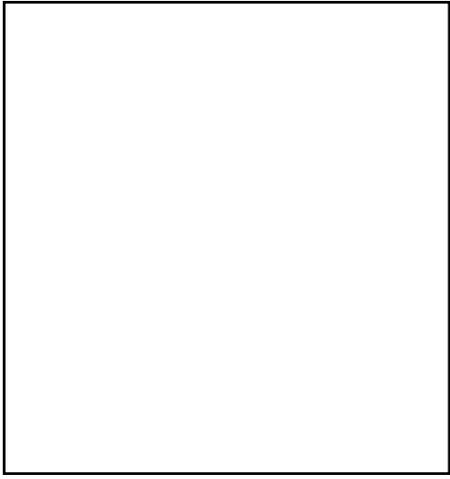


congressman

**PETE
STARK**

**13th District
107th Congress**

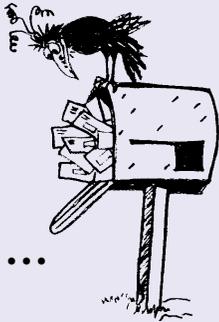
UPDATE



WASHINGTON, D.C.

AUGUST 2001

from
the
mailbag ...



Dear Pete,

I am retired and don't owe federal income taxes. Will I get a rebate?

Paul, Fremont

Dear Paul,

No, I am sorry to report.

Dear Pete,

Please oppose the administration's "gag" rule on international family planning.

Michelle, San Leandro

Dear Michelle,

I do oppose the gag rule.

Dear Pete,

Drilling for oil in the ANWR will not solve our energy problems.

Jeff, Union City

Dear Jeff,

Agreed. See the page 4 story.

Dear Pete,

Cosponsor the End of Racial Profiling Act.

Peter, Hayward

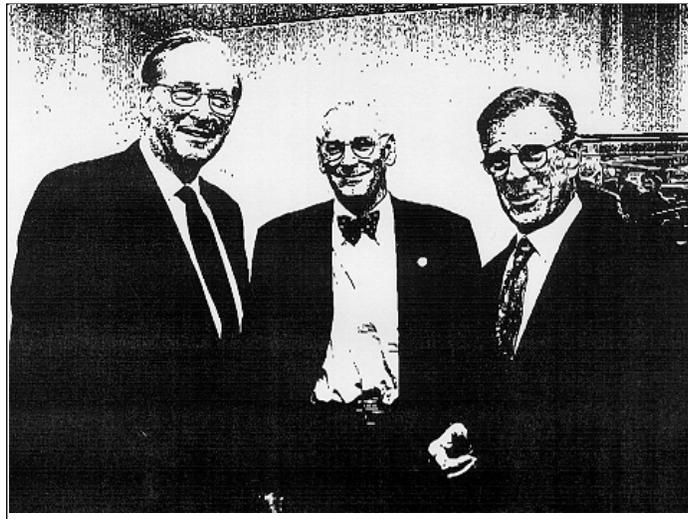
Dear Peter,

I oppose profiling and support this measure.

Stark Introduces MediKids Bill to Guarantee Health Coverage for All Children

I recently introduced the MediKids Health Insurance Act along with Senator Jay Rockefeller. MediKids would provide health insurance to each and every child in America through a new Medicare-like national program with benefits tailored toward children. The American Academy of Pediatrics and the Children's Defense Fund, among other groups, actively support this legislation.

Maintaining the health of children is integral to the future of our society, and children are the least expensive segment of our population to insure. Despite recent efforts to enroll children in the State



Rep. Pete Stark, Senator Jay Rockefeller, and Dr. Steve Berman, the President of the American Academy of Pediatrics discuss the need for MediKids legislation.

Children's Health Insurance Program (called Healthy Families in California), there are still some 17,000 uninsured children in the 13th Congressional District alone and over 10 million uninsured children in the United States. Clearly, we can and should do more to ensure the health and well-being of our nation's children.

If enacted, MediKids would provide health insurance for all children in the U.S. regardless of family income. Children would be automatically enrolled at birth, with no complicated paperwork or re-determination hoops to jump through. Children who immigrate to this country would be eligible and automatically enrolled when they file for their immigration cards. Parents who have other coverage for their children—employer sponsored, Medicaid or whatever—could maintain that coverage. But, if something happened and that coverage became unavailable, MediKids would be there.

The MediKids program would be paid for as Medicare Part B is financed today. Families would pay a premium equal to 25% of

Continued on page 2.

The House Passes Major Education Legislation—Stark Votes YES



The House of Representatives recently approved H.R. 1, “the No Child Left Behind Act of 2001,” which reauthorizes the Elementary and Secondary Education Act. The Senate passed similar legislation and the differences between the two bills will be resolved in a legislative conference. If enacted and fully funded, this bill would improve our public school system by making students a priority, providing school accountability and giving financial resources to train and recruit quality teachers.

