

**NLWJC - Kagan**

**DPC - Box 055 - Folder-018**

**Second Term Agenda - General**

# EDUCATION --

## K-12 REFORM, TECHNOLOGY, LITERACY, CONSTRUCTION

### Goals

Overall: Dramatic improvement in elementary and secondary education to help prepare all American children for the 21<sup>st</sup> century. Use Presidential leadership to spur: 1) state by state fundamental reform of K-12; 2) private sector efforts to connect every school and library to the Internet and 3) national, volunteer efforts to teach every child to read by the end of third grade.

Maximum Attainable: A clear understanding that the federal role is largely limited to exercising leverage over the states to encourage reform, but at the same time, the President's leadership helps to produce a national consensus and crusade about the scope of the problem and the direction solutions should take.

Numerous states adopt comprehensive reform plans that reflect the President's reform proposals, including: student, teacher and school standards; mandatory student testing to end social promotion; fair and efficient methods to remove teachers who don't measure up; charter schools and public choice. Every school in America has access to the Internet, and schools receive the support they need to make the most of this technology to improve classroom education. National campaign to promote third grade literacy has helped to produce a significant improvement in the third grade literacy rate. Pass school construction for \$5 billion and get full funding for \$2 billion. Parents get involved in their children's schools and education as never before.

Minimum Attainable: Increased public attention to the need for reform. Charter schools and public choice become available in many states, with mixed results. Lead more Net Days, help many schools achieve some connection to the Internet. Campaign to promote third grade literacy produces some improvement in the third grade literacy rate.

### Legislative Action

Federal school reform bill. A K-12 reform bill that would offer states and/or communities substantial incentives for reform, funding any state or community with a plan for standards, testing, easier teacher removal, charter schools and public choice. (There is no current plan to fund such a bill in our balanced budget.) Alternately, existing education grant programs, like Goals 2000, could be amended to require certain reforms as a precondition for continued funding. (This is a Bill Galston proposal.)

Amending college aid criteria. Instead of creating a small new federal grant program, or amending existing grant programs, we could try to use the massive weight of existing college aid programs as a lever to promote K-12 reform. We could 1) require states to enact comprehensive reform plans by a date certain or forego continued federal assistance for state higher education, or 2) require high school seniors to pass an achievement exam based on state-adopted standards in order to qualify for federal aid. This requirement could replace or supplement the B average

requirement for a HOPE scholarship.

Amend ESEA to promote charter schools. The Elementary and Secondary Education Act could be amended to make significant federal money available to states with effective charter school enabling laws. (This is another Galston idea.)

Technology Literacy Challenge. This year's budget agreement includes funding for the first \$200 million of our \$2 billion proposal. If we want to meet our five year \$2 billion goal, we will have to fight for it. (See note below.)

America Reads legislation. This proposal would combine a five-year \$1 billion increase in National Service with legislation that would mandate 30,000 volunteer coordinators and reading specialists to lead our "volunteer army" of one million tutors. Additionally, we could enact legislation to require that half of new work study funds go to public service jobs, and at least 100,000 new jobs go to tutoring young children.

School Construction Initiative. Authorize \$5 billion over four years, and achieve full funding for \$2 billion immediately.

### **Executive Action**

We are working on additional executive actions, including the development of Department of Education guidelines on teacher removal, charter schools and the development of benchmark achievement tests, perhaps modeled on the international eighth grade math and science test.

One avenue worth exploring is whether the federal government would be able to demonstrate its commitment to higher standards (and the commitment it expects all states to adopt) in one of the few sets of public schools that are federally-controlled -- schools on military bases. One very important area where we could make a big difference is the quality of textbooks, which need to be based on more generally-accepted international standards of excellence. The market power of demanding such books for federal military schools would send a strong signal.

### **Bully Pulpit**

The challenge. With limited federal resources and without the relevant legal authority over state-run education systems, it is difficult for the President to affect state education reform. And yet, there is clearly a national need, especially in today's global economy. The key is to find a way to mobilize the states and relevant actors (parents, teachers, community organizations, etc.) towards common reform goals and to be able to show progress towards meeting them.

A model for action. Since World War II, there has been a model for bringing about national reform where there is no federal control over state laws. Specifically, the Uniform Commercial Code (and others) was based on the recommendation of a blue-ribbon panel of

experts, and then, through a nationwide crusade, was adopted by the 50 states, providing national standards applied locally.

Application to education reform. A similar model could be applied to education reform, with the President as the motivating force. Though we may or may not need a blue-ribbon outside panel, we could arrive at a school reform package that would include the significant priorities most experts agree would bring about K-12 reform. The President would then mount a crusade throughout the states, delivering a comprehensive K-12 reform speech to carefully-selected state legislatures, and attempting to mobilize through PTAs, student groups, teacher groups and others, the momentum to enact reform. That way, the President would become the leader in national reform -- while acknowledging this is not about "big government," but about the efforts of all.

At the February NGA meeting after the State of the Union, this effort could be kicked off through consultation with governors and others.

This national effort should also include:

A strong and persistent effort to significantly increase parental involvement in the education of children, perhaps setting a national goal for the year 2000.

Identification with successful reform efforts. For instance, meet with General Becton and the new D.C. Board of Trustees, Mayor Daley to discuss his takeover of the Chicago schools and Mayor Giuliani to discuss partnerships with parochial schools.

A tough, centrist speech to the NEA. Criticize private school vouchers that would undermine public schools, condemn teacher bashing, but at the same time, call for charter schools, public choice, teacher testing and easier removal processes. Enlist the NEA's help, as one of the most important education groups in America, to accomplish real reform.

A meeting with college presidents who will commit a significant number of work study students to work as reading tutors. Possible State of the Union announcement that 50 college presidents have committed 50,000 work-study students.

Net Days around the country. Bringing together businesses, community groups, schools, teachers, parents and students to connect classrooms to the Internet. (See note below.)

### **Political Considerations**

If we attempt to pass federal school reform, Republicans are likely to insist on a private school voucher provision. If such a provision guarantees a veto, federal legislation will be very difficult. Additionally, some elements of our ideal reform package are guaranteed to face organized opposition.

Note: The technology literacy components of this plan will ultimately be part of a larger technology agenda being prepared by Greg Simon and others in the Vice President's office.

# EDUCATION -- COLLEGE OPPORTUNITY

## Goals

Overall: The goal is to make the 13th and 14th years of education -- the first 2 years of college -- as universal as high school. This would be accomplished by enacting the tax-based proposals set forth during the campaign and by continued expansion of existing aid programs. But it will require more than that: the President should use the power of the bully pulpit to transform the nation's educational ethic, so that more parents save for college, more students take advantage of financial aid opportunities and more Americans understand the role of higher education as the key to preparing the American people to make the most of their own lives in the 21st century.

Maximum Attainable: Passing the President's full assortment of new college-access proposals as part of the balanced budget plan, expanding existing aid programs and using the bully pulpit to stress the importance of at least two years of college and become personally identified with the issue. Achieving some increase in the proportion of Americans entering and completing at least two years of college by 2000, and changing perceptions of what constitutes an adequate education from high school to two years of college.

Minimum Attainable: If we cannot pass our full education agenda, passing some kind of education tax cut, at least maintaining current aid programs (especially the Direct Lending program the President created), and speaking out on the importance of at least two years of college. Even if there is no noticeable increase in college enrollment, the President would stay strongly associated with the issue.

## Legislative Action

College tuition tax cuts. As part of a budget deal, our top priority should be the education tax cuts that were a key part of the campaign agenda: the \$1,500 HOPE Scholarship tax credit for the first two years of college; a \$10,000 tax deduction for all college and training costs; expanded IRA's with penalty-free withdrawals for education; and \$1,000 honors scholarships for the top 5% of every high school class.

Increases in existing college aid programs. We could expand the Direct Lending program, so that all student borrowers have access to better repayment terms; and we could seek continued increases in Pell Grants, Work Study, and national service.

## Executive Action

We are working to develop proposals for executive action in this area.

## **Bully Pulpit**

National campaign to make two years of college the national norm. Once the HOPE Scholarships (or other parts of our agenda) pass, the President could make a series of visits to high schools to carry a message of opportunity and responsibility: students now have the opportunity to receive two years of college and prepare for the 21st Century, but they must be willing to work hard and take responsibility for it.

Advertising campaigns to urge parents to save for college. Assuming these bills pass, we could launch an advertising campaign stressing the importance of college and urging parents to save tax-free for their children's educations through expanded IRA's and the \$10,000 tax deduction. Treasury could launch a similar campaign for the inflation-free bonds.

Meeting to urge college presidents to hold down college costs. A White House meeting with leading college presidents would demonstrate the President's personal commitment to holding down college costs and perhaps yield pledges from presidents to work together on the issue.

