	balloting [1]	43:21; 44:18; 46:3;	46:8	82:14
24:7	79:18	58:22; 59:1, 19; 69:13,	boy [1]	<hr/> - C - <hr/>
argument [1]	ballroom [2]	16; 71:18; 72:7, 8, 14,	46:8	caliber [1]
85:18	1:10, 17	17, 20, 22; 73:1, 2;	brain [1]	5:9
arriving [1]	bargain [1]	75:10, 16, 17; 76:3, 4,	69:2	california [1]
99:17	48:15	12, 13; 78:3, 5, 9, 20;	branch [1]	93:17
articulated [1]	base [1]	79:4, 12; 80:4, 7, 9, 11;	68:1	call [1]
89:12	21:11	82:20; 87:8; 89:3, 5, 10	branstad [1]	105:20
aspect [1]	based [2]	billions [3]	87:22	calls [2]
56:10	21:6; 58:3	50:14, 15	break [2]	10:19; 56:7
assembly [1]	basic [3]	bills [3]	57:5; 63:7	canada [1]
53:17	6:16; 14:9; 35:3	64:16; 70:18; 71:7	breaks [1]	50:2
assessments [2]	basically [1]	binding [1]	66:7	cap [1]
61:6; 88:6	56:19	22:1	breaux [1]	92:8
assimilate [2]	basics [1]	biological [1]	15:21	capacities [1]
19:16, 22	47:21	32:5	brecesen [5]	68:17
assimilated [1]	basis [2]	bioterrorism [1]	2:11, 12, 13, 22; 14:22	capital [1]
13:21		7:5	breed [1]	
assist [1]		bioterrorism [3]	43:17	

69:9	62:15	citizens [5]	8:6, 7; 14:18; 23:21;	congress [47]
capitol [3]	centers [2]	10:21; 48:11, 16; 90:6;	40:2; 45:14; 54:22;	2:8; 8:5; 12:10; 22:1, 2;
4:18; 51:6; 69:11	13:7; 62:17	91:11	55:1; 58:10; 59:14;	23:18, 22; 30:6; 31:15;
capitols [1]	centuries [2]	city [2]	60:14; 63:6; 64:21;	33:2; 35:4; 39:3; 41:19;
69:10	51:21; 52:5	47:19; 82:1	67:19; 89:21; 101:6;	42:18; 45:18; 47:14;
car [1]	century [5]	class [3]	102:8, 11, 20; 103:2,	48:5, 22; 50:11, 17;
46:7	6:22; 46:16; 74:16, 17,	5:8; 84:8, 9	11, 19, 22; 104:6, 19;	52:7; 56:1, 12; 57:12,
carburetors [1]	19	classroom [1]	105:4	19; 58:7, 10, 12, 18;
46:6	certainty [2]	84:9	committees [1]	59:19; 60:2; 61:17;
card [3]	41:4; 43:18	clear [4]	40:1	62:9; 66:2, 19; 68:5,
3:1; 22:5, 7	chair [3]	10:12; 29:22; 30:1, 2	common [1]	16; 73:20; 77:13;
care [29]	83:15; 105:16	climbed [2]	12:7	85:12; 87:11, 14;
7:7; 13:7, 10, 17, 19;	chairman [11]	41:11, 12	communication [1]	88:16; 99:18; 100:7,
15:4, 8; 19:15, 22;	1:19; 40:1; 45:13;	climbing [1]	11:14	17; 103:10
20:4; 21:5, 13; 24:5,	64:20; 101:5, 9, 22;	42:5	communities [2]	congressional [8]
18; 25:1, 13; 38:8;	102:20, 22; 103:1;	clinton [4]	10:10; 11:12	2:7; 35:7; 38:20; 56:8;
48:8; 57:5; 62:19; 70:8;	104:16	89:19; 90:1, 5; 92:22	community [4]	67:12; 78:18; 81:11;
77:5; 82:21; 91:13;	chairs [1]	closed [1]	32:5; 55:7; 62:15, 16	100:18
95:20; 99:4, 9, 20	54:20	10:2	compared [1]	congressman [14]
career [1]	challenge [12]	closer [1]	90:1	54:20; 67:1, 7, 10, 18;
3:3	6:16; 12:9; 13:2; 14:5,	89:13	compassion [1]	68:4, 8; 83:10; 84:4;
carefully [6]	12; 15:3; 16:19; 17:16;	clump [1]	18:8	88:19; 98:10, 11;
6:2; 22:4; 25:3; 27:1;	21:21; 22:2; 25:12;	41:11	compel [1]	100:4; 103:6
28:19; 65:6	33:21	coastal [1]	12:10	conscientious [1]
cargo [1]	challenged [3]	103:15	compete [1]	79:2
77:2	5:16; 15:9; 37:17	collapse [1]	90:9	consensus [2]
carper [1]	challenges [8]	43:4	competing [1]	100:17; 105:18
4:19	6:6, 15; 19:10; 20:9;	colleague [1]	50:20	conservation [1]
carried [1]	37:19; 48:22; 52:12;	40:8	complex [1]	47:8
9:19	54:15	colleagues [2]	62:7	conservative [1]
carry [1]	challenging [1]	48:10; 69:1	complexity [1]	43:10
3:18	40:16	collect [2]	50:19	consider [3]
case [2]	chance [1]	50:16, 22	compliment [1]	38:10; 58:14; 76:19
43:12; 85:21	86:17	collected [1]	7:8	consideration [3]
caseloads [2]	change [4]	50:13	comprehensive [1]	30:15; 54:16; 88:4
7:17; 8:12	13:18; 60:19; 85:10;	collective [1]	104:1	considered [2]
cases [2]	103:13	69:15	computers [1]	97:17; 103:5
28:21; 91:4	changed [2]	collectively [1]	84:9	considering [2]
castle [11]	13:16; 46:15	66:15	concept [1]	73:11; 76:17
38:5; 55:9, 11; 67:1;	changing [1]	college [1]	94:16	considers [1]
81:14; 83:18; 85:9;	63:10	55:18	conceptually [4]	3:8
98:10, 16, 18; 100:4	cherokee [1]	combination [1]	93:18, 21; 94:7, 16	constraints [1]
catalogue [1]	40:9	99:16	concern [10]	38:2
50:19	chief [2]	comets [1]	37:1; 60:4, 6; 62:1, 2;	consumers [1]
catalogues [1]	40:9; 80:18	18:17	64:1; 91:5, 9; 92:5	55:5
50:7	child [27]	coming [13]	concerned [8]	consuming [1]
catastrophic [1]	7:17; 33:3; 44:13;	4:18; 7:3; 14:22; 19:14;	47:2; 56:22; 61:6;	17:12
13:13	47:13; 58:20; 60:12, 13,	20:17; 24:13; 32:22;	64:10; 70:10; 84:10,	containers [2]
catch [1]	20; 77:4, 5, 11, 12, 14;	33:11; 40:14; 49:15;	17; 86:4	49:15, 19
53:13	78:2, 6; 82:16, 20;	77:2; 80:15; 84:18	concerns [2]	containership [1]
catching [1]	84:10; 85:3, 21; 86:10;	commenced [1]	57:8; 84:5	49:16
11:4	89:1, 14; 90:4, 8, 9	1:16	conclude [2]	context [1]
categories [1]	children [6]	commensurate [1]	51:4; 100:13	19:4
26:8	9:2; 14:6; 77:16; 78:12,	93:7	concluding [2]	continental [2]
caterpillar [1]	14; 88:11	comment [8]	32:14; 101:1	83:18; 103:17
41:10	choice [4]	9:16; 32:15; 36:20;	conducted [1]	continentals [1]
cattle [1]	3:10; 21:8; 28:12;	50:5; 88:20, 22; 98:10;	103:1	85:11
36:1	48:14	104:15	confidence [2]	continue [11]
caucus [1]	choices [3]	comments [1]	41:5; 43:17	7:10; 8:10; 16:3, 5, 12;
67:15	21:18; 45:7; 97:4	83:14	confirm [1]	17:1; 33:2; 34:18; 65:8;
caught [1]	choose [1]	commerce [2]	89:1	81:7; 90:15
26:16	38:11	39:21; 101:6	conflict [1]	continued [1]
cbo [1]	chorus [4]	commissioner [1]	29:15	35:8
74:13	101:18; 102:16; 104:11;	40:3	confluence [1]	continuing [2]
celebrated [1]	105:11	commit [1]	31:10	9:6; 89:13
2:16	chronic [1]	99:8	confront [4]	contrast [1]
cell [1]	19:15	commitments [1]	40:16; 82:4, 16, 22	73:4
45:22	circumstance [1]	71:9	confronted [1]	contribution [1]
cells [1]	57:14	committed [2]	75:21	83:4
46:1	citing [1]	69:19; 77:3	congratulations [2]	control [2]
center [1]	104:3	committee [26]	2:20; 35:12	57:12; 84:12

