

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 014 - FOLDER -006

[07/25/1997]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 12:06:39.00

SUBJECT: Re: Paper on domestic violence

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

She's faxing me one now. She supposedly faxed you one already.

Elena Kagan

07/25/97 12:05:11 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc:

Subject: Re: Paper on domestic violence

do you have a copy?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JUL-1997 12:17:36.00

SUBJECT: nga

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Joshua A. Cohen-Peyrot (CN=Joshua A. Cohen-Peyrot/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: James T. Edmonds (CN=James T. Edmonds/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

This was in potus' speech on education today ..

It suggests the tone he wants to strike on Monday ...
Are we doing enough on education? I don't want to
get in one of these situations where we think the speech
is on one thing, and he thinks it's on another

" And let me say, the Secretary of Education and I are
about to leave to go out to Las Vegas to meet with the governors.
Now, if this event had gone on in 1979 or 1980 or 1983 or 1984, the
governors would have been the first group out there. And they've
been dragging their feet, and don't you believe for a moment that
Dick Riley and I aren't going to tell them what we saw at the
Elementary School Principals convention. (Applause.)

Education

Legislative Process

1. Teacher Recruitment and Preparation -- Title V of the Higher Education Act (Lead Responsibility)
2. Higher Education Act Reauthorization (participate with NEC and ED)
3. America Reads Initiative (participate with NEC/ED/CNCS)
4. Turn around failing schools -- (Lead Responsibility)
5. Vocational/Adult Education Reauthorization (participate with OMB/NEC/ED)

Non-Legislative Processes

1. National Testing Initiative (Lead Responsibility)
 - state sign-up
 - city sign-up
 - constituency outreach
 - test development
 - appropriations
 - other standards-related issues
2. Development of Interagency Math Strategy (Lead Responsibility, with OSTP/ED/NSF)
3. Urban Education/Race initiative (Lead Responsibility)
4. Hispanic Initiative (participate with NEC)
5. Charter Schools (lead responsibility)
6. National Board for Professional Teaching Standards (lead responsibility)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JUL-1997 09:57:12.00

SUBJECT: Breast Cancer stamp

TO: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Stephanie S. Streett (CN=Stephanie S. Streett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Ellen M. Lovell (CN=Ellen M. Lovell/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Phillip Caplan (CN=Phillip Caplan/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

I see that Congress has passed and sent to the President legislation authorizing a new postage stamp that will support breast cancer research.

We should begin thinking about what (and when) the signing for this bill might look like.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 12:02:53.00

SUBJECT: Household survey findings

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

EK/BR:

With respect to the Household Survey findings, I don't think we should include them in the weekly if you think they will leak -- what do you think? I don't want to screw the one person at ONDCP who's willing to be helpful to DPC.

I'll forward to both of you the copy of the memo to McCaffrey on this that I got my hands on -- so you have some more info.

jc3

Vocational Education Bill

The Perkins vocational education reauthorization bill, H.R. 1853, passed the House this week 414 to 12. Democrats and Republicans reached a compromise on a within-state funding formula and other provisions that target more funds to low-income and urban areas, thus avoiding a highly partisan final vote. The most contentious issue on the floor was an amendment by Rep. Mink (defeated 214-207) that would have restored a requirement that each state have a sex equity coordinator and requiring states to maintain funding levels for programs serving single parents, single pregnant women, and displaced homemakers.

As passed, the bill would achieve several administration goals, including the consolidation of numerous existing set-asides into a flexible state grant. However, serious concerns remain, including poor accountability for performance, limits on the use of industry-recognized skill standards, and still-inadequate in-state targeting as compared to existing law. The Department of Education hopes to address some of these problems in the Senate.

Processes (from Cynthia)

- Welfare Strategy Group -- Meets weekly to strategize about welfare reform issues and coordinate policy. Chaired by DPC, with membership from OMB, NEC, CEA, Intergovernmental Affairs, Public Liaison, Cabinet Affairs, Legislative Affairs, HHS, and DOL.
- Legal Immigrant Strategy Group -- Has met periodically as needed over the past six months to devise strategy on restoring benefits to legal immigrants. Chaired by DPC, with membership from OMB, Intergovernmental Affairs, Legislative Affairs, Public Liaison, SSA, HHS, USDA, DOJ.
- Welfare to Work Strategy Group -- Meets to develop and develop strategy to enact into law the Administration's \$3 billion welfare to work proposal. Chaired by DPC, with membership from OMB, Intergovernmental Affairs, HHS, DOL, Treasury, and HUD.
- Federal Interagency Group on Service -- Met weekly in the months prior to the Presidents' service summit, and is now meeting regularly again. Co-chaired by DPC and Cabinet Affairs, with membership from all major agencies.
- Appointees with Disabilities -- Now somewhat dormant in terms of meetings, this group of administration appointees with disabilities keeps in touch with the White House through Public Liaison and DPC.

Critical Budget Processes(from Paul)

1. Community Empowerment Agenda -- The DPC with the NEC and OVP will work through the budget process to secure passage of the President's Community Empowerment Agenda of increasing funding for Community Development Financial Institutions, designating new Empowerment Zones, and passing the "Brownfields" initiative.

Legislative Priorities

1. Passage of Campaign Finance Reform Legislation -- In coordination with Rahm Emanuel, Legislative Affairs, and White Counsel's Office, we are seeking a vote in the Senate in September on the bipartisan campaign finance reform legislation introduced by Senators McCain and Feingold.