Campaign to urge the private sector to play greater role in paying for college. The President could urge the private sector to offer more scholarships, or to help pay for college costs for their employees or their employees' children. We could also ask the private sector to consider requiring two years of college education for certain jobs.

Urge states to expand HOPE Scholarships, based on the Georgia model. If our two-year national HOPE Scholarship program passes, the President could urge state legislatures to take further steps to expand college opportunity. He could urge the passage of legislation based on Georgia's HOPE program or more limited state programs to supplement the national HOPE scholarships. (Note: this kind of legislation is expensive.)

## **Political considerations**

While tax cuts may be the single largest component of this agenda, the President should also focus his rhetoric on the broader goal of making two years of college universal, because (a) larger economic trends could overwhelm the impact of the tax cuts and (b) our entire effort should not be judged by the success of these tax cuts. The key is to define our mission more in terms of creating a new national norm.

# EDUCATION -- TRAINING

## Goals

Overall: To create a national system of training so that any American who needs training at any point in his or her career has access to it.

Maximum Attainable: Passing the G.I. Bill for Workers, consolidating all federal training programs into a market-based voucher system; succeeding in convincing the private sector to significantly expand its own training efforts, and increasing awareness that training and re-training are critical tools for success in the 21st century.

Minimum Attainable: Achieving a more limited consolidation of federal training programs, perhaps by turning major dislocated worker programs into a voucher system, to show we are moving forward even if we still cannot pass the G.I. Bill. Continuing to stress the importance of training to the business community and the public, so that the President stays associated with the issue.

## Legislative Action

The G.I. Bill for Workers. This could be reintroduced as drafted last year.

Make the G.I. Bill for Workers part of mandatory spending. We could propose putting the G.I. Bill for Workers on the mandatory side, and then work to pass it as part of a budget deal, thereby emphasizing the long-term importance of training.

Legislation to encourage the private sector to expand training. Rob Shapiro proposes tax changes that would treat job training the way the tax code currently treats health care and pensions: companies could only deduct the cost of training if it is available to all permanent workers, not just executives. He also proposes that workers who accept training from a company should have to stay with the firm for a set period of time. (This proposal not yet vetted by NEC/DPC.)

## Executive Action

We are working to develop proposals for executive action in this area.

## Bully Pulpit

Urge the private sector to expand training. The President should continue to encourage good corporate citizenship with an emphasis on job training.

Presidential awards for private sector training. The President could create a new award

(like the Baldrige and Ron Brown Awards), to be given to companies that are models for the next century in training and preparing their workers.

Private/Public Sector Jobs Database on the Internet. The President could encourage the private sector to post job openings on the Internet to help with reemployment. Government could set an example by establishing a public sector jobs database on the Internet. (NEC is working on these and related ideas.)

### **Political Considerations**

There are risks on both the left and the right on this issue. On one hand, labor unions often resist our efforts to reform training programs. On the other hand, some Republicans may use consolidation proposals as excuse to "block and cut" -- consolidating major programs and cutting overall funding with little real reform.

# NATIONAL SERVICE AND EDUCATIONAL OPPORTUNITY

## Goals

Overall: The President can help reinspire a national ethic of service in peacetime -- that to those to whom much is given, much is asked and that it is an integral part of the American experience for its citizens to heed the call to community responsibility. This would include expansion of existing service programs, mobilizing the private and nonprofit sector to expand service, and use of the bully pulpit.

Maximum attainable: Creation of one million opportunities to serve in exchange for education aid -- and re-establishment of service to country and community as a rite of passage for young Americans.

Minimum attainable: Reauthorization of AmeriCorps plus several low-cost proposals to expand service.

## Legislative Action

Reauthorization of AmeriCorps. The national service program is up for reauthorization this year, providing the chance to make AmeriCorps and national service a lasting legacy. The President and the Congressional leaders should pledge to make national service a bipartisan keystone.

Expand AmeriCorps. The President has called for 10,000 new AmeriCorps members in 1998 dedicated to America Reads. We could add another 10,000 each year thereafter -- and target each new cohort toward solving a particular problem.

## Executive Action

Encourage Faith-Based Service. There are low-cost ways to stimulate the nation's great religious groups to do more with full-time service. Make them a basic offer: if you multiply the opportunities for full-time service through your own resources and initiative, we will give all these committed young men and women a National Service educational award. The Corporation already has the authority and the money -- if the President can light the fire with the faith-based groups.

Help Military Recruitment through a Smart Partnership with Civilian Service. If ROTC's or Jr. ROTCs added significant non-military service hours to their curricula, they could become eligible for the \$4,725 AmeriCorps education award. This would be a way of encouraging more volunteer work, increasing college aid - and making ROTC more attractive. The Corporation already has the authority to form such partnerships.

Appoint Prominent Republicans to the Corporation for National Service Board of Directors. GOP supporters of national service include: Elizabeth Dole, Colin Powell, Jack Kemp, Bill Weld, Norman Schwarzkopf and Gail Wilson (First Lady of California).

### **Bully Pulpit**

Expand work-study's emphasis on service. The President has already called for at least 100,000 of the new 250,000 work-study jobs to be committed to the reading initiative. Continue to use the bully pulpit to get schools to put the rest of the new money (another 150,000 slots) into service -- and call together 50 college presidents who have committed to putting their new work-study money toward service. Then announce the ultimate goal: half of all work-study slots -- 500,000 -- should go to service.

Expand National Service Scholars. Last Spring the President proposed a scholarship program to reward high school students who have done outstanding volunteer service. If communities put up \$500, the government will match it. This spring local communities will announce the first few thousand winners. But we'd like to grow that number ultimately to 100,000. The key now: getting local civic organizations and businesses to put up the first \$500.

Mobilize the young to serve the young. If we could get the great youth serving organizations, such as the 2.5 million-strong Boys and Girls Clubs, to make service by youth a major part of their program, we would be bringing the idea of service to a new level. As a starting point, encourage the teachers and the country's great "youth serving institutions" to promote one of the most effective tutoring models: high school juniors or seniors tutoring young children.

Service to unite Americans. As the President sensed during his visit to City Year back in 1993, national service is possibly the most successful approach yet invented to bring people of different backgrounds together to work in a common mission. Young Americans schooled in the politics of separatism on college campuses come to AmeriCorps and learn something else: teamwork. National service can be far more effective than affirmative action at providing opportunity while bridging the racial divide. It can be a powerful tool to carry through the President's theme of working together.

### **Political Considerations**

In the past, Republicans have used AmeriCorps as a budget hostage. They may resist expansion or even reauthorization. But politics seem to be changing, as Director Wofford has cut costs and Republican governors have rallied around the program. (Gov. Weld calls it "one of the most intelligent uses of taxpayer money ever.") The moment is right for a series of bold moves by the President to reach out to the Republicans and lock in their support for a bipartisan national service agenda.

# UNDERCLASS -- WELFARE TO WORK

## Goals

Overall: To make the most of the historic opportunity presented by welfare reform by breaking the cycle of dependency, bringing the American underclass into the mainstream and truly making welfare what it was meant to be: a second chance, not a way of life.

Maximum Attainable: Move one million people from welfare to work through a combination of tax incentives and private sector initiative responding to sustained Presidential leadership. Mobilization of bipartisan support to amend immigrant and food stamp provisions in this year's bill. Passage of \$400 million tax credit and \$3 billion for hiring incentives, placement vouchers, and work money. Emerging consensus that creating opportunity for people to move from welfare to work is a national responsibility we all must share: from businesses to churches to colleges to community groups.

Minimum Attainable: Continued reduction in welfare rolls. Passage of \$400 million tax credit. Many businesses respond to Presidential call to help move people off welfare.

## Legislative Action

Welfare to Work Plan. All elements of plan could be part of a budget deal: \$400 million tax credit and \$3 billion for hiring incentives, placement vouchers, and work money.

Amendment of Immigrant and Food Stamp Cuts. Budget deal could also soften food stamp cuts and restore some assistance to legal immigrants.

## Executive Action

Delivery of welfare services by religious and charitable organizations. The President could order HHS to develop and disseminate guidelines outlining how not-for-profit institutions can supplement or even replace state-delivery of certain welfare services. This is certainly controversial, but the new welfare law expands the ability of such organizations to get involved in welfare reform, and we should take advantage of that.

Launch national competition for welfare-to-work performance bonuses. Performance bonuses to reward states for success in moving people from welfare to work is one of the President's signature items in the new law. We can announce the rules for competition in 1997.

National Anti-Fraud Registry. Every state is now required to track how long recipients are on welfare. We could order the development of a central registry that would track this information across state lines and prevent recipients from receiving aid in two places.