controversial [1] 71:8	28:5	decision [3] 27:22; 36:11; 98:8	103:7	98:2
controversy [1] 80:15	current [3] 8:10; 21:18; 42:6	decisions [2] 65:10; 96:13	departments [2] 11:10, 12	disagree [1] 70:16
conversation [1] 15:16	currently [4] 54:9; 67:19; 77:7; 96:8	decisive [1] 32:2	dependency [1] 7:21	disagreement [1] 65:3
conversations [1] 17:4	curriculum [1] 84:17	declined [1] 7:17	depends [2] 27:9; 94:18	disagreements [1] 45:16
convince [1] 100:17	cut [10] 33:15; 42:21; 64:19; 71:8; 72:2, 5; 76:6, 7, 9; 93:4	declining [1] 36:3	deploying [1] 95:21	disappointment [2] 29:7, 11
copy [1] 96:2	cuts [5] 32:20; 42:10, 15; 73:16; 76:17	deeming [1] 70:21	deputy [1] 54:7	disarm [1] 14:3
copayment [1] 99:14	cutting [3] 97:20, 22; 98:1	deeper [2] 73:7; 74:11	describes [1] 45:12	disaster [1] 36:8
copays [1] 95:17	cycle [1] 86:13	deeply [3] 70:10; 84:10, 17	deserve [2] 15:7; 16:4	discipline [1] 60:5
corporate [2] 5:4; 43:6	cycles [2] 73:22; 74:1	defense [2] 29:4; 75:20	designate [1] 75:19	discovered [1] 46:9
cost [12] 13:13; 27:14; 28:11; 58:15; 72:13, 17; 73:14; 77:15; 78:4; 97:11; 99:6, 7	cyclical [1] 36:5	deficit [5] 33:22; 34:4, 6, 9; 42:4	designated [1] 76:5	discretionary [4] 70:15; 73:1; 74:21; 75:3
costs [6] 25:21; 73:18; 74:9; 88:11; 99:5, 15	- D -	deficits [2] 34:16; 74:11	designed [1] 74:21	discuss [2] 70:17; 94:10
count [1] 28:9	d.c. [4] 1:11, 18; 9:20; 81:16	define [3] 6:20; 20:11; 28:17	desire [1] 27:17	discussed [6] 7:6; 29:16; 59:2; 76:22; 103:5; 105:8
country [33] 9:2, 19; 10:9; 40:17, 18; 41:21; 45:9, 17; 46:17, 19; 47:3, 12; 49:5, 18, 20; 51:10, 12, 14, 17; 52:3, 5, 9, 10; 62:3; 66:12, 13; 77:3; 83:8; 87:13; 99:2, 7; 100:20	daddy's [1] 23:3	definition [1] 53:11	desk [1] 69:8	discussing [1] 67:3
couple [4] 6:10; 31:20; 41:18; 64:22	daggone [1] 98:6	degree [2] 24:4; 93:5	detail [2] 41:16; 67:4	discussion [10] 5:17; 25:22; 29:5; 52:19; 63:10, 14; 75:9; 83:13; 86:5; 100:5
course [5] 38:3; 41:15; 51:21; 67:6; 89:6	dakota [5] 39:18; 45:5; 47:20; 49:16; 93:17	delaware [13] 4:21; 52:21; 53:12, 17; 54:1, 4, 5, 9, 14, 17; 55:7; 62:17; 64:4	details [1] 8:9	discussions [3] 6:14; 14:17; 61:14
courts [1] 26:3	dance [1] 40:10	delaware's [1] 54:11	determine [3] 39:3; 67:13; 81:1	dispute [1] 96:7
coverage [2] 25:22; 95:12	dangers [1] 81:5	delayed [1] 86:17	determined [5] 8:9; 26:4; 28:18; 31:21; 73:17	disregard [1] 56:10
covers [2] 26:8, 20	daniels [2] 79:10, 11	delegation [2] 56:8; 100:18	devastating [1] 69:21	distinguished [1] 2:19
coworker [1] 55:8	day [11] 15:11; 16:21; 34:8; 40:20, 22; 41:6; 49:12; 63:7; 82:3; 105:21	delegations [1] 80:22	development [1] 101:6	district [1] 67:12
crafts [1] 67:16	days [9] 5:18; 6:10; 17:5; 30:19; 31:20; 56:4; 78:8; 100:12; 105:18	delighted [1] 55:14	devote [1] 100:15	divided [2] 82:18; 92:21
create [4] 5:13; 44:19; 51:10; 72:12	dead [1] 28:4	delightful [1] 55:20	dial [1] 21:12	dividend [1] 73:9
creates [1] 74:4	deadly [1] 10:6	deliver [3] 31:15; 69:17; 89:17	difference [5] 64:9; 66:15; 85:4; 86:7; 87:16	dividends [1] 44:6
creative [1] 76:20	deal [10] 7:7; 17:9; 23:10, 22; 24:6, 14; 44:17; 45:21; 62:10; 95:2	deliveries [1] 15:5	differences [2] 81:21; 82:6	doctor [2] 22:22; 48:14
credit [1] 93:10	dealing [4] 43:13; 59:15; 63:5; 73:17	delivers [1] 67:16	differently [2] 41:16; 92:2	dodd [1] 78:22
crime [1] 5:11	debate [2] 37:6; 75:8	delivery [4] 13:17; 21:14; 22:6; 27:2	difficult [3] 8:19; 21:10; 62:10	doesn't [4] 28:11; 30:3, 5; 77:22
crisis [2] 69:11; 99:16	debt [2] 74:11, 14	democrat [3] 24:11; 67:17; 82:2	difficulty [1] 32:19	dollar [2] 42:21; 97:6
critical [9] 9:1, 8; 11:15; 31:5, 14; 32:11; 74:5; 75:2; 76:14	decade [2] 6:21; 74:12	democratic [8] 40:2; 45:13; 67:7, 15; 69:18; 70:19; 71:3, 17	dig [3] 46:22; 47:3; 73:6	dollars [37] 25:7, 10; 30:21, 22; 33:5, 9, 10, 22; 37:6; 42:5; 43:21; 46:3; 50:15; 57:22; 59:1; 69:16; 71:18; 72:14; 73:2; 75:16, 17; 76:13; 78:3, 5, 10, 20; 79:5; 80:5; 82:20; 87:8; 89:10; 91:15; 92:8; 95:3, 8
crucial [1]	decided [1] 46:10	democrats [12] 41:17; 67:9, 13, 16; 71:11; 76:15, 19; 81:11; 82:17; 86:22; 87:1; 92:21	digging [1] 12:22	domestic [1] 40:17
	decides [1] 46:4	demographic [1] 14:7	dingell [1] 72:19	dominates [1] 57:1
	deciding [1] 76:9	demographics [1] 14:10	direct [2] 17:15; 69:15	dorgan [12]
		demography [1] 99:2	directed [1] 83:17	
		department [5] 49:8, 9; 61:8; 88:4;	dirk [3] 4:22; 39:7; 40:8	
			disabilities [1] 13:8	
			disabled [5] 95:11, 14; 96:4, 22;	

38:4; 39:18; 40:5, 7,
13; 44:22; 45:4; 46:13;
52:16; 77:1; 93:15, 16
dorkin [1]
36:20
doubled [1]
16:11
doubling [3]
12:20; 20:17; 25:5
downpayment [1]
80:3
downturn [1]
97:9
dramatic [1]
59:7
dramatically [5]
7:18; 8:13; 10:15; 13:5;
20:22
drastic [1]
21:17
draw [1]
100:5
drawn [1]
76:2
drill [3]
47:1, 4; 93:19
driven [1]
20:5
drives [1]
74:10
driving [2]
44:17; 85:22
dropped [2]
7:17; 8:13
drought [10]
35:17, 18; 36:4, 19;
37:3, 8; 80:11, 17;
103:4, 5
drug [6]
18:20; 19:2; 22:5; 26:8;
48:12, 20
drugs [18]
15:19; 16:5, 9, 11, 14;
19:8, 16; 20:2; 25:4, 7,
20; 26:12, 15, 21; 27:3;
48:18; 61:19; 99:7
dual [14]
15:13, 14, 16; 16:14;
18:18, 20; 19:3, 7;
20:7, 12; 22:4, 7; 24:1;
25:9
due [1]
86:16
duplicate [1]
56:16
dying [1]
68:12

- E -

eagle [1]
41:13
early [3]
5:14; 63:16; 93:20
earth [5]
75:1; 82:11, 12; 83:2;
91:12
earthly [1]
26:15
easier [2]
8:20; 37:15

easiest [1]
42:8
easily [1]
55:17
easter [2]
63:7
economic [6]
5:15; 6:12; 34:20; 45:8;
71:12; 101:6
economy [16]
34:11, 14; 35:9; 41:2,
7, 22; 43:14; 44:8;
45:22; 46:1; 57:2, 15;
65:9; 69:20; 71:14;
97:9
ed [2]
33:8; 38:18
educate [2]
77:15; 88:10
educated [2]
55:17; 90:8
education [35]
5:12; 14:14; 28:1; 35:4,
7; 44:14; 47:13, 21;
54:21; 55:3; 58:8, 11,
20; 59:14; 60:9, 10;
61:2, 8; 63:6, 11, 16;
67:22; 70:8; 84:6, 7;
86:3, 4, 20; 87:1; 88:2,
5; 89:21; 90:13; 93:10;
95:9
educational [1]
28:10
edward [1]
24:10
effect [3]
75:8; 76:12; 92:6
effective [6]
44:3, 4, 7; 62:18;
87:12; 94:13
effectiveness [1]
31:9
effects [1]
14:5
effectuate [1]
100:9
efficiency [1]
47:8
effort [6]
26:8; 65:7; 81:12; 93:2;
98:7; 99:15
eh [1]
98:4
eight [5]
22:12; 42:14; 49:22;
53:20; 100:9
elected [5]
4:16, 21; 5:8; 55:8;
66:11
election [6]
78:20; 80:2, 4, 14; 82:7
electricity [1]
104:3
element [2]
15:7; 25:14
elementary [1]
58:19
elements [5]
29:6, 16; 65:5; 70:5;
86:9
elevated [1]
22:16
eligible [6]
15:16; 16:14; 19:7;
22:8; 24:2; 78:14
eligibles [9]
15:13, 14; 18:18, 20;
19:3; 20:7, 13; 22:4;
25:9
eliminate [2]
73:8; 95:9
embraced [1]
47:14
emerge [2]
51:16; 52:5
emergency [8]
49:7, 9; 75:12, 19, 20;
80:13, 18
emphasis [1]
18:22
employee's [1]
21:6
empowered [1]
7:19
en [2]
101:4, 14
enacted [1]
70:6
encourage [4]
8:22; 61:3, 12; 66:7
end [3]
28:4; 64:13; 69:16
ended [1]
90:4
energy [10]
39:22; 45:17, 18;
46:22; 47:5, 10, 11;
103:4, 10; 104:1
enforcement [1]
76:2
engage [1]
98:13
engine [1]
34:20
england [1]
51:12
enhancing [1]
76:21
enormous [1]
76:17
ensure [2]
80:8; 91:11
ensures [1]
74:11
ensuring [1]
76:20
entered [1]
17:1
enthusiastically [2]
23:20; 77:14
entities [1]
104:2
entitlement [1]
13:6
entitlements [2]
14:9; 17:12
enviable [1]
88:1
envy [1]
68:22
episodic [1]
37:12

equally [1]
82:18
equipment [1]
99:6
equipping [1]
30:13
erase [1]
73:9
esea [1]
58:22
essential [1]
80:1
essentially [4]
80:9; 85:14; 92:15;
94:12
estimated [1]
72:13
evaluate [2]
41:20; 42:18
event [2]
43:10; 79:12
events [2]
37:13; 43:2
everybody [10]
20:8; 60:6; 61:12, 17;
64:1; 72:1; 77:13;
78:16; 83:20; 97:16
everybody's [1]
65:10
exact [1]
8:8
exactly [3]
21:19; 65:4; 92:11
example [5]
32:5; 44:6; 64:4, 7;
95:9
examples [1]
58:8
except [2]
95:5; 103:19
exception [1]
60:21
exceptional [1]
26:16
excuse [1]
52:17
executive [1]
105:3
executives [2]
73:21; 80:18
exempting [1]
44:6
exist [1]
63:3
existing [5]
58:5; 76:2; 101:11;
102:9; 103:12
exists [1]
49:4
expect [3]
8:8; 9:3; 90:14
expectation [2]
89:7, 9
expending [1]
94:1
expenditures [2]
72:10; 73:4
expense [2]
37:14; 95:8
expenses [2]
82:21; 93:7

experience [3]
56:1; 62:8; 92:4
explain [1]
85:8
explaining [1]
84:18
explanation [1]
105:8
express [2]
9:11; 105:15
expresses [1]
37:1
extended [1]
7:22
extent [1]
56:5
extra [1]
89:10
extraordinarily [2]
40:16; 79:2
extraordinary [1]
83:4
extrapolated [1]
27:19
extremely [3]
38:13; 62:6, 18
eye [1]
61:12

- F -

face [5]
75:1; 82:10, 12; 83:2;
91:12
fact [16]
4:20; 11:9; 39:3; 41:1,
21; 58:5; 69:5, 6, 7;
72:9; 74:2; 75:7; 77:11;
86:4; 90:13; 98:11
factors [1]
27:20
failure [1]
70:18
fair [1]
72:1
fairly [3]
59:12; 60:16; 65:15
fall [3]
22:12; 25:9; 89:14
falls [2]
20:21, 22
families [3]
5:11; 9:1; 10:18
farmers [1]
35:20
fashion [3]
16:6; 30:4; 81:4
fast [2]
71:14, 17
fast-acting [1]
72:1
fastest [1]
16:7
favor [4]
101:17; 102:15; 104:10;
105:10
favorable [1]
104:4
fear [1]
92:19
featuring [1]