New Processes and Old Processes to Consider Renewing

1. Community Empowerment -- Need to restart DPC/NEC process with OVP regarding new ideas.
2. Housing -- Work with NEC and HUD to develop initiatives in homeownership and other areas such as the Low-Income Housing Tax Credit.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 09:57:18.00

SUBJECT: Long-term

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I don't know if the DPC issues memo you're writing corresponds to the process memo Jonathan Kaplan and I put together, but if Mary and I can be helpful in working on this with you, please let us know.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Janet Himler (CN=Janet Himler/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:25-JUL-1997 14:56:02.00

SUBJECT: URGENT -- Draft legislative language for FLSA Option 2

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert G. Damus (CN=Robert G. Damus/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Jeffrey A. Farkas (CN=Jeffrey A. Farkas/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Maureen H. Walsh (CN=Maureen H. Walsh/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Barry White (CN=Barry White/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:

Jack called earlier this afternoon to ask for draft language for option 2 -- the in-between compromise to place a moratorium on regulations and legislative riders. See option 2 in attached (sent earlier today).

There has been NO agency review (in particular the GCs from SSA, Treasury and DOL have not seen the language) -- agencies do not know that these options are being discussed.

Elena and Bob -- I need your keen eye on this. I will be paging Jack momentarily to get his guidance on this. I will follow-up, but in the meantime your review is appreciated.

Here is the draft language:

Thanks for your help.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

Fair Labor Standards Act (FLSA) Options

Option 1:

- If an individual participating in a work experience or community service program is an employee (as determined by current law), the Fair Labor Standards Act (FLSA) applies.
 - Participants who are employees are covered by employee protection laws such as the FLSA, safety and health, and anti-discrimination laws.
 - Participants who are not employees (e.g., trainees) under the FLSA, will be covered by other employee protection laws such as safety and health and anti-discrimination laws.
 - o In addition, they will be covered by a grievance procedure that includes the right to a hearing within a specified time period and appeal of an adverse finding to a neutral State agency selected by the Governor.
- Participants in activities funded by welfare-to-work funds or TANF cannot displace current employees (including a reduction in hours, wages, or benefits) or be employed in a job resulting from a layoff or a workforce reduction to create the vacancy or in a job that impairs promotional opportunities for current employees. (Senate provision)
- Regardless of “employee” status, participants in programs financed with welfare-to-work or TANF funds, and their employers, shall not be covered by unemployment compensation and FICA taxes. Such individuals shall not be eligible for the EITC.
- Community service employment and work experience would not be listed as allowable activities under Welfare-to-Work.

Option 2:

- Guidance on the determination of the applicability of the FLSA to participants in community service or work experience programs, issued by the Department of Labor (DOL) in May 1997, shall remain unchanged through September 30, 1999. The DOL shall not issue any other regulations, interpretations, or guidance on this matter prior to September 30, 1999.
 - Participants who are not employees shall be treated as in Option 1.
- No further legislative riders to determine the applicability of the FLSA to participants in community service or work experience programs would be permitted in either appropriations or authorizing language until after September 30, 1999.
- Anti-displacement provisions same as Option 1.
- Coverage of and eligibility for unemployment compensation, FICA, and the EITC same as Option 1.

Option 3:

- House provision, but sunset on September 30, 1999. Participants in work experience and community service programs during this period are not considered to be receiving compensation for work and are not entitled to a salary or work or training expenses.
- Unemployment compensation, FICA, and the EITC same as Option 1.

“(_) APPLICABILITY OF THE FAIR LABOR STANDARDS ACT. --

“(_) IN GENERAL. -- Guidance issued by the Department of Labor in May 1997 on applicability of the Fair Labor Standards Act to individuals in community service or work experience programs shall remain unchanged through September 30, 1999.

“(I) The Secretary of Labor shall not issue any other regulations, interpretations, or guidance on this matter prior to September 30, 1999.

“(ii) During the period from enactment of these amendments through September 30, 1999, the Congress shall not enact amendments to current law, adopt legislative riders, or provide further guidance or interpretation on the applicability of the Fair Labor Standards Act to participants in community service or work experience programs.

“(iii) APPLICATION OF EMPLOYEE PROTECTION LAWS. -- Individuals in community service or work experience programs who, under the guidance issued by the Department of Labor in May 1997 are not employees, shall be covered by employee protection standards established under State and Federal law that are otherwise applicable to the working conditions of employees.

(_) WORKER PROTECTIONS --

“(1) NONDISPLACEMENT IN WORK ACTIVITIES. --

“(i) PROHIBITIONS. --

“(I) GENERAL PROHIBITION. -- A participant in a work activity under the TANF or Welfare-to-Work grants program shall not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any individual who, as of the date of the participation, is an employee.

“(II) PROHIBITION ON IMPAIRMENT OF CONTRACTS. -- A work activity under the TANF or Welfare-to-Work grants program shall not impair an existing contract for services or collective bargaining agreement, and a work activity that would be inconsistent with the terms of a collective bargaining agreement shall not be undertaken without the written concurrence of the labor organization and employer concerned.

“(III) OTHER PROHIBITIONS. -- A participant in a work activity under the TANF or Welfare-to-Work grant program shall not be employed in a job --

“(aa) when any other individual is on layoff from the same or any substantially equivalent

job;

“(bb) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant; or

“(cc) which is created in a promotional line that will infringe in any way upon the promotional opportunities of employed individuals.