Announce employers welfare-to-work 800 number. We are working out the details with Goodwill CEO Fred Grandy to staff the 800 number offered by Sprint. This number would be available to any employer interested in hiring people off welfare and would link them directly to local welfare-to-work programs.

Announce regulations for individual development accounts. Treasury now has the authority to develop rules that will allow states to help poor people set up savings accounts. This is an excellent example of the shift in philosophy from maintaining dependence to empowerment.

Electronic Benefits Transfer. The welfare law requires states to move to electronic delivery of welfare benefits. It may be possible to issue a Presidential directive that will accelerate this process. and being awarding money in the next fiscal year.

### **Bully Pulpit**

Mobilize the private sector. The Administration must mount a constant, nonstop campaign to mobilize private businesses to employ welfare recipients. For example, every time the President and Vice-President visit a city, they could meet with local businesspeople to garner welfare reform pledges.

Appoint a major CEO. A "dollar-a-year-person" (perhaps the CEO of United Airlines) could chair a CEO recruitment effort, and then meet with a group of CEO's at the White House who are prepared to announce their plans to hire a certain number of people off welfare by a specific date.

Manpower Inc.. Announce Manpower Inc.'s plan to locate job placement outlets in every major city and call for similar involvement on the part of private job placement firms across the country. Manpower Inc. is the largest placement company in America; they plan a dramatic expansion into the inner city to meet the new demand for jobs created by welfare reform.

### **Political Considerations**

We will almost certainly have bipartisan support for the tax credit portion of our welfare-to-work plan, but the success of the plan's other elements relies on its characterization as a no-nonsense plan to move people from welfare into private sector jobs. Our success in softening the new law's cuts in immigrant assistance and food stamps depends on our ability to mobilize affected Republicans like Mayor Giuliani and Governor Bush.

# UNDERCLASS -- TEEN PREGNANCY

## Goals

Overall: A sustained focus on teen pregnancy must go hand-in-hand with efforts to reform welfare, revitalize cities and change the culture of the underclass from one of dependency to one of responsibility. Our goal should be a continued and marked decline in the teen birth rate, greater responsibility (and child support payments) from men who have children with underage women and a significant reduction in statutory rape and stronger enforcement of the laws against it. Like teen drug use, this is an issue on which we must influence young people's attitudes to succeed. A strong Presidential call for abstinence and responsibility would help to achieve this, as well as reinforcing the President's leadership on values issues.

Maximum Attainable: Through a series of bills and executive actions that build on the welfare reform law; through the leadership of a high-profile public-private campaign, and through aggressive use of the bully pulpit, the teen birth rate continues to drop significantly, child support collection continues to rise, prosecutions for statutory rape increase, and the President is seen as sending a strong message of abstinence and responsibility which contributes to these trends.

Minimum Attainable: While not tackling the issue through a high-profile national campaign, the President continues to send a strong message of abstinence and responsibility. By implementing the teen pregnancy, child support and statutory rape provisions already required by the new welfare reform law, we at least prevent an increase in the rate of teen births or a decrease in child support collections, and do not lose ground on the broader issues of values and responsibility.

## Legislative Action

Legislation to increase child support collection. We should continue to push our bill to make it a felony to cross state lines to avoid child support. We could consider calling on states to establish mandatory programs for deadbeat dads to work off the child support they owe. (We could consider Gov. Weld's proposal of jail time for serious offenders.)

## Executive Action

Actions required by new welfare law. There are a number of executive actions required by the welfare reform law that need significant work and attention at the highest levels. These include: executive orders to carry out the child support provisions of the welfare law; an HHS plan to reduce teen pregnancy by 25%, which is required by early 1997, and a Justice Department plan to help states crack down on statutory rape (we may be able to use Violence Against Women funds for this purpose). We should build on what is required by the welfare law and look for other executive actions to take in these areas (including directives and reports that show results).

## **Bully Pulpit**

National public-private campaign to urge abstinence and responsibility. At long last, we must mobilize a national, public-private campaign in partnership with religious, business and community leaders on this issue, invigorating the National Campaign Against Teen Pregnancy called for in the President's 1995 State of the Union address. No reason exists not to mount this campaign aggressively. The President must be seen as personally leading this effort, perhaps kicking it off with a high-profile White House meeting. Its goal should be to teach abstinence, demand responsibility and keep the teen birth rate going down.

Call on every community to develop a comprehensive plan to prevent teen pregnancy. Will Marshall and Bill Galston note that the welfare law offers significant financial inducements to states that reduce teen pregnancy rates. We should encourage affected communities to devise their own strategies and encourage states to reward those that succeed.

Urge every state to establish a network of "second-chance" homes for teen mothers by 2000. Suggested by Will Marshall and Bill Galston. These homes offer the socialization, support, discipline and structure teen mothers need to change their lives. The mothers who live in these homes must stay in school or job training. They must stay drug-free and abide by curfews. They learn to cook and clean, manage money and resolve conflicts. The mothers' welfare payments go toward room and board. In return, they get help with day care, health care and schoolwork and learn to raise their children. The President has already proposed seed money for such homes; he could propose additional federal support and also visit successful homes in inner cities.

## **Political Considerations**

Success on this issue is clearly dependent on many other factors -- the success of welfare reform, the success of a broader urban policy, the continued strength of economy. But a strong, sustained presence on this issue is critical to maintaining leadership and credibility on the values front.

# CRIME AND DRUGS

## Goals

Overall: To take on the most vexing and unrelenting crime problem in America: youth crime, to mount an aggressive strategy against drug abuse in general and juvenile drug abuse in particular, to continue building on our successful relationship with America's police officers and to cement the President's position on crime.

Maximum Attainable: Demonstrable reductions in the level of crime committed by and against young people. Mount a major assault on gangs and produce significant reductions in gang-related crimes. Downturn in youth drug use. Passage of legislation that underscores the President's comprehensive approach to fighting crime -- tough punishment, effective prevention, disarming criminals -- by hiring thousands of new prosecutors, funding effective anti-crime after-school programs and banning cop-killer bullets. Finish the job of putting 100,000 new police officers on the street.

Minimum Attainable: Sustain the gains we have made by finishing the job of 100,000 police officers, preserving Safe Schools and other existing prevention programs, and protecting the Brady Bill and the Assault Weapons Ban. Passage of a weak version of the Anti-Gang and Violent Juvenile Offender Act with no new resources for law enforcement.

## Legislative Action

Anti-Gang and Violent Juvenile Offender Act. Redraft the original legislation and submit it early in the upcoming Congressional session. The new bill should be strengthened in three significant ways: 1) To include funding for 2,000 new federal anti-gang prosecutors; 2) To include a new Danforth-Bradley After-School Initiative for specific after school activities (community schools), that will become the President's flagship crime prevention item; and 3) To include the drug-testing for drivers licenses provision.

Gun control legislation. We should certainly submit the Cop Killer Bullets bill. Outside groups would also like us to consider a "One Gun a Month" proposal. If we do, we must first see proof from ATF that guns sold in multiple sales are more likely to be involved in the commission of crimes, and we must secure bipartisan sponsorship in both houses.

### Victims Rights Amendment

## Executive Action

Announce the start of the National Sex Predator Registry, making information on sex offenders available to law enforcement in every state.

Issue guidelines for drug testing prisoners and parolees that states must comply with to receive prison grants.

Continue to roll out funding for new police officers.

Issue a series of reports including the ATF 17 city Youth Gun Tracing report, new Brady Bill numbers and the Attorney General's report responding to the Crime Victims directive.

### **Bully Pulpit**

Send a strong anti-drug message. There is no more important use of the bully pulpit than continued hammering against drugs: drugs are wrong, drugs are illegal, drugs can kill. We need to adopt a single campaign or slogan that we repeat over and over. Rahm continues to recommend the Red Ribbon campaign in which children take pledges not to use drugs, alcohol or tobacco.

Campaign for victims' rights amendment. If Congress passes a victims' rights amendment and submits it to the states, campaigning for ratification would be a natural subject for the bully pulpit.

# POLITICAL REFORM

## Goals

Overall: The President identified campaign finance reform as one of the principal goals of his presidency when he was first elected. Now, because of the recent election, there is another fleeting moment of possibility for reform. Through an early burst of advocacy of reform, the President has a chance to force change through -- or, at the very least, to identify with the public call for reform. This should be coupled with executive action as possible and bully-pulpit steps, to keep the President on the "high ground" and position Republican opponents as opposed to reform. Through sustained leadership on this issue, the President can lead a broad national movement to reclaim and renew our democracy and reconnect the government to the people, as we approach the 21st Century.

Maximum attainable: If enacted, strong bipartisan campaign reform would stem the tide of large special interest contributions present in the last election; by visibly changing the system, help to restore public confidence in political institutions and -- albeit temporarily -- put organized interests on the defensive, easing passage of the rest of the legislative agenda. If it offers free TV time, makes races more competitive and stops the out-of-control fundraising trends in presidential elections, it could significantly enhance the quality of our democracy.