103:6	40:4; 43:10, 13; 58:22;	47:1	45:22; 46:1	16:7; 22:5; 26:11;
february [2]	59:6, 9; 69:10, 11, 12,	forget [2]	fulfill [1]	34:14; 72:2
1:13, 17	14; 74:22; 78:10, 11;	81:1; 97:9	15:5	giving [4]
federal [45]	81:9; 91:20	form [2]	fulfilled [2]	8:13; 30:6; 76:13; 91:9
4:12, 16; 6:7; 9:7;	fiscally [2]	50:9; 102:10	35:1, 2	glenn [2]
10:12; 11:1, 7, 17, 20;	72:5; 74:8	formally [1]	full [6]	38:16, 17
13:2; 15:15; 17:12, 13;	fish [4]	2:14	59:17; 63:18; 66:5;	glide [2]
20:13; 21:6; 24:16;	53:2, 3, 12, 13	former [4]	80:8; 92:10; 102:2	59:16, 20
25:2; 26:4, 12, 18;	fit [1]	40:2, 8; 68:1; 69:1	fulling [1]	goal [2]
27:9, 14; 33:16; 34:22;	42:20	forming [1]	85:2	8:19; 35:9
38:22; 39:4; 42:20;	fits [1]	38:9	fully [1]	gobbled [1]
49:6; 54:18; 59:3, 4;	88:10	forms [2]	32:9	53:3
63:16; 70:13; 72:18,	five [4]	24:5; 99:13	fund [8]	god [2]
20; 74:19; 81:5; 84:18;	10:7; 37:20; 47:6;	formulas [1]	20:19; 51:1; 70:14;	46:20; 52:14
88:8; 91:14, 22; 94:14;	71:15	21:12	79:8; 85:19; 90:15;	goes [3]
95:20; 96:14	fix [3]	formulating [1]	93:5; 103:15	16:10; 47:18, 19
federally [1]	97:12, 16, 18	93:20	funded [10]	gotten [2]
33:21	fixed [1]	forth [1]	11:2, 3; 33:4; 48:5;	31:1; 61:20
feel [3]	21:1	78:6	63:16; 64:11; 78:3, 9;	government [23]
7:11; 34:17; 84:22	flag [2]	forward [14]	85:19; 92:15	9:7, 14; 11:2, 18, 21;
feeling [1]	39:2, 6	6:2; 8:19; 14:19, 22;	funding [28]	27:9, 15; 33:16; 34:12,
11:6	fledgling [1]	16:15; 17:7; 19:11;	8:11; 11:19; 12:1;	22; 51:1; 59:3, 5;
feels [1]	51:14	26:9; 29:12; 30:7;	14:11; 32:10, 19; 35:3;	67:21; 73:14; 74:10, 19,
45:19	flexibilities [1]	38:10; 77:20; 102:4, 7	47:15; 48:3, 7; 49:3;	22; 81:5, 22; 84:18;
fellow [1]	95:22	found [2]	58:11; 59:17; 70:7;	88:8; 99:13
83:18	flexibility [24]	62:17; 81:21	72:22; 76:1, 16; 77:4,	governments [3]
felt [3]	8:14; 27:22; 28:12;	four [16]	5; 80:1, 3, 8, 22; 85:2;	29:10; 70:14; 73:12
10:3; 23:11; 80:20	29:18; 30:5; 32:10;	12:12, 22; 45:11; 56:4;	86:3; 89:3; 90:17	governor [99]
fewer [1]	60:7, 18; 61:9, 10;	57:8; 59:11; 71:15;	funds [4]	1:18; 2:3, 10, 12, 13,
11:13	73:17; 77:6; 79:16;	73:22; 74:15, 18; 80:7;	17:14; 42:1, 3; 79:19	22; 4:21; 10:13; 14:22;
fifth [3]	88:16; 91:6, 9, 21;	100:11; 103:13, 15;	fungible [1]	17:22; 18:1, 3, 4, 14,
54:10; 67:12; 71:19	92:7, 19; 93:2, 4, 13;	105:18	76:7	16; 22:14, 18; 23:8, 9;
fighting [2]	96:5; 98:21	fourth [1]	future [8]	25:16, 18; 27:11, 13;
85:11; 91:2	flexible [1]	9:6	9:2, 8; 16:13; 19:18,	28:16; 29:1, 3; 31:8;
figure [1]	47:17	fraise [1]	21; 41:5; 43:18; 47:10	32:12, 13, 14, 16;
97:15	flood [1]	96:17	- G -	33:19; 35:10, 11;
figures [2]	36:6	frame [1]		37:22; 40:7; 50:5;
74:14; 87:5	floor [2]	51:10	game [2]	52:21; 53:6, 7, 10, 15,
figuring [1]	6:8; 71:7	framework [2]	35:2; 92:15	18; 54:8, 9; 55:12, 14,
82:5	florida [1]	17:11; 97:17	gasoline [3]	15, 17, 18, 21; 56:7;
final [6]	9:20	france [1]	46:6, 14	61:1; 62:5, 9; 66:3;
2:4; 36:11; 37:9; 50:5;	flying [1]	51:12	gave [5]	68:4, 15; 80:10; 83:14,
61:21; 100:22	41:13	franklin [1]	89:4; 92:18; 93:2, 10;	15, 21; 84:1, 4; 85:10;
finance [3]	focus [6]	51:19	104:22	88:22; 90:18, 21; 91:9;
8:6, 7; 14:18	5:17; 6:14; 7:1, 20;	frankly [10]	gdp [1]	92:3; 93:18; 94:21;
financial [3]	30:12; 37:2	57:11; 70:16; 71:8;	34:1	96:12; 97:2; 98:19;
44:19; 54:22; 55:4	focused [2]	73:20, 21; 75:13;	generation [2]	99:5; 101:5, 7, 8, 22;
financing [1]	86:20; 87:1	81:20; 85:13, 22; 93:3	14:6; 74:10	102:2, 20, 22; 103:1,
15:4	folks [1]	free [2]	gentleman [1]	20; 104:16, 17, 21;
find [3]	76:8	73:10; 77:15	18:9	105:4, 6
45:1; 48:14	follow [1]	fresh [1]	gentlemen [1]	governors [30]
finger [1]	27:8	26:13	82:15	1:1; 2:5; 4:10; 5:8;
11:1	followed [2]	friedenthal [2]	geographic [1]	17:15; 23:17; 25:20;
finishing [1]	56:4, 15	103:20; 104:17	32:1	32:17; 35:15, 16;
64:17	following [1]	friend [4]	george [1]	36:10; 41:19; 42:17;
fire [1]	32:1	3:21; 38:3; 45:6; 55:8	51:19	50:11; 55:15; 56:2;
49:8	forbid [1]	friends [3]	gets [1]	65:18; 66:11; 67:3;
firefighters [1]	46:20	22:21, 22; 23:5	19:9	77:7, 18; 80:18; 83:4;
75:11	force [3]	frist [18]	girls [1]	87:14; 99:18; 100:8, 13,
first [38]	12:21; 38:9, 13	2:14; 4:3; 18:1, 7, 17;	46:10	15, 19; 105:17
2:12; 3:22; 7:4, 5; 8:10;	forced [1]	19:9; 22:19; 23:3, 13;	give [16]	governorships [1]
10:18; 11:20; 12:4, 16;	73:13	24:8; 26:10; 28:16;	15:9, 14; 24:17; 28:11;	52:7
18:5; 22:6, 19; 23:13;	forces [1]	29:21; 31:17; 36:18;	33:17; 35:18; 50:17;	graduation [1]
24:9; 29:10, 20; 30:18;	102:6	39:7, 16; 61:15	58:8; 60:7; 64:13;	84:8
31:2; 32:6; 33:9, 19;	ford [3]	frivolous [1]	79:16; 89:20; 92:6, 7;	grand [2]
39:9; 40:21; 41:1;	46:7, 14, 15	23:1	103:12; 104:19	1:10, 17
43:15; 46:7; 49:2, 10;	foreign [2]	front [1]	given [4]	granholm [2]
54:10; 69:18; 72:3, 5;	40:17; 43:16	38:21	27:22; 29:14; 31:10;	18:15, 16
73:19; 74:17, 18; 75:10,	foremost [1]	fruitfully [1]	89:3	grant [2]
17; 103:5	43:15	94:8	gives [5]	8:11; 92:6
fiscal [15]	forever [1]	fuel [2]		grants [2]

72:20; 76:6
grass [1]
 41:11
great [21]
 3:16, 20, 22; 7:6;
 15:14; 24:12; 33:13;
 43:22; 45:21; 46:1;
 51:5; 52:10; 57:8;
 77:19, 21; 79:3; 84:5;
 90:20; 91:21; 100:8;
 102:3
greater [2]
 97:2; 99:8
greatest [2]
 12:9; 51:22
greatly [2]
 33:17; 38:1
gross [1]
 99:8
ground [5]
 9:12; 41:12, 14, 15;
 43:12
group [8]
 10:6; 15:16; 53:19, 20,
 21; 83:12; 93:20; 95:13
groups [2]
 95:10; 96:9
grow [3]
 34:10, 14; 35:9
growing [3]
 16:8; 25:14; 34:21
growth [4]
 5:15; 16:12; 26:16;
 34:20
guaranteeing [1]
 61:10
guess [2]
 29:13; 65:11
guest [1]
 52:20
guinn [1]
 23:9

- H -

half [4]
 36:1; 46:16; 69:2;
 75:17
halt [1]
 9:22
hamilton [1]
 55:18
hand [4]
 58:4; 76:10, 11; 77:16
handle [1]
 22:5
handout [2]
 32:22; 57:21
happening [1]
 78:1
happy [1]
 17:20
hard [1]
 87:4
hardest [1]
 28:7
hart [1]
 10:1
hasings [1]
 103:7
hasn't [1]

28:17
haven't [3]
 31:1, 5; 70:22
he'll [1]
 3:9
he's [9]
 18:10; 24:11; 36:21;
 39:20; 40:3; 52:17;
 54:9; 68:1; 98:9
head [6]
 41:14; 63:5; 65:16;
 70:12; 78:13, 14
heal [1]
 3:4
health [34]
 7:7; 10:22; 11:10, 11;
 12:4; 13:7, 12, 17;
 14:14; 15:4, 8; 19:22;
 20:4; 21:6, 13, 14;
 22:6; 24:5, 18; 25:1;
 38:8; 48:8; 57:5; 62:15;
 17; 63:10; 67:21; 70:8;
 91:13; 95:20; 98:22;
 99:4, 9, 20
healthy [2]
 3:6; 8:22
hear [5]
 21:3; 28:20; 66:20;
 68:12; 98:11
heard [5]
 6:7; 29:22; 61:14;
 68:18; 103:2
hearing [4]
 44:17; 65:12; 68:13;
 105:22
hearings [1]
 65:1
heart [2]
 3:4; 19:10
held [3]
 31:4; 64:16; 86:2
help [14]
 33:13, 16; 34:14;
 35:20; 49:11; 51:1, 17;
 57:21; 72:20; 79:22;
 80:6; 83:8; 88:11;
 102:6
helped [2]
 83:7; 93:6
helpful [1]
 38:19
helping [3]
 5:13; 69:19; 100:16
helps [2]
 67:13; 87:16
here's [1]
 91:17
heretofore [1]
 15:8
hhs [1]
 86:2
high [7]
 8:5; 46:8; 56:9; 85:16,
 20; 86:1; 99:10
higher [6]
 9:14; 34:4; 60:10;
 85:17; 87:5; 88:17
highway [1]
 72:22
hindsight [2]
 23:15; 51:21

hispanic [1]
 62:21
historically [1]
 32:3
history [2]
 43:7; 52:1
hit [3]
 12:17; 14:7; 36:3
hmo [2]
 48:13, 20
hold [2]
 46:19; 99:15
holden [2]
 25:16, 18
hole [1]
 73:7
home [1]
 66:13
homeland [14]
 29:6; 30:12; 33:9;
 48:21; 50:3; 57:3;
 63:22; 64:2, 10; 70:8;
 72:21; 75:20; 76:6, 16
honesty [1]
 78:11
honor [2]
 3:20; 4:4
honored [3]
 2:18; 66:17, 20
hope [7]
 3:7; 9:3; 14:8; 34:15;
 67:4; 79:13; 81:11
hopefully [2]
 7:8; 52:18
hoping [1]
 35:17
horizons [1]
 12:11
hospital [1]
 19:19
hospitals [1]
 99:6
hostage [1]
 46:19
hotel [2]
 1:8, 17
hotline [1]
 56:18
hour [1]
 28:1
hours [6]
 27:20, 21; 28:9, 17;
 38:8; 82:5
house [34]
 2:8; 8:1; 23:18; 39:1,
 20; 45:20; 51:7; 52:7;
 54:11, 21; 55:16;
 56:18; 61:20; 64:18,
 21; 65:16, 22; 67:7, 8,
 11, 19; 69:18; 70:21;
 71:1, 2, 11, 18; 76:15,
 19; 79:6; 86:21; 87:11,
 15; 102:4
houses [1]
 2:8
housing [1]
 70:13
hoyer [15]
 38:4; 67:7, 10; 68:4,
 11, 21; 83:10, 19;
 88:19, 21; 91:8; 94:9;

96:12; 97:3; 98:11
huge [10]
 12:2; 13:2, 19; 14:4;
 62:1; 65:19; 66:15;
 86:7; 87:16
hugh [1]
 27:9
human [5]
 52:1; 63:10; 67:22;
 102:1, 8
hundred [1]
 72:8
hurricane [1]
 36:6
hussein [1]
 14:3
hydrogen [1]
 46:1