“(ii) HEALTH AND SAFETY. -- Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in a work activity under the TANF or Welfare-to-Work grants program. To the extent that a State workers’ compensation law applies, workers’ compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

“(iii) GRIEVANCE PROCEDURE. --

“(I) IN GENERAL. -- Each State to which a grant is made under the TANF or Welfare-to-Work grants program shall establish and maintain a procedure for grievances or complaints alleging violations of clause (i) or (ii) from participants and other interested or affected parties. The procedure shall include an opportunity for a hearing and be completed within 60 days after the grievance or complaint is filed.

“(II) INVESTIGATION. --

“(aa) IN GENERAL. -- The Governor shall designate an appropriate impartial entity that is not responsible for the administration of funds under this part to investigate an allegation of a violation of clause (i) or (ii) if a decision relating to the violation is not reached within 60 days after the date of filing the grievance or complaint, and either party appeals to the Governor, or a decision relating to the violation is reached within the 60-day period, and the party to which the decision is adverse appeals the decision to the Governor.

“(bb) ADDITIONAL REQUIREMENT. -- The impartial entity appointed by the Governor in item (aa) shall make a final determination relating to an appeal made under item (aa) not later than 120 days after receiving the appeal.

Sec. ____ FEDERAL TAX TREATMENT OF REMUNERATION FOR PARTICIPATION
IN WORK EXPERIENCE OR COMMUNITY SERVICE PROGRAMS

(a) Remuneration for Participation in Work Experience or Community Service Programs Ineligible for Earned Income Tax Credit.-- Subparagraph (B) of section 32(c)(2) (defining earned income for purposes of the Earned Income Tax Credit) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (ii), by striking the period at the

end of clause (iii) and inserting in lieu thereof “, and”, and by inserting after clause (iii) the following clause:

“(iv) no amount of remuneration received for services provided in a work experience or community service position to which the taxpayer was assigned under any State program under Part A of Title IV of the Social Security Act shall be taken into account.”.

(b) Remuneration for Participation in Work Experience or Community Service Programs Not Subject To FICA.--Section 3121(a) (defining wages for purposes of the federal insurance contributions act employment tax) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of paragraph (20), striking the period at the end of paragraph (21), and inserting in lieu thereof “,or”, and by inserting after paragraph (21) the following paragraph:

“(22) remuneration paid for services provided in a work experience or community service position to which the employee was assigned under any State program under Part A of Title IV of the Social Security Act.”.

(c) Remuneration for Participation in Work Experience or Community Service Programs Not Subject to FUTA.-- Section 3306(b) (defining wages for purposes of the federal unemployment tax) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of paragraph (15), by striking the period at the end of paragraph 16 and inserting in lieu thereof “, or”, and by inserting after paragraph (16) the following paragraph:

“(17) remuneration paid for services provided in a work experience or community service position to which the employee was assigned under any State program under Part A of Title IV of the Social Security Act.”.

(d) Remuneration for Participation in Work Experience or Community Service Programs Excluded From Gross Income. -- The Internal Revenue Code of 1986 is amended by redesignating section 137 (containing certain cross references) as section 138, and by inserting after section 136 the following section:

“Section 137. Remuneration for Participation in Work Experience or Community Service Programs.-- Gross income shall not include any remuneration received for services provided in a work experience or community service position to which the individual was assigned under any State program under Part A of Title IV of the Social Security Act.”.

[The following language is based on earlier references to the TJTC. Modification are needed to update for WOTC.]

(e) Remuneration for Participation in Work Experience or Community Service Programs Ineligible for Work Opportunity Tax Credit. Section ___ (defining qualified wages for purposes of the Work Opportunity Tax Credit) of the Internal Revenue Code of 1986 is amended by inserting after paragraph () the following new paragraph ():

() Special Rules for Work Experience or Community Service Positions.--

“(A) Qualified Wages.--No amount of remuneration received for services provided in a work experience or community service position to which the individual was

assigned under any State program under Part A of Title IV of the Social Security Act shall be treated as qualified wages.

“(B) Qualified First-Year Wages.-- The 1-year period described in paragraph () is determined without regard to the period in which the employee provided services in a work experience or community service position to which the individual was assigned under any State program under Part A of Title IV of the Social Security Act.”.

I:\data\98bud\reconc\opt2.725

Recent Administration Actions on Service

The National Service Scholars Program: President Clinton announced today in his weekly radio address that more than 1,600 high school students have won scholarships of at least \$1,000 in the first year of the National Service Scholars Program. The college scholarships recognize outstanding community service.

The President proposed the program last year in an address at Penn State University, challenging communities to raise at least \$500 for their local high schools, which the federal government would then match. High school principals nominate the junior or senior with a strong commitment to community service to receive scholarships.

The \$500 federal match is provided by the Corporation for National Service, which launched the program this spring in partnership with the Citizens' Scholarship Foundation of America. The deadline to apply for the program was June 30, and 1,683 high schools submitted nominees. Awards will be sent to scholarship winners in early August.

The program has proved extremely popular, with a host of leading community organizations stepping forward to raise local scholarships and secure the federal match. The most frequent local contributors include: Kiwanis, Rotary, Lions, Dollars for Scholars, Seventh Day Adventists, Veterans of Foreign Wars, the American Legion, Elks, Women's Clubs, the Masons, Soroptomists, Junior Leagues, Optimists, Jaycees, Quota International, Sertoma, Parent Teacher Associations, and Chambers of Commerce. The Miss America Foundation committed to providing matching scholarships in every state; Sallie Mae provided the matching funds for every public high school in the District of Columbia; and the Minnesota state legislature voted to fund the match for all high schools in that state.