H.R. 1 authorizes \$5.5 billion next year for public school education. It maintains our nation’s commitment to education programs for

disadvantaged students, after-school programs and school safety programs.

The bill’s requirement that states develop new educational standards and standardized tests will enable parents to measure the quality of education that their school system

is providing. The federal government will provide funds to develop the tests and give states the flexibility to design them.

The bill will also authorize almost \$2 billion in new resources to improve teacher quality through training, recruitment and class size reduction.

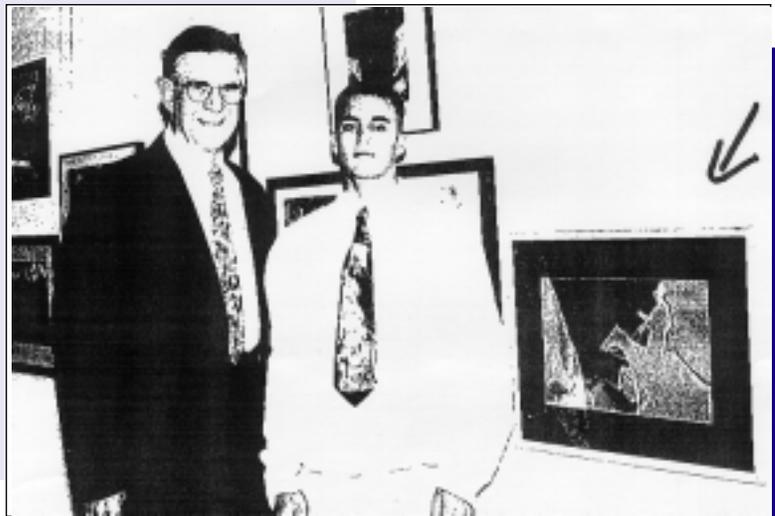
If enacted and fully funded, this bill would improve our public school system. . .

Congress defeated amendments that would have created school vouchers in the bill and diverted resources from our already under-funded public schools.

As an authorizing bill, H.R. 1 designs the programs for federal education support to local school systems. Now Congress must fund these programs in the annual appropriation process. I am concerned that the huge tax cut just enacted will make it difficult to provide the federal funding necessary for these programs to be fully effective. I will work hard to ensure that Congress appropriates the necessary funds to support local communities as they strive to improve the quality of education.

Congressional Art Competition Winner

Rep. Pete Stark welcomes San Leandro High School student Darek Correo, winner of the 13th Congressional District High School Art Competition. His colored pencil drawing "Sunset" is being displayed in the U.S. Capitol for one year along with other winning entries from across the country as part of a program to recognize the artistic talents of young Americans.



Health Coverage for All Children, continued from page 1.

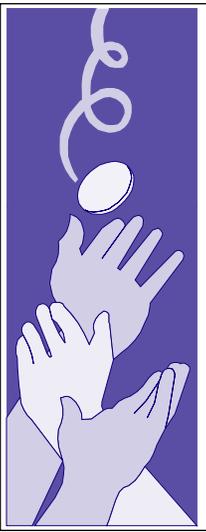
the value of the program, while the rest of the costs would be paid for with general federal revenues. Premiums would be collected each year when parents file their tax returns, and a generous low-income subsidy would be available. It would phase out at 300% of poverty, which is about \$45,000 for a parent with two children.

The current patchwork of local, state, and federal health insur-

ance programs leaves holes in the health safety net for children. In some families, each child may be in a different program with different eligibility criteria, different physicians, and different co-insurance rates. Or even worse, some children may be covered while others are not. The MediKids program would cover every child. If a family moved, coverage would automatically follow the children across state

lines. If the parents changed or lost their jobs, MediKids would still be there for them. And, kids would no longer get caught without health insurance coverage if their parents are climbing out of welfare.

It’s time we make this investment in the future of America by guaranteeing to all children the health coverage they need to make a healthy start in life.



Many Tax Changes Phase-In Slowly and Won't Ever Reach Millions of Working Families

Now that President Bush's tax proposal is law, I would like to review for you what the changes are and when those changes are scheduled to occur.

One of the most publicized aspects of the tax cut is the tax rebate. This year, many couples will get \$600, many single parents will get \$500 and many single taxpayers will get \$300. Rebate checks will be mailed during the summer, but not to all taxpayers! Thirty-four million American taxpayers—26 percent—will get no rebate check at all. An additional 17 million taxpayers—13 percent—will get partial rebates, averaging about half the amounts stated above. In California, almost 4 million taxpayers will not get a rebate check, and 2 million more will receive only a partial rebate. If your tax deductions and credits completely offset your federal income tax liability, you will not get a refund.