- I -

i'd [3]
 12:6; 18:1; 69:1
ive [13]
 53:16; 54:6; 56:9, 15;
 58:3, 4; 60:22; 62:12;
 65:14, 18; 66:10; 68:3;
 92:16
i.e. [1]
 91:18
idea [7]
 26:15; 33:7; 34:21;
 59:2, 13; 65:14; 86:9
ideas [6]
 5:22; 16:18, 19; 47:9;
 54:1, 4
identification [1]
 60:5
identified [1]
 6:4
identify [1]
 38:21
ignored [1]
 87:10
ignores [1]
 73:5
ii [1]
 12:15
illnesses [1]
 37:12
imbalance [1]
 12:13
immediate [4]
 44:3, 5; 70:2
immediately [1]
 18:21
impact [6]
 65:20; 66:16; 69:21;
 70:9; 81:6; 98:5
impacting [2]
 65:9, 10
implement [2]
 24:5; 84:20
implied [1]
 48:3
importance [2]
 66:21; 80:22
important [15]
 4:9, 10, 11; 6:19; 16:1;
 17:14; 19:20; 23:12;
 27:16; 28:9; 30:3; 50:3;

66:11; 81:1; 83:7
importantly [1]
 4:16
imported [1]
 46:17
imposed [1]
 44:11
impress [1]
 81:4
impression [1]
 92:18
improving [3]
 5:12; 55:2; 80:2
incidentally [1]
 42:2
include [6]
 9:3; 16:5; 24:3; 30:11;
 55:2; 103:15
included [1]
 29:9
includes [1]
 2:7
income [1]
 72:3
incorporate [2]
 21:15; 27:4
increase [6]
 27:17; 58:15; 59:7;
 60:9; 72:18; 93:8
increased [5]
 14:11; 58:11; 76:10;
 93:11
increases [5]
 58:16; 59:8, 12; 60:7,
 16
increasing [3]
 5:20; 77:5; 86:5
increasingly [1]
 30:1
incredibly [1]
 77:1
incumbent [1]
 81:13
independence [1]
 41:18
independent [1]
 20:3
index [1]
 97:14
indian [2]
 40:1, 9
indicate [2]
 19:5; 92:17
indicated [3]
 65:14; 86:5; 87:7
individual [5]
 10:17, 21; 56:11;
 66:14; 88:18
individually [1]
 65:21
individuals [2]
 5:9; 13:8
industry [2]
 35:22; 36:2
inevitable [1]
 12:13
inevitably [3]
 13:3; 85:16; 92:7
inexcusable [1]
 11:17
influence [2]

24:12; 80:20
influenced [1]
 30:17
influences [1]
 10:16
information [2]
 68:13; 94:22
informative [1]
 103:3
infrastructure [4]
 12:4; 14:13; 34:19;
 73:3
inherited [1]
 26:14
inherits [1]
 52:12
initiatives [3]
 8:22; 9:4; 11:18
inn [3]
 25:4; 68:17; 78:15
input [3]
 27:10; 28:19; 36:17
inspect [1]
 77:2
inspected [1]
 49:19
instance [1]
 58:19
instances [1]
 80:13
institutional [1]
 5:3
instruction [1]
 104:20
instructions [1]
 104:22
instrument [1]
 3:10
insurance [2]
 63:2; 99:1
integrated [7]
 13:19; 16:6; 19:22;
 21:7; 22; 22:13; 24:18
integrating [1]
 20:3
integration [2]
 19:12; 21:4
intellect [1]
 18:7
intelligence [2]
 55:1, 6
interact [1]
 6:18
interest [5]
 63:20; 65:19; 72:12;
 73:13; 84:5
interested [2]
 67:3; 85:22
interesting [3]
 56:19; 67:2; 103:3
interim [1]
 103:22
internal [1]
 65:5
internationally [1]
 30:14
internet [3]
 11:13; 50:7, 19
internists [1]
 19:14
interpreted [1]

91:5
interrupt [2]
 46:20; 80:10
intersection [2]
 40:15; 43:1
intervals [1]
 52:3
intimate [2]
 12:18; 21:15
introduce [6]
 2:12, 14; 3:21; 53:8,
 16; 64:21
introduced [1]
 52:20
introducing [1]
 46:2
invest [3]
 34:18; 90:6, 12
investing [1]
 103:17
investment [4]
 11:5, 6, 7; 12:3
investments [1]
 14:12
involve [2]
 16:19; 99:18
involved [5]
 36:11, 21; 63:15;
 83:12; 100:16
involvement [3]
 23:17; 24:4; 100:12
involves [2]
 16:18; 99:3
iowa [2]
 90:8, 9
iowa's [1]
 87:21
iraq [7]
 14:2; 29:15; 34:18;
 41:1; 70:2; 82:16
ironic [1]
 89:18
irrespective [1]
 75:5
irresponsible [1]
 74:9
issue [20]
 6:11, 12, 13; 7:5; 9:16;
 12:6; 19:9; 23:6; 28:17;
 31:17; 36:5, 18, 20, 22;
 48:18; 50:6; 60:3;
 62:10
issues [35]
 3:8; 4:9; 7:13, 14; 14:8;
 16:20; 17:9, 10; 23:5;
 24:14; 30:16; 34:9, 18;
 35:14, 15; 43:13, 16;
 48:9; 50:2; 54:19;
 56:20; 57:6, 14; 60:5,
 6; 63:2; 66:20; 68:2, 6;
 83:11; 98:14; 100:16;
 103:9
it'll [4]
 21:19; 30:20; 58:1;
 79:8
items [1]
 45:11

- J -

j.w. [2]

1:8, 17
january [1]
 71:11
jefferson [1]
 51:19
jennifer's [1]
 69:3
jersey [1]
 9:20
job [5]
 3:5, 14; 28:4; 57:9;
 62:18
jobless [1]
 6:12
jobs [2]
 57:15; 72:13
johanns [3]
 101:5, 7, 8
john [6]
 15:21; 38:6, 7, 16, 17;
 51:8
join [5]
 29:11; 48:13; 55:6, 14;
 80:7
journal [1]
 56:18
judgment [6]
 44:5; 48:15; 65:17;
 87:15; 91:4; 92:1
july [1]
 63:8
jump [1]
 56:9
jumpstarting [1]
 69:20
june [1]
 8:1
jurisdictions [1]
 57:22

- K -

keep [2]
 3:6; 96:4
kempthorn [8]
 22:14, 18; 25:16;
 27:11; 29:1; 32:12;
 35:10; 37:22
kempthorne [7]
 4:22; 18:2, 4; 55:15;
 68:18; 105:5, 6
kentucky [1]
 45:2
kept [1]
 71:10
key [2]
 39:20; 54:18
kidding [1]
 97:8
killing [1]
 10:7
kneejerk [1]
 37:15
knife [2]
 19:13, 17
knowledge [1]
 90:12
knowledgeable [1]
 61:16

- L -

labor [2]
 67:21; 86:2
laboratories [2]
 5:21; 25:1
labyrinth [1]
 50:18
ladies [1]
 82:15
lame [1]
 98:2
landlot [1]
 49:14
landmark [1]
 80:8
languished [2]
 75:12, 15
large [5]
 30:10; 31:11; 34:1;
 89:12; 97:12
largely [1]
 76:2
larger [2]
 17:11, 13
largest [2]
 10:1; 16:19
last [18]
 5:17; 6:10; 11:22;
 16:11; 17:5; 31:20;
 34:2; 37:3; 58:10; 59:9;
 64:15; 67:5; 74:16;
 80:15; 86:6; 95:10;
 103:21; 105:18
lasting [1]
 12:19
late [1]
 59:11
laughing [1]
 69:3
laughter [10]
 22:17; 23:2; 40:12;
 44:21; 46:12; 53:4, 14;
 68:20; 83:22; 84:3
law [5]
 7:16; 42:22; 76:2;
 79:18; 80:8
lawsuits [1]
 23:1
leader [8]
 3:5, 22; 4:6; 12:9; 17:6;
 18:6, 13; 37:22
leadership [11]
 2:7; 28:21; 39:8; 51:15,
 16; 52:4; 54:2; 67:8;
 69:18; 71:3; 78:18
leading [1]
 41:6
learn [1]
 26:19
learned [2]
 6:3; 27:1
leave [7]
 47:15; 78:12; 82:15;
 84:10; 85:3; 88:20;
 98:10
leaves [1]
 75:1
leaving [4]
 10:7; 22:22; 55:12;
 77:14
leavitt [10]
 29:1, 3; 31:8; 38:18;
 50:6; 90:18, 21; 93:18;
 94:21; 97:2
legislation [12]
 11:19; 34:7; 37:2;
 38:20; 46:2; 48:2; 79:4;
 85:12, 14; 103:4, 6, 10
legislative [4]
 37:14; 62:11; 67:14, 22
legislator [5]
 54:8; 69:2; 79:2; 81:22
legislators [3]
 4:10, 11; 77:18
legislatures [1]
 73:20
legitimate [1]
 64:1
length [1]
 19:20
lesser [1]
 96:22
let's [3]
 20:1, 2, 10
level [32]
 4:12, 16, 17; 6:7; 8:11;
 10:17; 13:3; 15:15;
 24:16; 25:2; 26:1, 2, 5,
 6, 12, 18; 42:20; 44:11;
 60:10; 63:16; 89:3;
 91:15, 22; 92:1, 4, 19;
 94:14; 95:7, 20, 21;
 96:14; 98:6
levels [8]
 9:15; 29:8, 18; 30:3;
 60:14; 74:10; 87:7;
 94:14
liability [1]
 23:6
life [7]
 19:20, 21; 21:16;
 24:20; 49:21; 51:3;
 96:19
lift [3]
 42:9, 11; 52:8
light [1]
 70:14
limit [1]
 98:12
limitless [1]
 47:9
line [1]
 12:5
lines [3]
 69:21; 99:2; 104:4
link [2]
 21:21; 22:10
linked [1]
 18:22
list [2]
 45:10; 96:22
listen [3]
 8:18; 24:4
listening [7]
 6:2; 9:10; 25:3; 27:1;
 28:19; 38:5; 84:5
listing [1]
 33:20
literally [3]
 78:7; 82:5; 94:22
live [1]
 99:10
lived [1]

60:15
lives [1]
 99:10
living [1]
 58:15
load [1]
 52:8
lobbyists [1]
 87:13
local [8]
 10:17; 11:8; 29:10;
 57:22; 73:10; 75:11;
 79:22; 84:12
logical [1]
 95:13
long-serving [1]
 55:7
long-term [3]
 21:3; 74:5; 99:4
longitudinal [1]
 84:16
losing [3]
 50:8; 96:10; 97:4
lot [17]
 11:4; 14:7; 16; 21:8;
 27:19; 32:20; 40:10;
 51:9; 57:14; 62:22;
 63:3; 65:10; 67:2;
 85:12; 86:8; 95:18;
 99:12
loud [1]
 29:22
love [1]
 23:4
loved [1]
 82:13
lt [2]
 53:18; 54:8
lucky [3]
 52:10, 11; 58:14

- M -

machinery [1]
 79:16
madison [1]
 51:20
main [1]
 50:21
maine [1]
 45:4
maintain [1]
 100:16
maintaining [1]
 77:5
major [4]
 3:9; 21:20; 41:5; 49:15
majority [8]
 3:5, 22; 4:6; 12:9; 17:6;
 18:6, 12; 34:2
malpractice [1]
 22:20
man [3]
 3:21; 18:6, 10
manage [1]
 91:6
management [1]
 103:16
manager [2]
 95:19, 20
mandate [3]