Most likely outcome: Reform has often proceeded step-by-step; if smaller pieces of reform pass, with our vigorous support, the stage will be set for further progress.

Minimum attainable: If, as ever, campaign reform does not pass, the President can be publicly positioned as an advocate of reform.

## Legislative Action

Bipartisan legislation. We are working with reform advocates to fine-tune the McCain-Feingold bill, which mirrors the President's 1992 proposals: voluntary spending limits; free TV time for candidates; PAC limits; a ban on soft money. This bill should be introduced, with fanfare, early in the congressional session.

Soft-money only. If bipartisan legislation proves impossible, it is likely that legislation ending soft money would pass, along with other restrictions (such as on foreign contributions).

Commission. If McCain-Feingold fails to pass, the President can then call for a bipartisan commission. To be effective, this would be modeled after the base-closing commission -- making recommendations, subject to an up-or-down vote in Congress. (We proposed this in 1995.)

Constitutional Amendment. Supreme Court decisions will make it impossible to fully

address independent expenditures and self-financing millionaire candidates. Sen. Daschle and Rep. Gephardt have called for a Constitutional Amendment to allow Congress to make laws limiting spending.

### **Executive Action**

Free TV. We are exploring with FCC Chairman Hundt what steps the agency can take, if any, to require stations to offer congressional candidates free TV time, as the presidential candidates were given.

FEC appointments. For the past 2 years, several FEC seats have been vacant. The President could make high-profile nominations of reform-minded individuals to fill some or all of those seats.

Foreign lobbying. We could revive some of the restrictions on foreign lobbying that were considered in 1995.

### **Bully pulpit**

Public campaign for reform. At the very least, our goal is to make sure that the President is seen as genuinely committed to reform -- that we have to live under the current rules, but that we are fighting to change those rules. This would require a sustained and persistent public campaign for reform, as has been waged for other major administration priorities.

Soft money challenge. To demonstrate serious commitment, the DNC could unilaterally stop raising soft money for a year while Congress works on campaign reform -- and challenge the RNC to do the same.

### **Political Considerations**

Now, as before, the self-interest of incumbents is the principal political obstacle: regardless of their expressed fealty to the public mood, privately many Members of Congress will resist reform. The Republicans continue to resist reform. And the very charges that have brought the issue to public prominence may make it less appealing for them to give us a public defense to charges of improper fundraising.

# BALANCING THE BUDGET

## Goal

Overall: Balancing the budget would be an historic achievement. Deficit reduction has an important economic impact -- reducing the public deficit is the best way we know to increase national net savings -- but the political impact may be even greater. It would be the preeminent symbol of making government live within its means and work better -- and a powerful signal to the American people that, working together, they can solve one of our most intractable problems.

Maximum attainable: A bipartisan agreement on a balanced budget by the Year 2003, reached during 1997.

Minimum attainable: In the absence of a budget deal, continued low deficits, which will become more difficult to sustain as entitlement costs grow in the coming years.

## Legislation

Balanced budget reconciliation plan.

Constitutional Amendment. The goal should be to avoid an amendment if possible, or to make an amendment that does pass one that will do the least harm to the economy.

## Executive Action

Line-item veto. You now have a tool for dramatic executive action to cut the budget. The first time you use the line-item veto will be widely noted; it should be done in a dramatic way to send a signal that the President is now empowered to rise above Congress' parochialism to keep wasteful spending off the books.

## Political considerations

Although there may be relatively minor economic difference between low deficits and no deficits, the political difference is significant. If you can bring the budget deficit to zero in a time certain, there is no doubt that the public would see it as a genuine achievement decades in the making.

## I. EDUCATION AND TRAINING

### A. School Reform

Challenge: The U.S. has the finest university system on earth, but our public school system for elementary and secondary education does not measure up to international standards -- even though we spend \$300 billion a year on K-12. No mission of government is more important to our children's future, and no arm of government more desperately needs to be reinvented.

Minimum/maximum attainable: Nothing would do more to expand opportunity for all Americans and increase America's long-term economic potential than to transform the public schools by raising standards for students, teachers, and schools; injecting choice and competition; making the most of new technology in the classroom; and challenging parents to get more involved in their children's education. On the other hand, the direct federal role is small, the political opposition to change is fierce, and the magnitude of the problem is substantial.

Best-case scenario: Math, science, and reading scores rising by the year 2000. Standards, testing, and charter school and public choice laws in place in every state. Every school connected to the Internet. Budget deal secures federal funding for charter school and other reform efforts, literacy, education technology.

Worst-case scenario: Scores stay flat. Lots of talk about standards and reform, but no real progress. Congress rejects federal initiatives. Computers end up in school closets.

Most likely scenario: Slight rise in scores. Charter schools take off, along with some private and public choice experiments, but with mixed results. Congress passes some money for reform and technology, but not tutors. Pressure continues to build for sweeping overhaul of public schools.

#### Possible Actions:

##### Legislative options:

1) Push a school-reform bill: An education reform bill would offer states and/or communities substantial incentives for reform. Any state or community with a plan for charter schools, public choice, high standards and testing, etc. could get funding. This bill would give the President a tool besides the bully pulpit for reform. But it would run two obvious political risks: 1) Republicans would rerun the Goals 2000 debate over federal intrusion; and 2) Republicans would insist on a private-school voucher initiative as the price of passage. If the President is willing to sign a

bill that includes an MSA-style experiment on school vouchers in return for substantial new federal resources for his own reform agenda, introducing a school reform bill might be worth it. If any voucher experiment is going to guarantee a veto, we should not try for federal legislation.

2) Use college aid as a stick to drive public school reform: Instead of looking for some small new federal grant program to provide seed money for reform, we could try to make our massive existing college aid programs an engine for higher standards and more rigorous public school performance. For example, the President could say that by the year 2000, every state must establish its own system of high standards and testing, and every high school senior must pass a rigorous exam based on those standards in order to graduate and receive federal student aid. We could make that a condition of the HOPE scholarship -- as an alternative to the B average, or in addition to it. These measures would be controversial with some in the education community (e.g., the Education Department), but they would force states to get serious about standards, and might help solidify bipartisan support for college aid over the long term.

3) Literacy and other standards: One of our most concrete standards is the President's challenge for every child to read by the 3rd grade. We could think of others -- e.g., every child should be computer literate by the 6th grade, able to do algebra by the 8th grade, able to find the U.S. on a map by the 12th grade, etc.

[GENE to fill in literacy, work-study]

#### Executive Actions

1) Visit program in Cincinnati or New York City program in which the teachers union and school boards are working together to streamline the process of getting rid of incompetent teachers. Sign a directive to the Education Dept. to develop guidelines for such programs.

2) Issue an Education Dept. study of charter schools (or some other reform effort)

3) Conduct an audit of what selected school districts spend on administrative overhead and bureaucracy.

4) Follow up on the international 8th grade math/science test results announced this week by making that test available to any school district that wants to use it as a benchmark for its students.

nat competition

push education b/c less said about details, the better

Bully Pulpit

1) Travel to 3 state legislatures over the next year to push for charter school legislation, standards, etc.

2) Give radio address in December on school reform after Ohio and/or Pennsylvania legislatures pass charter school legislation.

3) Challenge governors at NGA winter meeting in February to work with business community to develop acceptable method of assessment.

4) Identify with every reform effort we can find: visit Mayor Daley to discuss his takeover of the Chicago schools; meet with General Becton and the new Board of Trustees here in D.C.; meet with Mayor Giuliani about partnerships with parochial schools; visit a school district that has just adopted school uniforms; visit a charter school; etc.

5) Deliver a tough speech to the NEA on the urgency of school reform -- for example, a speech that criticized the Republicans over private school vouchers and teacher-bashing but called for charter schools, public choice, teacher testing and/or getting rid of burned-out teachers. Such a speech entails obvious political risks, and might not be worth the pain it inflicted. On the other hand, the elite press will not believe we're serious about reform unless we are willing to stand up to the teachers unions.

6) Enlist the PTA in a national campaign to encourage parents to take responsibility for getting involved in their children's education.

7) Announce some kind of Presidential competition for school reform that would allow us to spotlight 20 innovative districts.

8) Literacy events [GENE TO FILL IN]

-- Meet with college presidents to commit to use work-study for community service

9) Call for an end to forced school busing.

#### B. College [GENE TO FILL IN]

Legislative Actions: HOPE, IRAs, \$10,000 deduction, expand work study, \$1000 honors scholarships, increase Pell grants

Executive Actions

1) Develop Treasury Dept. campaign to use Rubin bonds to save for college

Bully Pulpit

1) Meet with college presidents to hold down college costs

#### C. Other [GENE TO FILL IN]

-- Education Technology

-- School Construction

-- Community Schools

#### D. Training [GENE TO FILL IN]

Legislative Actions:

1) Move GI Bill to the mandatory side and try to pass it as part of the budget

deal.