When he announced the initiative at Penn State, President Clinton said, "I want every principal in America to be able to stand up before a graduating class and announce the name of a National Service Scholar. We should make service to the community a part of every high school in America and a part of life of every dedicated citizen in the United States." Noting the success of the first year effort, the President today challenged schools and communities to award scholarships to many more students next year, with the goal of instituting the program in all high schools. The President's FY 1998 budget includes \$10 million for the National Service Scholars Program, enough to take the program nation-wide.

AmeriCorps Scholarships: The President also announced that service and religious organizations have responded positively to his summit challenge that the Administration would provide 50,000 new AmeriCorps scholarships over the next 5 years to organizations that offer young people the chance to serve. The response has been even stronger than expected, as 77 organizations have answered that challenge by offering to sponsor 10,000 new AmeriCorps members. The Corporation expects to make the first year's awards this summer.

Other Recent Actions: The Administration continues to use partnerships and citizen service to reach its key policy goals. For example, in May, the Vice President announced a new partnership of civic organizations that will mentor families seeking to leave welfare for work. Also in May, the Welfare to Work Partnership announced an expansion of its efforts to mobilize businesses to hire welfare recipients, so those parents can move into the economic mainstream and improve their children's future. In June, the President announced that Kaiser Permanente will commit \$100 million to provide health coverage for uninsured children in California, complementing the Administration's efforts to enact new legislation on children's health coverage.

In addition, Federal agencies are following through on the more than 40 commitments they made at the Philadelphia summit, including mentoring, tutoring, and launching new partnerships with corporations and nonprofits. Among other progress, the Corporation for National Service is taking the lead to meet the Summit's goal of engaging an additional 2 million young people in community service. In June, HHS Secretary Shalala launched a new partnership with the Girl Scouts, to teach girls about the dangers of substance abuse and other risky behaviors, featuring a new patch that Girl Scouts can earn by completing the program. In September, Agriculture Secretary Dan Glickman will convene a National Summit on Food Recovery, to develop a national strategy to increase gleaning efforts by one-third by the year 2000. In May, the Department of Justice convened a new public/private Mentoring Alliance to promote the Summit's mentoring goal, disseminate information about best practices, and determine how best to link volunteers with the children who need them.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 16:29:00.00

SUBJECT: Here's the radio address draft

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

One question: Waldman wants to call the high school service scholarships "AmeriCorps scholarships." Do you have a problem with that? Current draft doesn't say that, but Waldman may add.

----- Forwarded by Diana Fortuna/OPD/EOP on 07/25/97
04:28 PM -----

Jordan Tamagni
07/25/97 04:22:52 PM

Record Type: Record

To: Diana Fortuna/OPD/EOP

cc:

Subject: Draft

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D21]MAIL423106502.216 to ASCII,
The following is a HEX DUMP:

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Draft 7/25/97 4:30pm

**PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON CITIZEN SERVICE
THE WHITE HOUSE
JULY 25, 1997**

Good morning. I am joined here at the White House by the young men of Boys Nation, an outstanding organization that has inspired thousands of young people -- including myself -- to serve their country by serving in their communities.

I want to talk to you today about what we must do to make citizen service a part of every American's life, for his or her entire lifetime. As I said at Independence Hall in Philadelphia at the Presidents Service Summit this past April, the era of big government may be over, but the era of big citizenship must now begin. At that summit, thousands of Americans pledged their commitment to service. And as we prepare to go forward into the 21st Century, every one of us must join them, so we can meet our challenges and come together as one America.

For the past four and a half years, my administration has worked to give every American a chance to serve. We want to spark a renewed sense of obligation, a new sense of duty, and a new season of service all across America.

Of everything we have done to meet that challenge, I am proudest of AmeriCorps, our national service organization that has helped more than 70,000 young Americans all over the country to earn money for college while they serve their communities. AmeriCorps members do real work to address critical problems -- from cleaning up the environment, to helping at-risk children learn to read, to working with police to keep our streets safe, to helping our nation reach record levels of child immunization.

At the Service Summit I announced that our Administration would provide 50,000 new AmeriCorps scholarships over the next five years to organizations that offer young people the chance to serve. I am pleased to say today that 77 organizations have answered that challenge by offering to sponsor 10,000 new AmeriCorps members. And I thank those organizations for their commitment to promoting citizen service.

The success of AmeriCorps proves that citizen service works. And it is only one of the many things the national government is doing to work in partnership with citizens, businesses and civic groups. My Administration is busy following up on the commitments we made in Philadelphia at the Service Summit. This Fall, the Department of Agriculture will hold a food recovery summit that will help organize volunteers to distribute food to the needy. The Justice Department's new Mentoring Alliance will link children in need with volunteer mentors. And the Department of Health and Human Services' new partnership with the Girl Scouts of America will teach girls about the danger of drugs. In all these ways, we are committed to encouraging service throughout American life.

Commitment to community should be an ethic that our children learn as early as possible, so they carry it throughout their lives. That is why I have called on every state to make service a part of the curriculum in high school or even middle school. There are many creative ways to do this -- including giving students credit for service, incorporating service into course work, putting service on a student's transcript, or even requiring service, as Maryland does.

In addition to the AmeriCorps scholarship program we announced at the Service Summit, last year we took additional steps to encourage our young people to serve their communities in high school. We said we would offer \$500 scholarships to high school juniors and seniors with the best record of service in their class if communities and private service organizations would match that amount.