38:22; 39:4; 79:9
mandated [1]
 26:5
mandates [4]
 38:18; 39:11; 81:6;
 87:17
mandatory [2]
 26:1; 97:10
march [4]
 6:1; 8:6; 64:13; 65:12
mark [1]
 103:8
market [2]
 43:4, 5
markets [2]
 36:3; 55:4
markup [1]
 65:1
marriages [1]
 8:22
marriott [2]
 1:8, 17
marz [4]
 32:14; 35:10, 11; 80:10
maryland [5]
 67:13; 68:1; 81:17;
 83:21; 90:8
mason [1]
 51:20
mater [1]
 2:16
math [1]
 72:9
matter [9]
 45:5; 62:1, 2; 63:22;
 69:5, 6, 7; 86:4; 94:21
matters [2]
 60:4; 73:6
maybe's [1]
 64:5
mcconnell [2]
 78:22; 79:7
mccullough's [1]
 51:8
mcwhirter [1]
 24:10
mean [6]
 75:2, 3; 80:10; 89:11;
 94:3, 10
means [4]
 11:3; 13:1; 34:5; 64:21
meant [1]
 92:7
meantime [1]
 62:14
mechanisms [1]
 13:17
medicaid [26]
 14:16, 20; 15:7, 13;
 16:8, 9; 20:12; 24:1,
 15; 25:5; 44:13; 48:9,
 16; 61:15; 62:5; 70:12;
 72:17, 18; 89:11; 91:1;
 95:5, 15; 96:11; 98:22;
 99:14; 102:5
medical [3]
 22:20; 23:11; 75:12
medicare [27]
 13:5, 9, 11, 15, 21;
 14:14; 15:13; 16:2, 3,
 16; 18:18; 19:1, 11;

21:9; 25:6, 11; 26:20;
 27:4, 5; 34:10; 38:8;
 48:12, 16; 61:14, 19;
 98:22; 99:14
medicine [1]
 13:20
meet [4]
 50:21; 75:2; 90:16;
 105:2
meeting [4]
 1:3; 2:5; 102:3; 105:19
meetings [1]
 68:7
meets [1]
 51:12
member [8]
 39:1, 20; 54:11, 21, 22;
 55:7; 66:2; 67:18
members [12]
 41:19; 56:1; 65:21;
 66:19; 68:5; 81:14;
 86:21; 87:10, 12, 13,
 15; 88:18
membership [2]
 103:14; 104:5
memorial [1]
 63:7
men [1]
 52:6
mentioned [8]
 4:13; 7:15; 14:21;
 15:22; 24:9; 34:19;
 90:22; 93:9
message [3]
 40:21; 67:17; 71:13
messages [2]
 41:1; 69:17
methods [1]
 76:20
michael [1]
 53:19
michigan [1]
 45:4
mid-term [3]
 17:10; 21:3; 37:18
middle [1]
 47:19
mike [11]
 38:5, 18; 53:21; 54:5,
 17; 55:8; 70:1, 16;
 77:9; 81:14; 98:19
military [2]
 14:2; 30:8
million [11]
 15:17; 24:17; 27:5;
 49:15, 19, 20; 72:4, 13;
 79:5; 97:13
millions [1]
 7:18
mind [2]
 31:15; 34:5
minds [1]
 57:4
mine [1]
 103:16
minimum [4]
 28:4; 97:10, 11, 15
minner [9]
 52:21; 53:2, 6, 7, 10,
 15; 55:12, 13
minnesota [1]

45:5
minnow [1]
 53:11
minter [1]
 52:22
mintoes [1]
 55:13
minute [1]
 90:20
minutes [3]
 4:19; 17:21; 45:12
mississippi [5]
 22:15, 21; 23:4, 11
missouri [1]
 25:17
mistake [3]
 22:9; 28:14; 46:11
mitch [3]
 78:21; 79:10, 11
mitigate [1]
 95:7
model [2]
 22:13; 46:7
modernization [3]
 8:3; 16:16; 19:11
modernize [2]
 16:2
modified [1]
 13:16
modify [1]
 26:17
moment [4]
 3:7; 38:6; 45:10;
 100:14
money [33]
 8:14; 11:19; 27:15;
 29:19; 30:3; 31:2, 5, 6;
 33:14; 35:6; 45:1; 49:1;
 50:14, 15, 16; 63:17;
 72:12; 75:13; 76:5;
 79:14; 85:5, 6, 8;
 87:19; 91:18; 92:13;
 93:22; 94:17; 97:6, 12;
 98:1
moneys [2]
 30:2; 62:22
monitor [1]
 18:2
monitoring [1]
 35:19
montana [2]
 35:21; 36:14
month [1]
 40:20
months [8]
 7:4; 8:4; 10:2; 16:22;
 40:20; 41:6; 59:11;
 100:9
morning [6]
 2:4, 9; 23:14; 40:19;
 49:5; 68:9
morning's [1]
 67:5
motion [1]
 105:5
move [12]
 8:20; 19:11; 26:8;
 29:12; 38:10; 48:20;
 87:18; 101:4, 13; 102:6,
 11; 104:6
moved [2]

102:4; 105:6
movement [1]
 58:5
moving [3]
 7:20; 45:22; 71:14
multi-state [1]
 104:2
musgrove [5]
 22:14, 16; 23:8; 104:14,
 16

- N -

n.w. [1]
 1:9
name [2]
 53:1; 85:10
nation [7]
 2:19; 3:19; 75:1; 82:10,
 11; 83:2; 91:12
nation's [1]
 55:4
national [8]
 1:1; 2:5; 3:6; 32:18;
 35:18; 56:18; 91:10;
 103:21
nationally [1]
 67:16
natural [4]
 36:7; 39:22; 102:21;
 103:2
nature [1]
 29:14
nay [2]
 78:21; 79:1
ncsl [1]
 92:4
necessity [1]
 11:6
needs [8]
 6:4; 65:6; 72:21; 73:2;
 75:2, 3, 6; 89:11
negotiated [1]
 44:18
negotiating [1]
 54:18
negotiation [1]
 98:13
negotiations [1]
 37:9
neighborhood [1]
 10:8
net [1]
 76:12
news [1]
 41:6
nga's [1]
 69:9
ngm [1]
 103:14
nice [1]
 40:8
nine [2]
 11:9; 22:12
nineties [1]
 81:4
nobody [1]
 96:18
north [5]
 39:18; 45:4; 47:20;
 49:16; 93:17

northern [1] 50:1	55:8; 66:11; 79:22	overall [6] 19:5, 6, 11; 56:10; 65:4; 66:12	passage [1] 103:11	49:7; 53:16
note [3] 78:19; 104:20, 22	offset [1] 80:12	overhaul [2] 18:18, 22	passed [11] 8:1; 11:21; 29:9; 30:18; 33:6, 11; 41:2; 45:18; 61:18; 74:9; 75:15	personal [3] 21:16; 100:12; 105:15
noted [1] 104:18	oil [1] 46:17	overlap [1] 15:12	passing [1] 82:19	personally [5] 48:9; 58:2; 63:12; 85:22; 100:15
notice [1] 1:16	old [1] 50:13	overwhelming [1] 93:1	path [2] 59:16, 20	personnel [1] 49:9
noticed [1] 56:9	omb [1] 74:13	overwhelmingly [1] 76:18	patients [1] 13:11	perspective [4] 4:5; 42:6; 54:14; 77:10
noting [1] 103:20	on-going [3] 6:11; 14:1; 31:18	owed [1] 50:9	patton [32] 1:19; 2:3; 17:22; 39:16; 52:16; 53:5; 55:14; 67:1; 68:15; 83:10; 88:19; 90:18, 19; 98:9; 100:4; 101:15, 17, 19, 21; 102:13, 15, 17, 19; 104:8, 10, 12, 14; 105:3, 7, 10, 12, 14	perspectives [1] 82:7
november [1] 69:10	one-size-fits-all [1] 47:22	owens [1] 103:1	paul [2] 1:18; 68:12	phil [1] 4:13
nr [6] 103:15, 16, 17, 19; 104:1, 5	ones [2] 24:4; 36:13		pay [10] 20:19; 26:5; 59:5; 62:3; 63:3; 97:19; 98:12; 99:12, 22	philadelphia [1] 27:12
number [13] 6:6; 12:20; 20:18; 29:21; 31:1; 35:22; 36:2; 69:21; 70:1, 2; 86:1; 93:1; 101:9	open [2] 18:4, 14	- P -	paying [5] 20:18, 21; 25:11; 44:12; 96:2	philosophy [1] 84:12
numbers [3] 42:22; 71:2; 85:15	open-ended [1] 85:16	pace [1] 60:8	people [38] 6:20; 8:20; 9:15; 15:6; 17; 18:11; 20:4; 22:11; 23:15; 24:17; 26:14, 17; 27:6; 28:2; 32:21, 22; 36:1; 37:4, 5, 7; 69:1; 70:3, 4; 77:22; 78:11; 82:22; 91:22; 94:2, 4, 11; 95:14; 96:10; 97:14; 98:6; 99:11, 22; 100:20	physical [1] 42:6
- O -	opinion [3] 71:5; 81:7; 82:12	package [9] 19:7; 20:1, 3; 21:4, 7, 22; 44:15; 48:20; 75:10	pennsylvania [1] 1:9	physician [2] 13:10; 18:8
o'bannon [5] 32:12, 13, 16; 101:22; 102:2	opportunities [3] 4:8; 24:17; 79:17	page [1] 38:22	per [2] 1:18; 68:12	pie [2] 34:21; 97:8
objection [3] 101:4, 13; 103:20	opportunity [19] 13:22; 15:14, 18; 16:7, 13; 17:19; 26:11, 13, 19, 22; 38:10; 39:13; 45:9; 48:14; 50:17; 53:16; 80:19, 21; 100:8	paid [1] 50:10	percent [17] 31:21; 34:1, 4; 42:14; 57:8; 58:13, 17; 59:5, 7, 17, 18; 60:19; 72:2, 5; 78:15; 86:6; 88:15	piece [6] 31:12; 44:15; 46:2; 48:2; 79:4; 95:3
objections [2] 105:1, 2	opposed [6] 89:21; 94:5; 101:19; 102:17; 104:12; 105:12	paneled [1] 32:21	perform [2] 76:11; 90:15	pieces [1] 42:20
objective [2] 83:5; 91:19	option [1] 95:18	pancaking [1] 43:4	performed [1] 76:10	place [3] 60:22; 61:7; 94:7
objectives [4] 78:5; 89:12, 16; 91:22	optional [3] 26:1, 3, 4	panel [2] 2:9; 103:9	peril [1] 50:4	placed [1] 10:9
obligation [5] 35:1, 2, 8; 42:17; 50:22	options [1] 24:18	panelists [1] 83:11	people's [2] 57:4; 97:21	plaintiff [1] 51:18
obligations [1] 15:6	order [5] 10:20; 19:6; 48:13; 88:10; 95:7	panic [1] 10:2	performing [2] 76:11; 90:15	plan [21] 21:7; 36:7, 12, 14; 43:20; 44:2, 4, 10; 48:12; 70:6; 71:12, 17, 20; 72:15; 73:5, 8; 74:8; 84:21
observed [2] 40:10; 41:11	ordinary [1] 58:18	paralyse [1] 10:3	planning [2] 37:18; 104:3	plans [4] 31:3, 4; 36:6; 98:21
observing [1] 41:14	ore [3] 6:9; 7:3; 17:5	parameters [1] 84:11	play [1] 3:9	played [1] 54:17
obvious [2] 31:11; 89:11	organization [3] 18:19; 53:22; 54:3	parents [1] 90:11	plea [1] 100:14	please [3] 36:16; 53:8; 55:6
obviously [12] 3:9, 13; 24:1; 60:4, 13; 61:15, 18; 65:3; 80:17; 93:14; 94:11, 13	originally [1] 85:5	parlor [1] 63:19	pleased [3] 66:20; 78:17; 105:20	pleasure [3] 3:20; 53:15; 68:8
occasion [1] 2:15	osha [1] 103:15	part [15] 16:4, 8, 10; 17:13; 28:1; 29:7; 47:5; 53:2; 60:8; 61:19; 69:6, 8; 93:11; 101:1; 104:5	plenary [2] 1:4, 16	plenty [1] 97:5
occasionally [1] 3:11	ought [19] 41:8; 44:1, 2, 9, 11, 15, 19; 45:17; 46:4, 5; 48:11; 50:16, 17; 62:3; 78:11; 85:10; 88:7; 97:19; 98:7	parties [4] 2:9; 75:5; 78:19; 82:6	plus [1] 91:1	pocket [1] 39:6
occurred [3] 9:12; 43:8; 44:16	ours [3] 6:14; 45:6; 51:10	partisan [1] 3:14	podium [1] 2:11	point [9] 11:1; 20:22; 26:10; 62:11; 93:15, 16; 98:3; 99:4, 9
occurring [1] 60:9	ourselves [2] 17:1; 28:12	partisans [1] 81:20		
occurs [1] 40:13	out-patient [1] 26:21	partner [1] 18:12		
october [2] 9:18; 103:21	outdated [1] 13:14	partnership [1] 9:6		
offered [3] 43:21; 71:20; 93:6	outer [1] 103:17	parts [3] 21:16; 46:18; 62:20		
office [3] 9:21; 10:1; 38:21	outstanding [1] 4:15	party [2] 86:2; 97:4		
official [1] 49:6		party's [1] 67:15		
officials [3]		pass [6] 30:19; 34:6; 39:3; 70:18, 19; 85:12		