2) Rob Shapiro has proposed that we apply the same rules to training that we do to health care and pensions: Firms should only be permitted to deduct the cost of training so long as they make some form of training generally available to all permanent workers, not just executives.

Executive Action

Bully Pulpit

#### E. Recommended Strategy

Our goal in any budget deal is to accomplish as much of our education agenda as possible. The President should use the bully pulpit (and executive action where possible) throughout the first half of 1997 to build public support for his education agenda. We should try to focus the debate in the broadest possible terms as a national challenge, rather than a legislative one, because our prospects for legislative success are uncertain and because the details of some of our education proposals won't fare as well under intense scrutiny.

## II. ENDING THE PERMANENT UNDERCLASS

### A. Welfare to Work

#### Legislative Action

1) Pass Welfare-to-Work Plan as Part of Budget Deal: We should work with House and Senate moderates to develop a bipartisan welfare-to-work plan -- based on our campaign proposal -- that can get enacted as part of a budget deal. We should be able to pass our \$400 million tax credit with Republican support, but the \$3 billion for hiring incentives, placement vouchers, and work money will only pass if we can convince Republicans that it is tough-minded, simple, and aimed primarily at private sector placement.

2) Softening Immigrant and Food Stamp Cuts: Our ability to soften the cuts we opposed in the welfare bill will depend on our overall leverage in the budget debate, and on the amount of bipartisan support we can generate from affected mayors like Giuliani and governors like Bush. Republicans should feel vulnerable after losing Florida and getting clobbered in the Hispanic vote, but these fixes cost a lot of money.

#### Executive Action

1) Presidential directive on Electronic Benefits Transfer (EBT): The welfare law requires states to move to electronic delivery of welfare benefits. We are working on possible ways to accelerate this trend.

2) Develop guidelines on delivery of welfare services by religious and charitable organizations: The welfare law expands the ability of churches and charities to get involved in welfare reform. This is a controversial provision, but it had the President's support, and could make a real difference in many communities where the church is the only social institution still intact. We could develop guidelines similar to those on religious expression in the schools.

3) Launch national competition on welfare-to-work: Under the welfare law, we will be working with the governors to develop a system of performance bonuses to reward states for success in moving people from welfare to work. We will announce the rules for that competition sometime in mid-1997, and start awarding money in the next fiscal year. These performance bonuses are one of the President's signature items in the welfare law. They will lead to the first nationwide ranking of states on moving people from welfare to work, and could have an impact on the welfare reform debates that will be going on in every state legislature next year.

4) Develop regulations for individual development accounts: The welfare law gives Treasury the authority to develop rules that will enable states to help poor people set up savings accounts, which will fulfill one of the President's campaign promises from 1992. Along with our microenterprise loan program, these new IDA accounts represent an important philosophical shift toward empowerment instead of maintaining people in dependence.

5) Issue a report on personal responsibility contracts: At the President's urging, the welfare law allows states to require welfare recipients to sign personal responsibility contracts that spell out their responsibilities for receiving assistance (e.g., staying in school, going to work, no additional benefits for additional children, etc.). On their recent visit to Nashville, the President and Vice President pointed out that 12,000 recipients in Tennessee have already signed these contracts (and nearly 1,000 are no longer on welfare because they refused to sign them). We could issue a report on what Tennessee and other states are doing. Over the next year, we could issue a series of reports and/or manuals on good ideas states should adopt as they debate welfare reform.

6) Develop national anti-fraud registry: Each state will now keep track of how long its own recipients have been on welfare, but eventually we will need a central registry to keep track of that information across state lines (and to enable one state to check with others to make sure a recipient isn't receiving aid in two places).

7) Award welfare-to-work and research money: We have a small appropriation for demonstration projects and research and evaluation. Soon, we should be able to give Goodwill Industries a \$10 million grant for its welfare-to-work model program in Florida and Louisiana, which the President promised during the campaign.

8) Announce 800-number for employers moving people from welfare to work: We have nearly worked out the details with Fred Grandy, the CEO of Goodwill, to have his company staff the 800-number that Sprint has offered us for any employer interested in hiring people off welfare. We're also working with the governors to make sure we can link employers directly to the welfare-to-work programs in each state.

9) Announce plan by Manpower Inc. to locate job placement outlets in every major city: Manpower Inc., the largest placement company in America, is planning to expand into the inner city to help meet the new demand created by welfare reform. Manpower used to be a temp agency, but now 70% of its placements are for permanent jobs. The President could make this announcement as part of our effort to promote our welfare-to-work plan.

10) CEO meeting at the White House, and other CEO efforts: The President should meet with a small group of committed CEOs at the White House, and we should put a CEO in charge of the recruitment effort (perhaps the head of United Airlines).

## B. Child Support, Teen Pregnancy, Statutory Rape

### Legislative Action

- 1) We should continue to push our bill to make it a felony to cross state lines to avoid paying child support.
- 2) We should consider other ideas, such as calling on states to establish mandatory work program that require deadbeats to work off the support they owe. In Massachusetts, Gov. Weld has proposed jail time for serious offenders, and is looking at a proposal to let communities bar high school students who get pregnant or father a child from participating in extracurricular activities.

### Executive Action

- 1) We should be able to develop a few executive orders to carry out the child support provisions of the welfare law.
- 2) Under the welfare law, HHS is required to propose a plan early next year on how to reduce teen pregnancy by 25%.
- 3) Under the welfare law, the Justice Department is developing ways to help states crack down on statutory rape. We will look at whether we can use Violence Against Women funds for this purpose.

## B. Crime, Gangs, and Drugs [RAHM TO FILL IN]

### Legislative Action

1) Pass Anti-Gang Bill: Our new anti-gang and youth violence bill will give prosecutors greater discretion to try juveniles as adults, fund juvenile gun and drug courts, and amend the crime block grant to hire more anti-gang prosecutors.

2) Victims Bill of Rights

3) Drug testing for drivers licenses

4) Cop killer bullets

5) Other anti-gun ideas, such as one gun a month

6) Keeping schools open late

### Executive Action

1) State prison drug testing guidelines

2) Youth gun report

### C. Other Ideas

End public housing as we know it: Convert public housing into vouchers (perhaps with time limits). Raze run-down projects.

Limit low-skill legal immigration: Help improve the entry-level job market for people leaving welfare.

Other community development: more empowerment zones, community development banks, etc.

### III. COMMUNITY/SERVICE [Ask Prince and Steve Waldman to fill in.]

The Second Term  
Strategy Session  
December 6, 1996

I. Post-Election Standings

1. Mood of the country

The mood of the country is extremely upbeat, positive and optimistic. They are at the highest levels of optimism in at least 5 years. They are glad that the election is behind them, and anticipating a good Christmas.

Right track/wrong track 53/37

The president's favorable rating is back up to his record of 64%.

- Clinton: 64/35
- Gore: 64/32
- HRC: 50/45
- Tipper: 55/22

Job approval is at a record 66%

The country continues to lack a single issue of focus: economy/jobs remains number one at only 24%, followed by balance the budget at 13%, crime at 10%, education at 7%.

Observation: The voters are in fact paying little attention during this period. This is not a period of momentum, action or accomplishment. It is a period of **preparation, doing it right this time around. Not indecisiveness, but careful deliberation, making decisions as needed.**

## II. Trends from the Election

The most significant shifts between the 1992 election and the 1996 election were among women, the middle class, independents, Hispanic, and young voters.

- After favoring us by only 8 points in 1992, women favored us this year by 16 points.
- Every class of voters making between \$15,000 and \$75,000 increased their support for us. The margin of victory in the \$15-30,000 income group went from 10 to 17 points. Voters making \$30-50,000 moved from a 3-point margin in 1992 to 8 points in 1996. Even voters making \$50-75,000, who in 1992 favored Bush by 1 point, favored us in this election by 2.
- Married voters with children increased their margin of support for Clinton from 2 points to 7 points.
- Independents' margin of support rose from 6 points to 8.
- **Hispanic voters increased their margin of support for Clinton by 15 points in 1996. They are a crucial constituency in the future. They more than doubled as a percentage of the voting pool from 2% to 5% nationally.**
- Young voters, both male and female, showed big gains in their support for Clinton. Women 18-29 increased their margin of support for Clinton from 15 points to 27 points. Men in that age group had favored Bush in 1992 by 2 points; in 1996, they favored Clinton by 9.

While we held the line with men, we put together a new Democratic coalition of women of all classes, young people, and Hispanics, added to the traditional female senior vote and the black vote.