Just one year later, I am proud to say that some of our nation's most prominent service organizations have answered that call. Today, I am pleased to announce that 1,600 high school students will receive scholarships of up to \$1,000 to pay for college, and many of them are here with me today. The American Legion, the Kiwanis Club, the Rotary Club, the Elks Club, the Lions Club, the Junior Leagues, and the Miss America Foundation -- community groups are the glue that hold America together. And now they are giving our young people another reason to give something back to our communities.

This is just the first year of the National Service Scholars program, and I know that next year it will be even bigger. Our goal is to make this program available in every high school, so that every high school principal in America can stand before a graduating class and announce the name of a National Service Scholar. And with the support of groups like those who have already committed to help, I am confident that we can make this happen.

Something very important to our nation happened at the President's Service Summit -- people from all walks of life looked beyond their differences and came together around the common goal of serving our country. This is the way we meet our challenges: business working together with government, religious and community groups joining forces, and people lending a hand to help one another. Today we are taking an important step to build on that progress.

The spirit of the Service Summit is stronger than ever -- and it is up to us to keep it alive.

Thanks for listening.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 17:27:43.00

SUBJECT: Tobacco for weekly

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D11]MAIL4444636504.216 to ASCII,
The following is a HEX DUMP:

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Tobacco Update -- This week Secretary Shalala and I continued our outreach efforts. We met with research scientists, state public health officials, and experts in "counter-advertising." We also briefed the Democratic House tobacco task force, chaired by Vic Fazio. At this meeting Representative Baesler (D-KY) urged us to convene Democratic members from tobacco-growing states to discuss growers' issues; we plan to host such a meeting at the White House next week with Secretary Glickman. We will also meet next week with Republican and Democratic members of the Senate Labor Committee, and with the Senate Republican leadership.

On Thursday next week you are scheduled to sign an executive order assuring a smoke-free federal workplace. The order requires agencies to prohibit smoking inside federal buildings, except in designated areas separately ventilated to the outside. Over 10 federal agencies are already smoke free, but many, including the Department of Defense, will have to substantially change current policies to comply with the order.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 18:46:46.00

SUBJECT: School-University Partnerships in California

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

You had asked me to follow up on Sylvia Matthews's question about new partnerships being developed between University of California campuses and low-performing schools. Here is a some more detail and a status report. I will also fax you a recent news article on this.

The plan of the University of California's Outreach Task Force, as amended based on public comment, was approved by the UC Board of Regents on July 18. One of the specific recommendations made by the task force was the creation of university-school partnerships along the lines discussed in recent news articles, with each campus partnering with several disadvantaged high schools and feeder elementary and middle schools. The goal of these alliances would be to double the UC attendance from each participating partner high school. Key elements of the partnerships would include high standards, improvements in teaching, use of technology, and a strong focus on community and parental involvement. In describing the suggested partnerships, the task force report highlights some specific examples of existing collaboratives, such as the Monterey Bay Educational Consortium (MBEC), which focuses on early literacy, teacher and administrator training, expansion of technology and communications, and raising public awareness and support of educational programs.

The task force report envisions establishing partnerships with 50 high schools across the UC system, involving an additional 100 middle schools and 300 elementary schools, with each partnership receiving approximately \$370,000 annually (primarily to support improvements in teaching, including preparation and recruitment, retention, and professional development of teachers).

Other major recommendations made by the task force include expansion of academic development programs which support special academic enrichment opportunities for disadvantaged students and the adoption of best practices, as well as the expansion of programs to provide high quality information to students, families, teachers, and counselors in order to improve student planning and preparation for college.

While the task force report calls for spending approximately \$60 million each year on additional outreach activities overall, only a small fraction of that funding is currently available to UC, with the rest of it to be sought from the federal and state governments, foundations, and the schools served. It is very likely that some of the partnerships that grow out of this initiative could eventually qualify to participate in the teacher recruitment program contemplated under our new Title V proposal. Individual UC campuses now have through the end of the year to submit detailed plans to respond to the report's recommendations.

While the effort in California is primarily in the planning stages now, there are some interesting models described in the report. Please let me know if you would like me to follow up on this further.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Janet Himler (CN=Janet Himler/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:25-JUL-1997 15:12:59.00

SUBJECT: URGENT -- Draft legislative language for FLSA Option 2

TO: FOLEY_M (FOLEY_M @ A1 @ CD @ LNGTWY [UNKNOWN]) (WHO)

READ:UNKNOWN

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Robert G. Damus (CN=Robert G. Damus/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Jeffrey A. Farkas (CN=Jeffrey A. Farkas/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: James J. Jukes (CN=James J. Jukes/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Jill M. Blickstein (CN=Jill M. Blickstein/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Maureen H. Walsh (CN=Maureen H. Walsh/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Barry White (CN=Barry White/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TEXT:

I JUST HEARD FROM JACK. THERE WAS NO AGREEMENT ON THE HILL, SO THE LANGUAGE SHOULD GO NOWHERE RIGHT NOW. PLEASE DO NOT DISCUSS THIS LANGUAGE OR THE OPTIONS WITH THE HILL OR THE AGENCIES. YOUR REVIEW WILL STILL BE MOST HELPFUL, BUT WE SHOULD NOT BE DISCUSSING OUTSIDE OF EXOP. THANKS IN ADVANCE.

ALSO, THANKS A MILLION TO HRD FOR TURNING THIS AROUND SO QUICKLY.

If you have questions, please call at 5-7224.

More news to follow.