point's [1] 85:11	prematurely [1] 36:1	7:11	13:13	raised [4] 25:19; 67:2; 83:11; 91:15
pointed [1] 77:1	prepared [5] 10:11, 16; 32:3, 9; 103:6	problem [7] 27:21; 42:5; 49:20; 91:6, 14; 92:2; 93:13	proud [2] 84:7; 95:11	raising [1] 97:21
points [1] 94:11	prescription [25] 15:19; 16:5, 9, 11, 14; 18:20; 19:2, 7, 16; 20:2; 22:5; 25:4, 7, 20; 26:7, 12, 14, 21; 27:3; 29:8; 48:12, 18, 20; 61:19; 99:7	problems [11] 15:3; 25:4; 40:4; 49:4; 74:5; 82:3, 4, 8, 13, 15; 83:3	provide [6] 34:20; 48:7; 72:15; 79:19; 84:20; 95:17	ramifications [2] 94:10, 19
police [3] 49:8; 75:11; 76:7	presentations [2] 62:5; 103:3	process [3] 86:12; 91:2; 93:20	provided [3] 13:12; 54:13; 72:19	ranchers [1] 35:20
policies [14] 12:13; 101:1, 4, 11, 14, 21; 102:19; 103:12, 13, 18; 105:4, 14, 19	presented [2] 29:14; 89:5	produce [1] 47:4	providing [1] 44:7	range [2] 40:15; 50:2
policy [24] 8:12; 35:18; 37:11, 13; 40:2, 14, 17; 41:21; 42:6; 43:10, 13, 16; 45:13; 46:22; 47:1, 11, 14; 101:10, 12, 22; 102:8, 9; 104:1, 7	presenters [1] 52:18	producing [1] 47:5	provisional [1] 79:18	ranking [1] 67:8
political [3] 19:10; 85:18; 100:2	president [36] 8:21; 10:13; 11:22; 14:21; 27:18; 29:12; 30:19; 31:11; 33:2; 34:7; 35:5, 6; 37:2; 43:22; 44:1; 45:19; 47:14; 48:4; 62:6; 68:1; 71:20, 22; 72:16; 75:18; 77:13; 78:18; 79:7, 10, 13; 81:17; 86:20; 89:19; 90:5, 6; 92:22; 99:18	product [2] 90:13; 99:9	public [13] 4:15; 7:15; 10:22; 11:10, 11; 12:4; 14:13; 16:18; 17:2; 19:14; 40:14; 41:20; 76:3	rapid [2] 11:14; 60:8
politically [3] 20:5; 22:2; 71:7	presidential [1] 80:14	production [1] 47:7	pull [1] 49:17	rapidly [2] 25:14; 61:8
politics [5] 3:3; 4:14; 24:9, 13; 42:9	presidents [6] 44:4; 65:2; 70:6; 73:5; 74:7; 75:10	productive [1] 105:19	pulls [1] 17:13	rates [2] 73:13; 84:9
poll [1] 56:17	presidential [1] 80:14	professional [1] 63:9	purposeful [1] 74:20	ray [1] 103:8
polls [1] 57:7	presidents [1] 29:4	program [27] 2:6, 10; 7:22; 13:6, 9, 12, 21; 15:4; 16:17; 21:20; 28:10; 31:7; 33:5, 7, 8; 48:6; 59:6; 61:1; 63:8, 15; 67:5; 78:15; 90:15; 91:18; 92:14; 99:13; 101:1	pursuant [1] 1:16	re-operable [1] 31:13
population [16] 12:14; 16:15; 17:11; 20:8, 11, 12; 22:8; 25:10; 28:7, 8; 34:10; 62:19, 20, 21; 95:17; 99:3	presiding [2] 1:19; 2:3	program's [1] 92:10	pursue [1] 94:8	reach [3] 7:10; 10:19; 81:13
populations [1] 28:5	pressure [1] 91:20	programs [15] 26:1; 33:3; 58:5, 6; 59:2, 11; 60:20; 62:15; 63:16, 18; 65:18; 66:4; 70:14; 76:3, 5	push [3] 16:5; 87:2, 4	reacting [1] 37:12
port [1] 76:21	pressures [1] 31:10	project [3] 16:12; 46:5; 63:19	pushing [2] 36:14; 55:5	reaction [1] 37:16
portion [3] 25:13; 31:13; 46:18	pretend [2] 24:15, 19	projected [1] 69:14	putting [3] 25:12; 46:6; 61:7	read [5] 56:3; 57:17; 62:4; 92:16; 96:15
ports [2] 49:15; 64:6	pretty [6] 6:20; 43:12; 56:9; 58:13; 81:2; 87:4	promise [3] 22:11; 48:3; 90:16	puzzle [1] 42:19	reading [2] 51:8; 65:11
position [13] 18:19, 22; 33:1, 15; 35:12; 37:16; 55:20; 67:15; 76:8; 91:2; 95:1; 102:9	prevail [1] 80:21	promises [1] 89:14	quality [4] 18:5; 19:20; 55:3; 99:10	reaffirmation [1] 101:12
positions [2] 54:13; 102:10	previous [2] 76:21; 86:18	promising [1] 26:14	quarters [1] 46:16	reaffirmed [1] 103:12
positive [1] 78:19	princeton [1] 2:17	pronounce [1] 52:22	question [10] 12:8; 18:2; 21:2; 22:20; 23:7; 32:13; 52:3; 83:17; 84:22; 90:22	real [5] 5:21; 24:20; 58:4; 83:6; 91:20
possibility [2] 4:8; 81:8	principally [1] 11:1	propensity [1] 52:22	questions [6] 17:20; 18:17; 25:19; 57:11; 61:5; 83:14	realities [2] 9:12; 15:10
post [1] 67:8	principals [1] 102:5	proposal [3] 14:20; 74:3; 90:2	quick [2] 45:11; 90:22	reality [3] 34:15; 78:10; 94:3
postal [2] 9:22; 67:20	priorities [6] 33:20; 45:7, 12; 55:2; 70:7; 80:22	proposals [1] 22:8	quickly [1] 65:15	realization [2] 5:20; 17:2
potential [1] 65:8	priority [5] 8:5; 9:14; 69:22; 70:3; 101:9	propose [3] 6:5; 42:10; 48:5	quote [1] 42:2	realize [3] 56:11, 22; 99:2
poverty [1] 7:17	private [2] 27:7; 95:19	proposed [5] 8:21; 45:20; 70:11; 75:13; 89:19	quotes [1] 56:3	reason [5] 7:10; 53:1; 64:15; 70:17; 86:3
power [4] 56:12, 13; 57:15, 16	privileged [2]	proposes [1] 71:22	race [1] 56:18	reasons [1] 54:2
powerful [3] 12:19; 19:17, 19		prospectively [2] 97:20, 22	radically [1] 13:18	reauthorization [5] 8:4; 9:4; 27:16; 77:6; 101:10
predict [1] 30:13		prospects [1] 103:11	radio [1] 40:22	rebuild [2] 12:3
predictability [1] 41:4		protect [3] 10:20; 55:5; 94:3	rain [1] 40:10	recall [1] 81:3
		protecting [1] 9:15	raise [5] 33:14; 73:13; 96:18, 19, 20	receive [2] 12:8; 96:3
		protection [1]		recent [1] 40:20
				recently [3] 29:4; 51:8; 86:18
				recession [2] 32:19; 43:2
				reclamation [1] 103:16

- Q -

- R -

recognition [1] 22:11	7:1, 9; 19:4; 91:1	48:18	35:21; 38:21; 48:1; 59:20; 65:16; 66:5; 86:12; 90:11	scored [1] 38:20
recognize [5] 2:14; 12:2; 14:1; 28:7; 29:11	remember [2] 26:20; 87:18	resources [8] 30:14; 39:22; 84:20; 102:1, 8, 21; 103:2, 22	risk [1] 20:1	scores [1] 84:8
recognized [1] 101:7	remind [3] 5:3; 17:1; 39:5	respect [10] 3:21; 18:20; 43:18, 22; 44:1, 10; 45:8; 49:21; 51:5; 99:20	risks [1] 99:3	screeching [1] 9:22
recognizing [1] 17:8	reminded [2] 4:20; 52:21	respected [1] 18:10	road [1] 77:17	scrimp [2] 50:3; 83:1
recommend [2] 62:14; 102:7	remit [1] 51:1	respectful [1] 45:15	roads [1] 51:2	second [16] 3:5; 7:5; 8:15; 39:19; 43:2, 19; 48:3; 67:8; 101:15, 16; 102:13; 103:9; 104:8, 9; 105:8, 9
recommendations [1] 104:7	remote [1] 50:7	respectfully [1] 41:9	rock [1] 75:22	secondary [1] 58:19
recommended [1] 103:14	removes [1] 73:16	respirator [1] 3:11	role [7] 3:9; 10:12, 14, 15; 54:18	secondly [1] 70:5
recommending [1] 104:2	rendell [4] 27:11, 13; 38:18; 99:5	respond [4] 10:18; 11:16; 49:11; 76:14	roles [1] 15:7	secretary [3] 10:13; 61:2; 103:8
reconciliation [1] 64:17	renewable [1] 47:9	responder [2] 33:9; 75:17	rolls [3] 95:15; 96:4; 98:2	section [1] 104:2
record [1] 88:1	replace [1] 79:16	responders [8] 10:18; 29:10, 20; 30:18; 32:7; 49:2, 10; 75:11	ronnie [1] 22:18	sector [2] 27:7; 95:19
recover [2] 41:2, 7	reported [1] 69:10	responds [1] 44:16	room [5] 5:5; 14:6; 24:22; 64:1; 78:15	security [26] 13:7, 12; 15:8; 21:10, 11; 29:6; 30:13; 33:10; 34:9; 42:1; 48:21; 49:21; 50:1, 4; 57:4; 63:22; 64:3, 5, 10; 70:8; 72:21; 75:20; 76:6, 16, 20, 21
recovery [1] 6:13	represent [1] 6:20	response [9] 7:5; 12:5; 35:7; 37:3; 14; 101:20; 102:18; 104:13; 105:13	rose [1] 48:13	seize [1] 80:21
reduce [3] 5:10; 74:21; 91:3	representative [13] 36:15; 55:11; 68:11, 21; 83:18, 19; 85:9; 88:21; 91:8; 94:9; 96:12; 97:3; 98:18	responsibilities [2] 6:17; 70:12	round [1] 19:8	select [1] 55:1
reduced [1] 42:13	representatives [6] 54:12; 55:16; 64:19; 65:17; 67:11; 83:16	responsibility [9] 11:7, 8; 20:14; 27:9; 69:3; 77:19; 81:6; 82:19; 91:10	running [1] 79:11	sell [1] 46:10
reducing [1] 5:11	represented [2] 51:11, 22	responsible [1] 72:6	rural [1] 82:1	sellers [2] 50:19, 20
reduction [1] 96:8	representing [2] 54:10; 67:12	rest [3] 55:19; 73:16; 95:17	ruth [1] 61:1	senate [30] 2:8; 3:22; 4:6; 5:3, 5; 6:1, 9; 7:4; 8:2; 9:14, 21; 10:1; 12:10; 17:7; 23:18; 28:18; 38:4, 12; 39:10, 19, 21; 46:3; 51:7; 61:20; 65:22; 68:2; 71:1; 81:18; 86:21; 87:15
reflected [1] 17:4	republic [1] 70:20	restore [1] 46:9	sa [2] 44:16; 92:11	senator [44] 2:14, 20; 3:5, 14; 4:3; 17:22; 18:16; 19:9; 21:6; 22:14, 16, 19; 23:3, 13; 24:8; 25:18; 26:10; 27:13; 28:16; 29:3, 21; 31:17; 35:11; 36:13, 18, 20; 39:7, 16, 18; 40:1, 5, 7, 13; 44:22; 45:4; 46:13; 52:16; 61:15; 68:18; 73:19; 78:21, 22; 79:1, 6
reform [23] 8:3; 9:9; 19:1, 5, 6; 23:6, 16; 24:1; 28:6; 38:8; 54:21; 77:6; 78:20; 80:4, 14; 82:8, 17, 18; 92:20, 21; 93:5, 8; 102:5	republican [7] 24:11; 71:3, 20; 82:1; 86:2; 87:4; 93:12	restored [1] 46:7	saddam [1] 14:3	senator's [1] 3:2
refused [1] 75:18	republicans [5] 41:18; 81:12, 19; 86:22; 93:1	restrict [1] 70:7	safety [1] 76:3	senators [2] 28:21; 41:19
regard [1] 26:3	reputation [1] 3:15	result [3] 42:14; 43:5; 62:12	sake [1] 101:3	sending [1] 91:6
region [2] 32:1; 47:20	request [1] 27:14	revenue [2] 50:8; 91:18	sale [1] 50:22	senior [3] 48:11, 15; 67:18
registration [1] 79:17	require [1] 11:5	revenues [3] 96:20; 97:20; 103:17	sales [1] 50:7	seniors [12] 91:6
reinvent [1] 98:19	required [2] 30:8; 88:8	reviewed [1] 103:9	sat [2] 82:4; 84:8	
relate [2] 35:16; 57:14	requirement [3] 27:18; 28:1, 11	rewarding [1] 55:20	save [1] 72:11	
related [3] 29:6; 35:15; 82:21	requirements [5] 8:16, 17; 90:2, 3	rhetoric [1] 77:15	saying [6] 24:8; 37:10; 50:20; 78:8; 81:2; 96:13	
relates [2] 12:7; 57:3	requires [3] 39:2; 79:19; 104:4	richardson [1] 55:22	scalpel [1] 3:11	
relatively [2] 43:8; 100:20	research [1] 55:3	richest [5] 75:1; 82:10, 11; 83:2; 91:12	scandals [1] 43:7	
released [1] 11:20	resisted [1] 28:13	ridge [1] 10:13	scare [1] 21:17	
relevance [1] 55:3	resolution [7] 64:12, 15; 65:13; 70:19, 21, 22; 102:4	rieber [2] 36:13, 15	school [4] 33:8; 46:8; 47:18, 19	
relief [2] 72:15; 81:9	resolutions [2] 56:6; 57:17	right [14] 8:12; 20:9; 21:19; 22:10; 30:21; 32:6;	schools [2] 5:13; 51:2	
remain [1] 10:11	resolve [1]		science [2] 13:20; 39:21	
remaining [1] 97:1				
remarks [4]				