Post-election analysis says that Clinton was successfully perceived as a new Democrat and was seen as 10 points more moderate on balancing the budget, welfare and crime than the Democrats running for Congress. This prevented these from becoming major Republican issues.

Then stands on education, values/children's issues, and perception of a strong economy and emphasis on optimism/future all were major factors in attracting new voter groups. The Republican attempts to make immigration an issue backfired completely. We blunted them with white voters, and their support

for the Gallegly amendment and curb on legal immigrant food stamps stirred Hispanic voters.

Our new voters were not "downscale" in character – they were the young, Hispanics (two groups with lower than average income), and middle class suburban women who crossed over regardless of their income or their religion.

Observation: We are building a base in the fastest growing voter bloc – Hispanics – and this suggests this is not the time to take tough immigration measures. Continue to combat illegal immigration in low-key ways as the real voter gains are with the Hispanics that gave us Florida, New Mexico, etc., and a large lead in California.

### III. Visions of The Clinton Presidency

The most important thing we can create is a clear vision on the next term and the presidency. Policies and accomplishments are the proof of performance, but the vision is what is most likely to become the legacy.

There is no clear view of Clinton among the voters in terms of a legacy.

When asked to name the most important Clinton accomplishment, the most common answers were: economy, moving to balance the budget, signing welfare reform. Most had no answer.

The best nominee for vision of the presidency is: **Preparing America for the 21<sup>st</sup> Century by...**

- reforming the educational system
- reforming welfare
- opening up new markets to our goods
- putting a strong emphasis on technology and medical science.

And I would add:

- securing Medicare and Social Security

The second highest scoring possible vision is the creation of a new style of presidential leadership – ending the politics of division, finding common ground, moving forward even with a Republican Congress, using the presidency to encourage more responsibility. However, this is not really a vision, but a tactic for accomplishing the goal. The new style is not an end but a means to the larger objective.

Vision	Agree/Disagree that President is About This	More/less Fair to US More Emphasis
The Clinton Presidency is about preparing America for the 21 <sup>st</sup> Century in the face of changes. Bill Clinton wants to ensure that we reform our educational system, reform welfare, open up foreign markets to our goods, and put a strong emphasis on technology and medical science. He has a vision of being sure America is ready for the Information Age.	72/24	79/16
The Clinton Presidency is about restoring power to the people and their communities – about cutting the federal government down to the tasks it can and must perform and calling for local leadership on other issues that affect people close to home. Bill Clinton believes that community leadership – volunteering, and attending to family, schools, and neighborhoods – will prepare the strongest possible America for the 21st century.	71/26	77/16
The Clinton Presidency is about a new style of leadership – ending the politics of division to find common ground, to move forward even with a Republican Congress, to use executive action to protect our environment and food and bring change, and to appeal to all Americans to take responsibility for their actions. This is a vision of a united country moving forward.	68/28	80/15
The Clinton Presidency is about change and reform. Bill Clinton wants to reform our educational system, expand our healthcare coverage, reform our courts and criminal justice system, and downsize government through a balanced budget. He is an activist President who will rally the public to accomplish these goals.	64/31	75/18
The Clinton Presidency is about both fiscal conservatism and protecting our values -- about restoring a workable balance between our commitments and our resources without dismantling essential government activities. Bill Clinton believes that through a balanced budget and reform of programs like Medicare and Social Security, we can end three decades of fiscal crisis and still protect our most important values.	64/31	71/21
The Clinton Presidency is about a new spirit of independence – about ending decades of reliance on government and ensuring instead that people have the tools they need to make the most of their own opportunities. Bill Clinton has made this emphasis on independence possible because his economic policies created the strongest economy in decades and set us on a course for continued prosperity.	62/34	75/18

#### **IV. Clinton Achievement Goals**

In several polls, we did lists of issues that would be considered significant accomplishments. In each, top issues were:

- Moving people from welfare to work
- Preserving Medicare and Social Security
- Balancing the budget
- Education reform, especially in reading, K1-12, and Technology initiative

The next tier of areas include:

- Cleaning up toxic waste
- Getting the college tax deductions
- Advancing medical research
- Anti-teen gang/Juvenile Justice measures
- Family and Medical Leave
- Additional Health care coverage

Sticking to the theme of preparing America for the 21<sup>st</sup> Century suggests a clear emphasis on education, balancing the budget, welfare, technology/medical science, Medicare/Social Security and the environment. Crime, FLMA are important tactical issues but not as central to a lasting legacy.

- 70/22 think the highest educational priorities should be reading and writing, not math and science
- Voters' priorities:
  - Raising standards in schools 47%
  - Helping students go to college 28%
  - Rebuilding and modernizing public schools 20%

## **V. The Inauguration**

### **Memories and Attitudes**

**The key to the inaugural is the speech and the swearing in ceremony. The rest of the elements are just a backdrop to those key moments that are watched by a huge audience.**

- Voters think the most interesting parts are the President's address (49%) and the swearing-in ceremony (32%). The parade and the balls and celebrations rate at 6% each.

**The last inaugural is remembered as being more open to the public, and for the poem.**

Voters are not terribly interested in the upcoming inauguration, but when pressed, they have specific opinions about its scope and purpose.

- 40/59 are interested (although 62/35 say they will watch some or all of it on TV)
- 57/38 think an inaugural should be part celebration, part serious (as opposed to all serious)

**Working within the overall theme of building a bridge to the 21<sup>st</sup> Century, the inaugural speech is not a place to highlight policies, but the theme of shared responsibility of the government and the people. This idea highlights what we as Americans must do to make this a better country as we move into the next century, understanding that not just the government but we the people must volunteer, participate, and take responsibility for our actions and our children as we head into the next century.**

## How Voters Think the Inaugural Should Be

Adjective	% Saying it Applies
Based on theme of responsibility toward fellow Americans	86/9
Uplifting and optimistic	80/13
Based on themes of the future	78/13
Based on themes of children and their future	77/17
Based on themes of taking us into the 21 <sup>st</sup> Century	76/18
NOT used for fundraising	68/26
Not filled with stars and performers	66/27
Based on theme of harmony in music, as a way of bringing us together	64/28
Small and elegant (as opposed to large and grand)	63/30
Built around events in American history	60/30
Open to the public as much as possible (as opposed to keeping it smaller and less costly)	60/36
Ceremonial (as opposed to celebration)	58/31
Serious (as opposed to fun-filled)	54/33
Focusing on Clinton and his 2 <sup>nd</sup> term (as opposed to reaching out to broader themes that stretch beyond the second term)	50/42
Focusing on the promise of future (as opposed to on the problems that stand in our way)	50/43
Having events oriented toward children	44/40

### Corporate Contributions

Voters do feel strongly about limiting corporate sponsorship of the celebration.

- 72/21 think corporate donations should be limited
- Of that 72%, 34% think the limit should be set at \$1,000;  
21% think it should be set at \$5,000;  
12% think it should be set at \$10,000.
- 57/35 think buying tickets should count as a contribution

### The Call for Volunteering

If this is well organized, it would serve to underscore the responsibility theme:

- If President Clinton called on all Americans, especially children, to volunteer and serve their community in some way on the weekend before the inaugural, 67/18 would be more favorable to him.
- 56/29 say they would volunteer.

# Issues with Congress

## VI. Balancing the Budget

I. Voters want a balanced budget by 2002. Even when told that delaying a year would generate \$100 billion to go to popular programs

Voters trust Clinton to be more fair in balancing the budget, and they hope the Republican Congress will bend toward him. But they are not interested in delay beyond 2002.

- 42/38 trust the Republicans in Congress more to balance the budget
- But 47/38 trust Clinton more to balance it in a way that is fair to all
- 44/35 think Clinton is trying more to cooperate and reach a balanced budget deal
- 43/39 think the Republicans should compromise more with Clinton, rather than the other way around
- 49/44 think we should stick to balancing the budget in 2002 even if waiting one more year would provide another \$100 billion that could go toward things such as preserving Medicare and improving education

## VII. The CPI Adjustment

Voters do not favor the change.

- 34% of voters think that over the last several years, the government has been underestimating the rate of inflation; 31% think it has been getting it about right; 26% think it has been overestimating the rate
- Having heard that a panel of economists has recommended that the government reduce the inflation measure but that the BLS thinks the measure is accurately calculated now, 50/36 say leave the inflation measure where it is

- Given the arguments that reducing the inflation measure would cut more than \$80 million per year from the deficit but would reduce increases in payments like Social Security and veterans' benefits and raise some people's taxes, 50/36 say leave the inflation measure alone

### **VIII. Bipartisan Commission on Social Security and Medicare**

The Commission is very popular.