----- Forwarded by Janet Himler/OMB/EOP on 07/25/97 03:09 PM -----

Janet Himler
07/25/97 02:55:51 PM
Record Type: Record

To: Robert G. Damus/OMB/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP, Cynthia A. Rice/OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: URGENT -- Draft legislative language for FLSA Option 2

Jack called earlier this afternoon to ask for draft language for option 2 -- the in-between compromise to place a moratorium on regulations and legislative riders. See option 2 in attached (sent earlier today).

There has been NO agency review (in particular the GCs from SSA, Treasury and DOL have not seen the language) -- agencies do not know that these options are being discussed.

Elena and Bob -- I need your keen eye on this. I will be paging Jack momentarily to get his guidance on this. I will follow-up, but in the meantime your review is appreciated.

Here is the draft language:

Thanks for your help.

Message Copied

To: _____
Barry White/OMB/EOP
Larry R. Matlack/OMB/EOP
Maureen H. Walsh/OMB/EOP
Jeffrey A. Farkas/OMB/EOP
Jill M. Blickstein/OMB/EOP
Joshua Gotbaum/OMB/EOP

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

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Fair Labor Standards Act (FLSA) Options

Automated Records Management System
Hex-Dump Conversion

Option 1:

- If an individual participating in a work experience or community service program is an employee (as determined by current law), the Fair Labor Standards Act (FLSA) applies.
 - Participants who are employees are covered by employee protection laws such as the FLSA, safety and health, and anti-discrimination laws.
 - Participants who are not employees (e.g., trainees) under the FLSA, will be covered by other employee protection laws such as safety and health and anti-discrimination laws.
 - o In addition, they will be covered by a grievance procedure that includes the right to a hearing within a specified time period and appeal of an adverse finding to a neutral State agency selected by the Governor.
- Participants in activities funded by welfare-to-work funds or TANF cannot displace current employees (including a reduction in hours, wages, or benefits) or be employed in a job resulting from a layoff or a workforce reduction to create the vacancy or in a job that impairs promotional opportunities for current employees. (Senate provision)
- Regardless of “employee” status, participants in programs financed with welfare-to-work or TANF funds, and their employers, shall not be covered by unemployment compensation and FICA taxes. Such individuals shall not be eligible for the EITC.
- Community service employment and work experience would not be listed as allowable activities under Welfare-to-Work.

Option 2:

- Guidance on the determination of the applicability of the FLSA to participants in community service or work experience programs, issued by the Department of Labor (DOL) in May 1997, shall remain unchanged through September 30, 1999. The DOL shall not issue any other regulations, interpretations, or guidance on this matter prior to September 30, 1999.
 - Participants who are not employees shall be treated as in Option 1.
- No further legislative riders to determine the applicability of the FLSA to participants in community service or work experience programs would be permitted in either appropriations or authorizing language until after September 30, 1999.
- Anti-displacement provisions same as Option 1.
- Coverage of and eligibility for unemployment compensation, FICA, and the EITC same as Option 1.

Option 3:

- House provision, but sunset on September 30, 1999. Participants in work experience and community service programs during this period are not considered to be receiving compensation for work and are not entitled to a salary or work or training expenses.
- Unemployment compensation, FICA, and the EITC same as Option 1.

“(_) APPLICABILITY OF THE FAIR LABOR STANDARDS ACT. --

“(_) IN GENERAL. -- Guidance issued by the Department of Labor in May 1997 on applicability of the Fair Labor Standards Act to individuals in community service or work experience programs shall remain unchanged through September 30, 1999.

“(I) The Secretary of Labor shall not issue any other regulations, interpretations, or guidance on this matter prior to September 30, 1999.

“(ii) During the period from enactment of these amendments through September 30, 1999, the Congress shall not enact amendments to current law, adopt legislative riders, or provide further guidance or interpretation on the applicability of the Fair Labor Standards Act to participants in community service or work experience programs.

“(iii) APPLICATION OF EMPLOYEE PROTECTION LAWS. -- Individuals in community service or work experience programs who, under the guidance issued by the Department of Labor in May 1997 are not employees, shall be covered by employee protection standards established under State and Federal law that are otherwise applicable to the working conditions of employees.

(_) WORKER PROTECTIONS --

“(1) NONDISPLACEMENT IN WORK ACTIVITIES. --

“(i) PROHIBITIONS. --

“(I) GENERAL PROHIBITION. -- A participant in a work activity under the TANF or Welfare-to-Work grants program shall not displace (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits) any individual who, as of the date of the participation, is an employee.

“(II) PROHIBITION ON IMPAIRMENT OF CONTRACTS. -- A work activity under the TANF or Welfare-to-Work grants program shall not impair an existing contract for services or collective bargaining agreement, and a work activity that would be inconsistent with the terms of a collective bargaining agreement shall not be undertaken without the written concurrence of the labor organization and employer concerned.

“(III) OTHER PROHIBITIONS. -- A participant in a work activity under the TANF or Welfare-to-Work grant program shall not be employed in a job --

“(aa) when any other individual is on layoff from the same or any substantially equivalent

job;

“(bb) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant; or

“(cc) which is created in a promotional line that will infringe in any way upon the promotional opportunities of employed individuals.

“(ii) HEALTH AND SAFETY. -- Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in a work activity under the TANF or Welfare-to-Work grants program. To the extent that a State workers’ compensation law applies, workers’ compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

“(iii) GRIEVANCE PROCEDURE. --

“(I) IN GENERAL. -- Each State to which a grant is made under the TANF or Welfare-to-Work grants program shall establish and maintain a procedure for grievances or complaints alleging violations of clause (i) or (ii) from participants and other interested or affected parties. The procedure shall include an opportunity for a hearing and be completed within 60 days after the grievance or complaint is filed.