Couples anticipating relief from the marriage penalty tax won't see any change until 2005 when the relief begins to phase-in. Also, the standard deduction for mar-

ried couples will not double the deduction for single taxpayers for 8 years—until 2009.

The child tax credit, currently \$500, is increased by \$100 this year. This credit increases another \$100 in 2005 and then is fully phased-in at \$1,000 in 2010. The new higher IRA contribution limit increases from \$2,000 to \$5,000 in 2008. The estate tax is fully repealed (for one year only) in 2010. These delayed provisions mean that many families won't see much of the promised tax relief for years.

Delayed effective dates are not the only problem with the law. The alternative minimum tax (AMT) will prevent many families from ever getting the promised relief by wiping out certain deductions and tax credits.

The cost of the tax cut was shaved by half a trillion dollars with the use of legislative gimmicks: terminating the tax cuts before the end of the budget period; failing to extend popular current-law tax breaks; and failing to correct the

AMT glitch which takes back some of the promised tax cuts. I question whether these "savings" will last. When taxpayers see what they actually get in relief, they will likely push for more changes to get the benefits they were promised.

This tax cut is bad news for the Social Security and Medicare trust funds. The total revenue effect of fulfilling the promised tax relief is \$2.26 trillion, according to the Republican Congressional revenue estimator. These figures show that Congress will have to dip into the Medicare surplus for each fiscal year between 2002 and 2009 to balance the federal budget.

I voted against the tax cut because I think it is a bad deal for most Americans. Spending the Social Security and Medicare trust funds is the wrong way to pay for a tax cut. Under this change in law, the tax benefits for the wealthiest Americans will be offset by losses to Medicare and Social Security in future years.

Thirty-four million American taxpayers—26%—will get no rebate check at all.

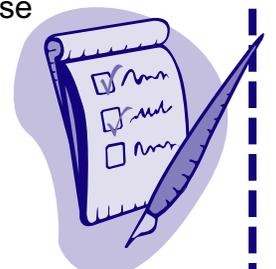


TELL ME YOUR PRIORITIES

Please take a few minutes to indicate the issues that you would like Congress to focus on this year. When you are done, simply cut this section out of the Update and stick it in the mail (or you can fill it out online at <http://www.house.gov/stark/survey.html>)

- ▼ Providing Quality Education
- ▼ Providing Quality Childcare
- ▼ Preserving the Environment
- ▼ Strengthening Medicare
- ▼ Protecting workers
- ▼ Balancing the Federal Budget
- ▼ Expanding Health Coverage
- ▼ Other: _____
- ▼ Strengthening the Current Social Security System
- ▼ Privatizing Social Security
- ▼ Enacting a Medicare Drug Benefit
- ▼ Enacting Campaign Finance Reform
- ▼ Protecting a Woman's Right to Choose
- ▼ Increasing Defense Spending
- ▼ Decreasing Defense Spending

My e-mail address is: _____





Stark Says Energy Policy Must Support Good Environmental Policy

As the energy crisis in California continues, the Bush Administration has shown little sympathy for the energy needs and environmental concerns of our residents. The Administration refused to set price caps to prevent the energy industry from gauging western consumers. Their solution appears to be to drill without regard for the environment, whether off the California coast or in the Arctic National Wildlife Refuge.

California's energy crisis requires federal intervention. With soaring wholesale rates for electricity, we need to call a "time out" and price caps can serve that function. If temporary price caps were put in place, then long-term solutions to restore reasonably priced, reliable sources of power could be devised.

On another front, the Federal Energy and Regulatory Commission (FERC), the independent federal energy regulator, has moved forward with a limited price control structure to help mitigate the soaring price spikes. The order would have little effect on the high prices we routinely see but would curtail the sharp price spikes. So while the recent FERC decision might help California, it is not a complete solution.

Electricity producers, many from out of state, continue to game the deregulated system in order to increase profits. They have overcharged California's families and businesses as much as \$9 billion, so adequate restitution must be part of any solution.

Unfortunately, the House leadership is trying to avoid debate on the issue of price caps. While I supported an amendment that would have provided price caps without providing a disincentive for new energy production, the House leadership did not allow it to come up for a vote. But I am committed to working with our California delegation to find a solution to California's energy issues.

Meanwhile, the Bush administration has indicated a desire to re-examine the policy on oil and gas drilling on the Outer Continental Shelf (OCS). Since 1982, the Congress has prevented the use of Department of Interior funds for oil or gas exploration on the OCS. Drilling off the shores of California's vibrant coastal communities would have a devastating environmental impact. I sent the President a letter and co-sponsored a resolution to prevent drilling off California's coast.

Drilling the OCS or the Arctic National Wildlife Refuge simply creates new environmental problems, not long-term energy solutions.

With soaring wholesale rates for electricity, we need to call a "time out" and price caps can serve that function.



My website is updated almost daily. Come visit us!

www.house.gov/stark

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TIME VALUE