- 71/14 favor the appointment of a bipartisan commission to restructure Medicare
- 71/15 favor the appointment of a bipartisan commission to restructure Social Security
- 45/42 think there should be separate commissions for each program

Seniors support the commission by smaller margins, but nonetheless decisively.

- 61/25 favor the appointment of a bipartisan commission to restructure Medicare
- 60/31 favor the appointment of a bipartisan commission to restructure Social Security
- 45/41 think there should be **just one** commissions for both programs

### **IX. Welfare Reform**

Voters 1) do want to fix the welfare bill to restore benefits to legal immigrants, and drawing a line on this would continue to solidify Hispanics and 2) they support strongly new measures to provide employer incentives to hire people off of welfare.

Welfare-related events should become a major element of the schedule, including scheduling the overdue CEO meeting, and we could also propose some new ideas such as formalizing more microcapital programs similar to what we highlighted in Yipsilanti.

## Proposed Changes to the Welfare Law

Change	Strongly Agree	Total Agree
Passing a bill to encourage the states to provide incentives to employers to hire welfare recipients	60	79
Restoring food stamp benefits for legal immigrants who have lost their jobs	41	71
Lengthening the three-month limit on food stamps for able-bodied adults aged 18-50 who are out of work	35	55
Restoring food stamps for legal immigrants who become disabled after living in the United States	33	59
Making legal immigrants eligible for Medicaid	32	58
Restoring welfare benefits for legal immigrants	25	51

### X. Campaign Finance Reform

Voters do not consider campaign finance reform a top priority. Adding elements of political reform such as extended voting is of more interest to the public.

- Out of balancing the budget, improving education, reducing crime, protecting the environment, and campaign finance reform, only 8% of voters think the President should focus most on campaign finance reform.
- 50/39 think it is more important to undertake political reform (registering more voters, making it easier for people to vote) than campaign finance reform (focusing on candidates' fundraising and spending)

#### Perceptions and Attitudes

- 34/32 think Democrats raise more from special interests than Republicans
- 43/23 think Democrats raise more from foreign interests than Republicans
- 44/29 think the Congressional Republicans are more in favor of campaign finance reform than Clinton
- Voters are divided on whether Clinton's support for campaign finance reform is where he should focus attention 43%, and 40% say it is just a smokescreen to avoid investigations of wrongdoing in the campaign
- 66/29 think American subsidiaries of foreign corporations should not be allowed to give funds to political parties

## **Democratic Fundraising Practices**

Voters believe Republican hearings into fund-raising are unnecessary if there are investigations by the FEC, Justice department. They can be criticized as divisive, partisan and of little value.

- 59/38 heard about Clinton raising funds for the Democratic Party from an Indonesian group
- Fewer than 1 in 10 think Clinton was involved in any wrongdoing surrounding that incident
- 56/34 think Congressional committees headed by Republicans should not hold hearings into Democratic fundraising practices
- 67/25 think that is just a waste of Congress' time on political partisan matters that should be left to the FEC and the Justice Department

## **Unilateral Announcements**

Voters are enthusiastic about the prospect of Democrats forswearing foreign and soft money contributions.

- 57/20 would be more favorable to Clinton if he announced that the Democratic Party would, unilaterally, no longer accept campaign contributions from foreign sources, even though they are still legally allowed, such as from resident aliens who cannot vote and from the subsidiaries of foreign corporations
- 64/15 would be more favorable to Clinton if he announced that the Democratic Party would, unilaterally, no longer accept soft money contributions
- 47/27 think a unilateral abandonment of soft money contributions would put the spotlight on Republicans' fundraising and be a dramatic step in the right direction, rather than thinking it would put the Democrats at too much of a disadvantage against the Republicans

But pursuing the topic of campaign finance reform suggests that it will be hard to stop the restrictions on out of district money and on labor contributions that are the backbone of Democratic fundraising and campaigning.

## Campaign Finance Reform Proposals

Proposal	Strongly Support	Total Support
Requiring candidates to get most of their contributions from within their state or the district they're running in*	62	81
Setting spending limits on Congressional races of \$600,000 and on limits on U.S. Senate races based on the population of the state	58	84
Giving candidates free television time to communicate directly with the voters	58	74
Lowering the limit on contributions from Political Action Committees or PACs from \$5,000 to \$1,000	56	77
Banning contributions from registered lobbyists	55	68
A constitutional amendment to permit mandatory spending limits on campaigns**	51	70
Banning contributions from special interests, Political Action committees or PACs, labor unions and corporations	51	69
Banning the use of compulsory union dues for political duties	49	64
Banning large, so-called "soft money" contributions to political parties that are then used to help individual candidates	45	66
Having public financing of all federal campaigns	35	64

\* 56/35 say requiring that contributions come from the same area as the election is an important way to limit outside influences, not that candidates should be able to receive contributions from anywhere because many races are pivotal on certain national issues and can have national impact

\*\*Voters are split 42/42 over whether meaningful campaign finance reform requires a constitutional amendment to create enforceable limits on campaign spending and prohibit people from opting out of the limits or spending their own funds; or whether such an amendment would strike at the core of free speech and would not be real reform, just a way to limit speech. While this seems popular at first, the amendment quickly runs into opposition.

# Other Issues

## XI. Appointments

Early appointments were not necessary. This pace is going well.

- 66/24 think the President should take more time reviewing and picking people, since Congress won't be able to review them until February in any event.

Voters are favorable toward the new appointments, and very pleased with the show of bipartisanship.

- 60/35 heard about Clinton naming Madeline Albright Secretary of State, the first woman ever named to the post
- 52/14 are more favorable to him as a result
- 52/42 heard about Clinton naming former Senator William Cohen, a Republican, as Secretary of Defense
- 51/13 are more favorable to him as a result
- 63/24 think the President's appointment of a Republican as Secretary of Defense shows he is making a genuine effort at bipartisanship

Theme of consensus and bi-partisanship is working:

- 83/8 want Clinton to make a genuine effort at bipartisanship
- 78/13 think that a genuine effort at bipartisanship by the President is the way to get things done in the country

## XII. Airbags

This should be done quickly, as 50 million mothers have been made nervous about their children. Slow down the speed of drivers' side airbags.

- Given that under current law, airbags are geared to work for adults who are not wearing seat belts, and therefore deploy very fast and can harm young children, **67/17** think the law should be changed to gear airbags toward adults who are wearing seat belts so more children will be protected.

- 62/22 still think the rule should be changed even when it is pointed out that the change would put in jeopardy some adults who are not wearing seat belts, who would otherwise be saved by the airbag

### **XIII. Computer Literacy**

**New Concept:** Use the FCC decision to use up to \$2.5 billion a year out of Universal service fund to launch a quasi-public educational technology corporation. With this as a guaranteed revenue stream, the corporation could get about \$20 billion in hand now, and this would provide enough money to truly revolutionize computer education and literacy in the country – without additional taxpayer money.

Voters overwhelmingly support computers in education.

- 92/2 think computer training and literacy are an important part of modern education
- 77/14 favor the President's Technology Literacy Fund to try to wire all schools to the Internet so that every student in America will have access to computers and the information available on them
- 68/19 favor the FCC's decision to use up to \$2.5 billion per year from the funds set aside from the phone companies for universal service to make sure that every school and library is wired into the Internet
- 77/10 would favor an initiative setting aside the revenue from this Universal Service fund to establish an Educational Technology Corporation that could raise private capital to wire our schools and provide kids and teachers with computers. By raising funds now and working with the private sector, this quasi-public company could greatly speed up computer literacy in the country.

#### **XIV. EPA Standards**

Voters support the proposed new regulations.

- 50/43 heard about the Clinton Administration proposing tougher clean air and water standards
- 59/15 are more favorable to Clinton as a result
- 48% of voters think we need more protection of air and water supply and we especially need to reduce the size of the particles in the ozone layer; 34% think the tougher standards go too far, would impose new costs, and that the current regulations are working

#### **XV. China**

Voters want to be somewhat tougher on China, but they support Clinton's meetings with Chinese officials so far.

- 48/37 think it makes sense to meet with Chinese officials in the absence of any progress on human rights issues in China

38% of voters think Clinton's stance with China is too soft; 32% think it is just about right; and 10% think it is too tough

## XVI. Elements of Strategy

### Immediate Strategy:

- A) now is a period of preparation, planning
- B) Inaugural done around theme of involving more Americans in service, taking responsibility for the progress in the country
- C) Make the State of the Union address about our detailed 21<sup>st</sup> Century agenda, with an updated agenda of issues around education, welfare, balancing the budget, technology, etc. in the same comprehensive format as the other successful state of the unions.
- D) Use that period as a SOU follow-up, reinforcing the theme of preparing America for the 21<sup>st</sup> Century

### Legislative Strategy:

Continue balanced budget talks, but there will be no immediate results  
Call for bi-partisan Entitlement reform commission  
Try to move FLMA/Flex time as an early initiative that could be passed  
Propose major Education, Welfare, and Juvenile Justice bills

### Message Strategy

Continue to hit the vision with the tactic of reaching out for common ground and bi-partisanship in approach. Continue to stress the theme of giving people the tools they need to make the most of their own lives, not a return to big government

### But recognize the two basic realities:

- 1) Republicans will eventually not cooperate by trying to hit us with Flag burning amendment, School Prayer, Late term abortions.
- 2) Our eventual goal, however, must be to have a break with the Republicans at some point because our strategic effort in the long run must be to win a Democratic House.