“(II) INVESTIGATION. --

“(aa) IN GENERAL. -- The Governor shall designate an appropriate impartial entity that is not responsible for the administration of funds under this part to investigate an allegation of a violation of clause (i) or (ii) if a decision relating to the violation is not reached within 60 days after the date of filing the grievance or complaint, and either party appeals to the Governor, or a decision relating to the violation is reached within the 60-day period, and the party to which the decision is adverse appeals the decision to the Governor.

“(bb) ADDITIONAL REQUIREMENT. -- The impartial entity appointed by the Governor in item (aa) shall make a final determination relating to an appeal made under item (aa) not later than 120 days after receiving the appeal.

Sec. ____ FEDERAL TAX TREATMENT OF REMUNERATION FOR PARTICIPATION
IN WORK EXPERIENCE OR COMMUNITY SERVICE PROGRAMS

(a) Remuneration for Participation in Work Experience or Community Service Programs Ineligible for Earned Income Tax Credit.-- Subparagraph (B) of section 32(c)(2) (defining earned income for purposes of the Earned Income Tax Credit) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (ii), by striking the period at the

end of clause (iii) and inserting in lieu thereof “, and”, and by inserting after clause (iii) the following clause:

“(iv) no amount of remuneration received for services provided in a work experience or community service position to which the taxpayer was assigned under any State program under Part A of Title IV of the Social Security Act shall be taken into account.”.

(b) Remuneration for Participation in Work Experience or Community Service Programs Not Subject To FICA.--Section 3121(a) (defining wages for purposes of the federal insurance contributions act employment tax) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of paragraph (20), striking the period at the end of paragraph (21), and inserting in lieu thereof “,or”, and by inserting after paragraph (21) the following paragraph:

“(22) remuneration paid for services provided in a work experience or community service position to which the employee was assigned under any State program under Part A of Title IV of the Social Security Act.”.

(c) Remuneration for Participation in Work Experience or Community Service Programs Not Subject to FUTA.-- Section 3306(b) (defining wages for purposes of the federal unemployment tax) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of paragraph (15), by striking the period at the end of paragraph 16 and inserting in lieu thereof “, or”, and by inserting after paragraph (16) the following paragraph:

“(17) remuneration paid for services provided in a work experience or community service position to which the employee was assigned under any State program under Part A of Title IV of the Social Security Act.”.

(d) Remuneration for Participation in Work Experience or Community Service Programs Excluded From Gross Income. -- The Internal Revenue Code of 1986 is amended by redesignating section 137 (containing certain cross references) as section 138, and by inserting after section 136 the following section:

“Section 137. Remuneration for Participation in Work Experience or Community Service Programs.-- Gross income shall not include any remuneration received for services provided in a work experience or community service position to which the individual was assigned under any State program under Part A of Title IV of the Social Security Act.”.

[The following language is based on earlier references to the TJTC. Modification are needed to update for WOTC.]

(e) Remuneration for Participation in Work Experience or Community Service Programs Ineligible for Work Opportunity Tax Credit. Section ____ (defining qualified wages for purposes of the Work Opportunity Tax Credit) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (____) the following new paragraph (____):

(____) Special Rules for Work Experience or Community Service Positions.--

“(A) Qualified Wages.--No amount of remuneration received for services provided in a work experience or community service position to which the individual was

assigned under any State program under Part A of Title IV of the Social Security Act shall be treated as qualified wages.

“(B) Qualified First-Year Wages.-- The 1-year period described in paragraph () is determined without regard to the period in which the employee provided services in a work experience or community service position to which the individual was assigned under any State program under Part A of Title IV of the Social Security Act.”.

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July 25, 1997

MEMORANDUM FOR FRANKLIN D. RAINES

THROUGH: MAC REED

FROM: BRUCE REED
 ELENA KAGAN

SUBJECT: EXECUTIVE ORDER TO PROHIBIT DISCRIMINATION BASED ON
 SEXUAL ORIENTATION

We request that you process this executive order pursuant to Executive Order No. 11030, as amended. For the reasons described below, we request that you complete this process by Friday, August 15, 1997.

The Administration would like to enact an executive order to prohibit discrimination based on sexual orientation in federal civilian employment. Although most agencies currently have some sort of policy prohibiting discrimination on the basis of sexual orientation, this executive order is needed to provide a uniform policy to replace the patchwork of policies in the agencies. In addition, this executive order should be enacted in August before the Employment Non-Discrimination Act of 1997, which the Administration supports, is scheduled for a hearing this fall. The Employment Non-Discrimination Act would prohibit discrimination based on sexual orientation, in both the public and private sectors, with certain exemptions for small businesses, charitable organizations, and the military.

Attached is a draft of the executive order which would amend Executive Order No. 11478 entitled "Equal Employment Opportunity in the Federal Government."

DRAFT

EXECUTIVE ORDER #

Equal Employment Opportunity in the Federal Government

By the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

SEC 1. Executive Order No. 11478, as amended, is further amended by substituting “age, or sexual orientation” for “or age” in the first sentence of Sec 1.

July 25, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Welfare Reform: New Report on LEAP Teen Parent Program -- This week the MDRC released updated findings on Ohio's LEAP program for teen parents. The results are somewhat better than the findings from the recent New Chance study, but are still discouraging. LEAP showed modest success in increasing school attendance and employment and reducing AFDC receipt. (By contrast, the teen mothers in New Chance were not more likely to hold jobs or leave welfare.) But LEAP did not increase high school graduation and had very little impact on teens who had already dropped out of school before entering the program.