- S -

12:20; 13:1, 7, 13; 16:4; 20:18; 21:4, 18, 19; 25:6, 9; 48:19	57:7	89:18	10, 19; 66:14; 68:2; 69:9, 10, 11; 73:10, 20; 75:11; 77:5, 18; 79:22; 80:21; 81:21, 22; 84:6, 11, 13; 87:14; 88:10; 92:1, 4, 19; 95:4, 10, 20	strongest [1] 81:18
sense [7] 32:17; 45:21; 46:1; 47:11; 53:7; 62:10; 91:10	sick [1] 3:4	somewhere [2] 15:17; 49:5	states [67] 3:9; 4:6; 5:3, 5, 21; 6:1, 8, 21; 7:4; 8:2, 13; 9:7, 13; 10:15; 12:10; 14:21; 17:7; 21:6; 24:6; 28:18; 29:10; 34:22; 35:3, 4, 21; 36:8; 39:4, 10; 42:13; 44:12; 45:9; 50:9, 10; 51:3; 55:6; 56:11, 13; 57:13, 22; 58:12, 15; 61:17; 63:15; 67:11; 69:15, 19; 70:9, 12; 72:16, 20; 73:1, 3, 5, 7; 80:19; 81:9; 89:15, 17; 90:2, 14, 16; 91:18, 20; 93:13; 94:8; 98:12; 99:19	struggle [2] 16:20; 100:2
september [3] 11:9; 43:3; 86:16	sides [3] 3:17; 18:10; 68:14	sophomore [1] 46:8	static [1] 69:20	struggling [1] 41:22
series [1] 96:19	signed [8] 11:22; 29:4; 30:20; 35:5; 37:2; 42:22; 77:14; 92:22	sorry [1] 23:7	statute [2] 59:4, 18	students [2] 84:13, 15
serious [4] 28:2; 42:5; 48:22; 49:4	significant [8] 43:6; 48:8, 17; 52:12; 59:12; 60:11; 64:14; 81:9	sort [10] 21:5; 27:2; 34:7; 39:9; 56:15, 19; 59:10, 16; 63:14; 65:1	stay [5] 52:18; 66:8; 67:4; 83:13; 90:20	studies [1] 84:16
servants [1] 4:15	signing [1] 78:9	sorts [1] 44:20	steny [4] 38:4; 67:7; 84:2; 86:22	study [1] 23:21
serve [4] 14:18; 47:2; 52:13; 55:5	single [3] 10:5; 41:6; 66:1	sources [1] 47:9	step [3] 22:6; 37:11, 19	studying [1] 55:4
served [6] 18:9; 53:20; 54:5, 8, 15; 81:21	sir [2] 98:11, 15	speaker [1] 39:17	steps [1] 4:19	stuff [1] 55:13
services [2] 45:16; 67:20	sit [2] 38:11; 99:19	speakers [2] 76:22; 102:3	stimulus [6] 43:19; 44:2, 7, 15; 71:12; 72:11	sub-segment [1] 30:17
service [8] 2:19; 7:16; 9:22; 16:18; 17:2; 19:14; 52:14; 67:21	sits [1] 4:22	special [5] 2:15; 5:8; 23:10; 33:8; 44:14	stock [1] 43:4	submitted [1] 78:7
services [6] 54:22; 63:11; 67:22; 76:9, 11; 89:17	sitting [3] 5:1; 62:9	specific [5] 8:17, 22; 15:2, 12; 25:3	stop [1] 17:18	submitting [1] 78:7
session [9] 1:4, 16; 2:4; 18:3; 23:10; 38:7, 12; 66:5; 100:14	situation [1] 65:8	specifically [2] 14:17; 29:18	stops [2] 69:7, 8	subsequent [1] 43:3
sets [1] 85:15	situations [1] 76:14	speech [1] 68:12	storm [1] 69:20	subsidies [1] 70:13
settle [1] 14:8	six [9] 33:4; 38:8; 39:19; 49:22; 58:10, 16; 86:6; 87:7; 101:11	spend [3] 8:14; 25:7; 91:15	story [3] 3:2; 41:6, 10	substantially [1] 90:3
seven [7] 12:17; 20:16; 22:12; 33:4; 87:7; 92:12; 100:9	size [1] 74:21	spending [5] 58:11; 60:10; 70:15; 74:21; 95:8	straighten [1] 8:16	substantial [8] 11:5; 46:18; 50:8, 14; 59:8; 60:16; 74:5; 90:7
severely [2] 70:6, 9	sizes [1] 84:9	spends [1] 71:21	straightjacket [1] 74:22	substitutes [1] 102:10
shape [1] 14:19	skimp [1] 76:16	spent [4] 28:9; 36:21; 49:2; 53:18	strained [1] 6:15	succeed [1] 40:19
share [3] 4:5; 50:2; 72:18	sky [1] 97:8	spread [3] 94:1, 18; 96:22	strategy [1] 67:14	success [6] 9:8; 23:16; 28:6; 31:20, 21; 40:10
sharing [3] 23:14; 72:17; 91:18	slate [1] 26:13	squeeze [2] 70:15; 74:20	street [1] 50:21	successful [4] 3:3; 9:10; 28:15; 100:21
sharp [1] 73:4	slightly [1] 94:4	squirrel [1] 41:12	stretch [1] 12:11	successfully [1] 28:8
shelf [1] 103:17	slowed [1] 31:4	staff [2] 6:3; 11:10	strings [1] 31:6	sufficient [1] 42:22
shift [1] 70:11	smooth [1] 37:13	staffs [1] 77:8	strong [4] 5:4; 9:1, 6; 11:8	suggest [1] 45:7
shifting [2] 14:10; 81:6	so-called [1] 87:17	stand [1] 81:12		suggested [1] 43:9
short-term [1] 17:9	social [4] 21:10, 11; 34:9; 42:1	standard [4] 27:6; 44:20; 45:8; 82:14		sum [2] 97:2, 12
shortfall [1] 69:16	sold [1] 35:22	standards [5] 61:6; 84:13; 87:21; 88:6; 89:20		summer [1] 69:17
shortfalls [2] 69:12, 14	sole [1] 54:11	start [9] 26:13; 39:10; 63:5; 64:19; 65:16; 70:13; 78:13, 14; 86:15		sums [1] 90:7
shorthand [1] 92:16	solution [1] 99:20	started [1] 54:7		sunday [1] 103:2
show [1] 79:11	solutions [4] 5:22; 6:4; 61:19; 82:9	starting [1] 86:14		super [1] 103:15
showing [1]	solve [3] 82:12, 14; 83:3	state [43] 3:17; 4:1, 17; 10:14; 11:8; 13:3; 22:22; 24:14; 26:2, 6; 40:3; 44:9; 49:14; 51:6; 54:8,		supplemental [4] 29:13; 30:7, 9; 75:15