Unless we are to be resigned to accomplishing only "Republican" objectives such as balancing the budget, regulatory reform, welfare reform, entitlement reform, we can never have the kind of true activism and flurry of accomplishments we would want without getting at least a Democratic House. A shift in our direction in a second term would be unprecedented, but is within our

grasp. Both FDR and Johnson had Democratic Congress' to get through their extensive accomplishments. Teddy Roosevelt had a Republican Congress straight through.

If we achieve bi-partisanship, we will successfully utilize consensus in the way that Nixon used it to achieve essentially Democratic ends of domestic policy overhaul. If we win the Congress we could perhaps take these accomplishments to the next level and would be seen as getting a virtually unprecedented second term and re-aligning the politics in the country.

**Likelihood of Winning in 1998.** Of the 32 targeted House districts, Democrats took only 12. However, of the 20 we lost, in 10 of them we lost by only 5 or fewer points. And if (as is likely) some or all of those districts voted for Clinton, those districts may be winnable in 1998. As soon as the data describing those districts' Presidential vote becomes available (anticipated date is early 1997), we will have better guidance as to our chances of retaking the House. The Republicans won through better targeting and tactics not through a substantial national advantage.

Our chances of retaking the Senate do not appear strong. In 1998, 34 Senators will be up for re-election, 18 Democrats and 16 Republicans. At least 4 of those Democrats (Bumpers, AK; Inouye, HI; Ford, KY; and Hollings, SC) are expected to retire, leaving open seats. Only 1 Republican, Nighthorse Campbell, CO, is expected to leave to run for statewide office. Another Democratic seat will open up if Sen. Feinstein, CA, resigns to run for Governor.

Of the 16 Republicans up for re-election, 9 are considered strong candidates, and 6 are probably strong or it is too early to tell. By contrast, of the 18 Democrats whose terms are ending, only 7 are considered strong, 4 are probably strong or it is too early to tell, and 7 are either weak or are likely to retire.

### **Congressional Approval**

Congressional Democrats are currently faring somewhat worse than the Republicans.

- 62/36 approve of the job Congress has been doing
- 63/35 approve of the job the Republicans in Congress have been doing
- 56/40 approve of the job the Democrats in Congress have been doing

The old leadership in Congress is still unpopular; the new leadership and the minority heads are still unknown. Favorabilities are:

- Gingrich 35/57
- Lott 24/14 (62 don't know)
- Daschle 16/13 (70 don't know)
- Gephardt 43/22 (34 don't know)

**MEMO:** Nov. 26, 1996  
**TO:** Michael Waldman/Don Baer/Bruce Reed  
**FROM:** Will Marshall, Bill Galston  
**RE:** Civic Renewal Initiatives

Here's a quick and dirty list of ideas for using the various powers of the presidency -- executive order, legislative, bully pulpit -- to promote civic enterprise. Many are culled from PPI's forthcoming book; others are notions that would obviously need considerably more thought and refinement.

1) Set a goal of creating one million mentoring relationships by 2000, along the lines of the Big Brothers/Big Sisters program, recently evaluated by Public/Private Ventures. The infrastructure and organization needed to create an effective program costs about \$1,000 per match. The goal of one million mentors would thus cost about \$1 billion annually when fully phased in. The well-being of our young people is a national (not just federal) and community (not just public) issue. Therefore, we should create a mentoring partnership: one-third of the costs to be borne by the federal government, one-third by states and localities, one-third by the voluntary sector. The incremental costs of this program could be reduced if the national service program, AmeriCorps, were to make a significant commitment to the mentoring goal.

2) Urge every state to establish a network of second-chance homes by the year 2000. These homes offer the three elements that teenage mothers need to change their lives: socialization, nurturing and support, structure and discipline. And they all offer a genuine social contract: The mothers who live in these homes must stay in school or job training. They must stay drug free and abide by curfews. They learn to cook and clean, to manage money, to get along with one another, and resolve conflicts. The mothers' welfare payments would go to pay room and board. In return, they get help with day care and health care and schoolwork. Most important, they learn how to nurture their children. The public lever is welfare and other public supports.

3) Call on every community to have a comprehensive plan for reducing teen pregnancy. The welfare reform bill offers significant financial inducements to states that reduce teen pregnancy rates; the point here is to encourage affected communities to devise their own strategies and the states to reward those that succeed.

4) Enlist America's churches in a nationwide civic campaign to find decent homes for children trapped in foster care. The story of One Church, One Child illustrates how barriers to adoption can be overcome when children's needs are put first. In 1980, officials of the Illinois Dept. of Children and Family Services approached the Rev. George Clements, leader of an African-American congregation on Chicago's South Side, to help them find parents for their long waiting list of black children ready to be adopted. Hundreds of potential adoptive and foster



reintegration of offenders into communities a central priority.

13) Expand federal research and technical assistance programs supporting community policing and community prosecution initiatives, and expand then into community-based models for probation, parole, juvenile justice, and child welfare. The Justice Dept. should offer large challenge grants to a few states to experiment with a comprehensive overhaul of criminal justice bureaucracies on a community-based model.

14) Push for "community leasing" of Western lands owned by the federal government. The Clinton administration should engage Western states' leaders in a historic shift of responsibility from Washington to communities for public lands now used mainly for grazing and timber. It should replace federal overlordship with a new concept of "community stewardship." A community stewardship group—like the many watershed councils already in existence—is a balanced consortium of local and regional interests committed to decision making by consensus. Under this approach, the BLM and the Forest Service would offer to lease selected lands to communities for up to fifty years. Community participation would be entirely voluntary. In return for flexibility to manage the lands in harmony with local needs (and the chance to earn some rent along the way), community stewards would commit themselves to meet or exceed national environmental standards.

We hope this preliminary list is useful. If there is high-level interest in any of these items, we will be happy to provide an assessment of the political costs and benefits.

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November 24, 1996

TO: Don Baer  
Bruce Reed  
Michael Waldman

FROM: Bill Galston

SUBJ: Themes for the legacy project

The purpose of this memo is to restate (in a somewhat more orderly form) the hasty thematic suggestions I offered at last week's meeting.

The "challenges" that structured the 1996 State of the Union were perfectly serviceable, but they don't really convey a sense of historic mission around which a presidential legacy can be organized. I would propose something along the following lines for the second term:

1. During the three decades following World War Two, every advanced industrial society made promises to its people that it could not keep. The United States was no exception: In 1993 Bill Clinton inherited a government whose commitments far outran its resources. It is Bill Clinton's historic mission to restore a sustainable longterm balance between our commitments and our resources--without dismantling essential government activities. He moved toward that goal during his first term. By the end of his second term, through a balanced budget and structural entitlement reform, he must end three decades of fiscal crisis and bequeath to his successor a government able to take on the new challenges of the 21st century.

2. Throughout most of the 20th century, routinized mass production was the principal source of individual opportunity and national wealth. Government policy reflected that reality. Bill Clinton's election coincided with an accelerating shift from industrial society to the information age. It is Bill Clinton's historic mission to render our public policies consistent with the imperatives of the information age. By the end of his second term, he must enact fundamental structural reforms that serve this mission--in education, training, technology, research, and taxation.

3. During the past generation, the United States has become increasingly divided along lines of class, race, ethnicity, and gender. While many of these divisions reflected long-overdue progress toward justice and inclusion, they have made it more difficult for Americans of good will to work together. It is Bill Clinton's historic mission to renew America's common ground--not by denying diversity, but by bringing us together in shared purposes across our differences. By the end of his second term,

he must implement policies that offer work opportunity to the dependent poor, fairness to the working poor, new hope to urban America, full inclusion for new immigrants, and security and respect for women in the military and throughout our society. His legacy: a revitalized understanding of "e pluribus unum" for the 21st century.

Together, these three missions serve an even broader objective. During the past generation, there has been an alarming decline in trust--not just in government and other large institutions, but in one another, as fellow citizens. I would suggest that if Bill Clinton can balance commitments and resources, implement policies needed for the information age, and make us one nation, he will have taken a giant step toward the restoration of public trust. There can be no more significant legacy. For as President Ford rightly said, trust is the glue that holds us together.