supply [1] 46:21	59:10	66:3, 12, 15; 74:3; 87:10; 88:14; 90:2; 98:22	10:13; 62:5	trained [1] 32:7
support [3] 33:13; 43:20; 48:11	target [2] 22:7; 59:17	terrible [1] 96:16	thoughtful [1] 54:15	training [1] 49:10
supported [5] 23:21; 42:21; 75:14; 77:12; 78:19	targeted [1] 37:7	terrorism [9] 6:12; 9:17; 14:1; 31:18; 34:17; 43:3; 57:3; 73:18; 75:21	thoughts [2] 4:5; 86:11	trains [1] 64:5
supporters [1] 81:18	task [3] 38:9, 12; 102:6	terrorist [2] 10:3, 5	thousands [4] 10:7, 8; 13:11	tranche [2] 11:20; 31:2
supporting [1] 12:22	tax [21] 40:3; 42:10, 13, 14, 21; 50:9, 13; 51:1; 64:19; 70:6; 72:2; 73:9, 12, 16; 76:17; 97:10, 11, 15	terrorists [2] 10:6, 10	three [13] 7:1, 2, 13; 30:19; 45:11; 46:15; 57:7; 69:17; 71:15; 74:16; 92:13; 105:18	transition [2] 28:8; 47:6
surely [1] 35:15	taxation [1] 44:6	terry [1] 87:22	throw [1] 39:1	transitioning [1] 28:2
surgeon [2] 3:4, 10	taxes [7] 5:10; 33:15; 91:15; 96:17, 18, 19; 97:21	testing [5] 61:7; 84:15; 88:6; 89:19, 20	thursday [3] 11:22; 35:5; 37:3	transmission [1] 104:3
surgeon's [2] 19:13, 17	taxing [1] 50:7	thank [36] 2:13; 4:3; 17:19, 22; 18:16; 23:14; 25:18; 28:16; 29:3; 35:11; 36:18; 39:7, 13, 16; 40:7; 52:13, 16; 53:10; 55:11; 66:21; 67:1; 68:9, 11, 15; 83:8, 10, 15; 85:9; 98:15, 18; 100:4, 6; 101:8; 102:22; 105:20	tidal [2] 12:18; 14:7	transportation [1] 39:22
surgery [1] 3:12	teachers [1] 84:14	thanks [1] 105:15	tie [1] 3:1	traveled [1] 51:9
surplus [3] 74:17, 18; 97:6	teams [1] 75:12	that'll [1] 29:13	ties [1] 5:4	traveling [1] 12:16
surrounding [3] 9:17; 36:19; 103:10	tech [1] 43:5	then-chairman [1] 89:20	tight [1] 75:8	treasury [1] 67:20
survey [1] 69:10	teens [1] 57:6	theory [1] 97:22	timely [1] 30:4	treatment [1] 10:9
sustain [1] 12:3	teeth [1] 40:21	there'll [1] 61:10	timeline [1] 64:13	tree [1] 41:12
sustained [1] 5:15	television [1] 40:22	there's [26] 10:12, 14, 15; 11:7; 15:12; 37:5; 38:22; 41:10; 51:18, 20; 52:22; 56:18, 22; 57:20; 59:7; 63:14; 64:2, 5; 65:3; 75:9; 81:8; 86:17; 88:16; 91:10; 101:12	times [3] 42:15, 16; 98:20	tremendous [5] 15:19; 18:7; 25:21; 56:12; 80:19
sweetener [1] 19:6	telling [1] 51:4	thereafter [1] 43:1	timing [2] 40:11, 14	trillion [4] 25:7, 10; 42:21; 97:6
system [13] 10:22; 12:16; 14:15; 20:19, 21; 24:15; 27:2; 74:1; 80:3, 16; 84:7; 90:10	tells [1] 92:5	thereby [1] 73:14	title [3] 12:18; 60:21; 86:8	troubled [1] 46:18
systems [3] 21:14; 22:6; 35:19	template [1] 47:18	they'll [1] 52:18	tom [1] 4:19	true [4] 40:14; 42:8; 56:5; 86:22
- T -	templates [1] 47:22	they're [13] 25:6; 30:8; 41:15; 57:7; 62:18, 19; 84:19; 86:14; 87:5; 92:6, 8; 95:12	tonight [1] 46:20	truly [2] 28:14; 34:14
t21 [1] 101:10	temporarily [1] 7:22	they've [2] 35:2; 60:9	tool [2] 38:20; 95:19	trust [3] 20:19; 42:1, 3
table [10] 14:20; 19:22; 22:9; 31:3; 38:16, 19; 63:13; 75:5, 13; 92:11	temporary [3] 44:3, 4, 5	thinking [1] 59:19	topics [1] 67:2	tuesday [2] 1:13, 17
takes [4] 12:2; 21:14; 25:12; 39:1	ten [16] 11:10; 25:8; 37:21; 46:3; 47:6; 57:19; 60:1; 62:8; 72:2, 4, 7, 19; 81:19; 84:8; 97:7; 102:9	thinner [1] 94:18	tornado [1] 36:7	turkey [7] 44:18, 19; 45:1, 5, 8; 82:13, 14
talent [1] 51:22	ten-year [1] 92:14	third [5] 7:6; 8:21; 11:11; 12:6;	total [2] 60:7; 71:18	twice [1] 71:21
talk [12] 21:3; 32:17; 33:2; 34:9; 35:1; 45:8; 68:6; 78:13; 81:13; 87:11; 88:14	tend [1] 73:21	thomas [2] 51:19; 64:20	touch [5] 12:7; 25:19; 59:14; 61:8; 66:8	two-year [1] 73:22
talked [7] 6:10; 14:16; 31:19; 34:7; 89:5; 96:14; 100:11	tended [1] 90:5	thompson [2]	touched [2] 7:2; 65:18	type [2] 43:20; 56:18
talking [17] 45:13; 50:18; 56:4, 14, 20; 58:6; 60:12; 73:11; 78:8; 88:15; 93:21; 96:5, 17; 97:21; 98:5; 99:5	tennessee [4] 2:11; 3:15; 4:1; 15:2		touches [1] 36:8	- U -
talks [1] 67:6	tens [2] 82:5		touching [1] 7:6	u.s. [6] 39:19, 20; 51:7; 103:7
tanf [2] 8:11; 27:16	term [13] 20:4, 15; 21:3; 22:3; 34:15; 37:18; 39:19; 54:10; 67:10; 92:9; 99:20		tough [3] 43:12; 96:15; 97:3	ultimately [1] 90:4
tangled [1]	terms [27] 4:7; 7:7; 11:18, 19; 13:19; 16:22; 35:3; 37:7, 8, 17; 39:20; 54:9; 57:22; 58:7, 18; 62:1; 63:21; 65:4, 5;		tougher [1] 42:16	unable [1] 75:2

83:19; 92:12; 96:13;
104:17
understandable [1]
74:1
understanding [2]
40:4; 104:21
understands [1]
88:5
understates [1]
9:9
understood [1]
85:13
undertake [1]
100:2
unforeseen [1]
43:11
unfunded [7]
38:17, 22; 39:4; 79:8;
81:5; 82:19; 87:17
unique [1]
40:3
unite [1]
21:5
united [24]
4:6; 5:2, 4, 22; 6:8, 21;
7:4; 8:2; 9:13; 12:9;
14:21; 17:6; 28:18;
34:22; 35:4; 39:10;
55:5; 56:13; 57:13;
58:12, 15; 61:17;
67:11; 99:19
unity [1]
67:14
universality [2]
2:17; 83:20
unlikely [1]
57:20
unmet [2]
72:21; 73:1
unprecedented [2]
12:14; 40:18
unprepared [2]
10:11; 32:4
unquote [1]
42:3
unreal [1]
83:6
unrelated [1]
20:3
unusual [1]
58:13
unveiled [1]
71:11
unwilling [1]
100:2
updated [1]
69:12
upgrading [1]
80:2
urban [1]
81:22
urge [3]
80:7, 20; 83:6
urgent [1]
72:21
utah [2]
29:2; 96:16
utmost [1]
18:9

- V -

value [1]
30:6
variety [2]
57:6; 68:6
version [3]
8:14; 13:14; 58:21
versus [2]
82:1
vice [2]
103:1; 105:16
view [3]
62:11; 74:8; 99:4
viewed [1]
13:5
vilsack [4]
83:14, 15; 84:1, 4
vilsak [1]
55:17
virtually [1]
69:9
visions [1]
77:21
vital [2]
70:7; 105:19
vitality [1]
56:21
voices [4]
101:16; 102:14; 104:9;
105:9
voluntary [1]
89:19
vote [3]
39:2; 80:1, 6
voted [3]
82:17; 92:20; 93:1
vulnerable [1]
20:11

- W -

wage [1]
28:4
walk [1]
4:22
wanted [2]
82:7; 88:21
wants [2]
39:3; 96:18
war [15]
6:11; 12:15; 14:1;
31:18; 34:17; 41:1;
43:3, 16; 57:3, 9, 13;
65:7, 8; 73:18; 75:21
washington [11]
1:11, 18; 3:14; 9:20;
51:20; 54:17; 72:9;
78:1; 81:2, 16; 98:6
watch [1]
39:9
water [1]
36:4
wave [3]
12:18; 14:7
ways [5]
7:19; 32:10; 48:17;
64:21; 93:14
we'd [1]
39:5
we'll [10]
2:6; 8:15; 30:12; 38:5;
60:3; 64:22; 71:1;

94:18; 101:5; 105:1
we're [58]
2:9; 6:7, 20; 16:3; 24:4,
16; 27:22; 28:2, 9;
30:6; 32:8; 33:15;
35:19; 37:16, 17; 38:2;
46:5; 50:18, 20; 52:10;
56:20, 21; 57:12; 59:13;
14; 60:12; 62:12; 63:5,
21; 69:18; 70:10; 76:9;
77:3; 78:12; 79:15, 19;
81:2; 82:13; 86:12;
89:7; 93:3, 4, 19, 21;
95:8, 9, 21; 96:5, 9, 10,
13; 97:7, 16, 18, 19;
98:14; 99:9; 100:5
we've [25]
13:15, 17, 18, 19; 15:8;
31:19; 32:20; 34:3;
35:22; 36:7, 12, 21;
58:11; 61:20; 71:2;
75:7; 76:4; 80:14;
84:13, 15; 93:22;
97:10; 100:11; 105:8
week [3]
27:21; 40:20; 66:6
weekend [1]
2:15
weeks [6]
6:9; 7:3; 59:10; 64:20,
22; 65:15
welcome [3]
2:4; 53:19, 20
welcoming [1]
55:6
welfare [23]
7:4, 15, 16, 21; 8:2, 3,
20; 9:4, 8, 10; 23:16;
28:3, 4, 6, 15; 66:12;
77:6; 82:17, 18; 92:20,
21; 93:5, 8
well-equipped [1]
10:17
well-guarded [1]
64:7
well-prepared [1]
11:15
well-trained [1]
49:6
weren't [1]
93:16
western [4]
35:16, 21; 36:8, 10
what's [2]
52:9; 57:4
whatsoever [1]
26:21
wheel [1]
98:20
wheels [1]
49:18
whereupon [1]
105:22
whip [2]
67:7, 13
white [3]
45:20; 52:6; 79:6
who's [2]
49:6; 66:2
willing [5]
68:5; 84:19; 90:12;

99:11, 22
willingness [1]
3:16
wilson [1]
2:18
winch [1]
49:17
winter [3]
1:3; 2:5; 68:7
wise [3]
102:20, 22; 104:21
wish [1]
52:14
wished [1]
24:12
witnessed [1]
75:7
women [1]
52:6
won [1]
32:1
won't [2]
7:7; 49:5
wonderful [2]
13:9, 12
wondering [2]
29:15; 104:18
woodrow [1]
2:18
word [1]
53:7
words [3]
20:7; 71:13; 78:4
work [31]
3:16; 4:8; 7:21; 8:15,
16, 17, 20; 12:21;
23:21; 27:3, 18; 28:3,
10, 15; 35:13; 44:17;
47:16, 20; 48:6, 16;
53:17; 62:13; 64:9;
66:8; 68:16; 70:4; 79:3;
87:22; 93:11; 105:1, 17
worked [5]
51:6; 62:21; 78:22;
79:21; 81:3
workers [3]
12:22; 13:1; 20:18
working [24]
3:4, 6, 17, 18; 5:10, 11,
21; 9:11; 14:19; 15:1;
16:1, 15; 17:7; 24:10;
38:12, 16; 50:6, 11;
51:13; 60:22; 79:15;
80:8, 16; 94:1
works [5]
20:20; 27:2; 41:21;
78:16
world [7]
12:15; 41:12, 13, 14;
46:19; 53:2; 98:14
worry [1]
19:1
worse [1]
73:6
worst [1]
74:7
write [2]
51:11, 14
wrong [1]
94:17
wyoming [1]

103:21

- Y -

year [24]
4:14; 10:8; 16:12; 42:5;
58:13, 22; 59:6, 9, 21;
61:22; 64:15; 71:4, 15;
72:17; 74:1, 17; 75:10;
79:13; 81:10; 86:6, 19;
100:21; 105:2
years [46]
5:14; 6:2; 11:3; 12:11,
12, 17, 21; 13:4, 14,
17; 17:17; 19:13;
20:16, 20; 21:20;
22:12; 25:8; 34:2, 3;
37:20, 21; 46:4, 9;
47:7; 51:6; 53:21;
57:20; 58:10, 16;
59:22; 60:1; 62:8;
68:17; 71:15; 72:8;
74:16, 18; 80:7; 84:16;
86:6, 18; 92:12, 13;
97:7
yesterday [9]
7:7, 9; 14:16; 15:22;
23:20; 29:5; 38:7;
44:18; 47:1
york [3]
9:20; 47:18; 93:17
you'd [1]
32:8
you'll [1]
21:3
you've [15]
6:7, 10; 7:2; 22:16;
31:19; 33:11; 56:3, 4,
14; 57:17; 62:16; 67:2;
83:7; 87:21
young [1]
46:8
yourself [2]
97:9; 100:15

- Z -

zero [2]
75:14; 92:15
zone [1]
103:15