LEAP's approach differs from New Chance's in a number of ways. LEAP is a mandatory program that cuts the welfare benefits of teen parents who don't attend school and gives bonuses to those who do. By contrast, New Chance was a voluntary program which provided extensive services to participants through community-based programs. LEAP served both in-school and out-of-school youth, and most of its success was concentrated among participants who were enrolled in school at the time of random assignment. New Chance served only teen parents who had already dropped out of school. These findings led MDRC President Judy Gueron to say "In general, we don't have examples of success working with teen parents who have dropped out."

2. Welfare Reform: Proposed High Performance Bonus -- The welfare law provides \$1 billion for bonuses for high performing states. The provision was one offered by Senator Lieberman and supported by the DLC. The law requires HHS to work with NGA and APWA on a proposed formula. Last week, HHS distributed to states a preliminary concept paper, based on discussions to date. While no one has yet agreed to proposal, we are encouraged that the measurements of performance focus on the important issues: employment; job retention; earnings; and teen births. One contentious issue involves which data should be used to measure

employment and wages: states want to use their welfare agency records, while HHS wants them to rely on the more objective state unemployment insurance data which employers report. All in all, this bonus will enable us to collect data to hold states publicly accountable for their performance on what really matters.

[Elena -- you asked for two other items, see below. I need to do more research to answer these questions. I will do so today if I have time; otherwise, I'm afraid we'll have to answer in next week's weekly.]

3. Welfare Reform: CEA's Analysis of Child Only Cases -- You asked whether we should fix the problem described by CEA, that states with a higher proportion of child only cases will have a harder time meeting the work rates and have more families reaching the time limit [Check to see whether changing this was considered in the technicals bill.]

4. Welfare Reform: Child Support Computer Systems -- As you know, the General Accounting Office released a report last week criticizing states for not completing their child support computer systems. A requirement in the 1988 Family Support Act required states to develop these systems by October 1995; Congress later extended the deadline until October 1997. HHS estimates that nine states won't meet the deadline. [Investigate: What do we think we can do to fix this problem.]

5. Crime: Juvenile Crime -- On Thursday, the Senate Judiciary Committee reported out the juvenile crime bill by a vote of 12-6. Senators Feinstein and Torricelli voted in favor of the legislation. While parts of the bill are good, it still fails to contain some of our key priorities: guaranteed funding for after school programs, more funding for prosecutors and court-based programs (e.g., Boston's Operation Night Light), and the gun ban for violent juveniles. A vote on our child safety lock provision was defeated on a 9-8 vote.

Some improvements were made to the bill during markup, including the separation of juveniles and adults incarcerated in the federal system, allowing the bill's prosecutor funding to be used for programs like Operation Night Light (but without increased funding), and some guaranteed prevention funding. In addition, Hatch agreed to work with Kohl to authorize our after schools program/anti-truancy initiative which was successfully included in the appropriations bill. The juvenile crime legislation is not expected go to the Senate floor until October.

6. Crime: Brady Law -- On Thursday, July 24th, the Arkansas Attorney General issued a statement making clear that Arkansas did have the proper authority under state law to continue doing Brady background checks. Thus, Ohio is now the only state that has given to the NRA's pressure/legal argument that they do not have the authority to continue doing Brady background checks. Justice and Treasury officials are still working with the Ohio Attorney General's office to reverse this post-Brady decision policy.

7. Drugs: Household Survey -- Preliminary findings from HHS' 1996 Household Survey on drug abuse are in, and the results are mixed. They include:

- **Overall drug use remains flat.** There are 13 million current users or 6.1% of the population. Most are marijuana users -- 10.1 million persons or 4.7% of the population.
- **Increases among some youth seems to have stopped.** The jump in marijuana use by youth aged 12 - 17 that has occurred since 1992 dropped slightly in 1996. However, marijuana use by youth aged 18 - 25 has increased slightly.
- **Heroin use up.** Not only is heroin use increased since last year -- particularly for youth ages 25 and under -- but there are a record number of new heroin users (141,000).
- **Cocaine use showing signs of coming back.** Past month users of cocaine are up slightly for the first time since 1992 -- and up 27% since the 1994 low point in cocaine use. Also, HHS estimates that the rate for first-time cocaine users in the 12 - 17 age group is one of the highest ever.

NB: The Household Survey measures drug use in America's households (age groups 12 - 17, 18 - 25, and 25 and up), not the entire population. The survey misses youth below the age of 12, military personnel, homeless persons, and those in prisons and jails. Thus, the survey tends to miss some of the hard-core drug users.

8. Drugs: Crack Study -- Justice's National Institute of Justice is set to release an analysis of Drug Use Forecasting (DUF) data from 1987 to 1996 that shows crack use down in 24 cities. The report finds that crack use by arrestees is down substantially -- and at least by 10% -- in 10 major cities; that, in another 7 cities, crack use is down among juveniles, which suggests that declines in the overall rate are forthcoming; that, in 5 cities, the crack epidemic was as strong as ever; and that no crack epidemic exists in 2 of the cities.

**PRESIDENT WILLIAM J. CLINTON
NATIONAL GOVERNOR'S ASSOCIATION
LAS VEGAS, NEVADA
JULY 28, 1997**

Acknowledgments: Governor Miller -- thank you for your leadership of the NGA over the past year. Hillary and I are also grateful to you for your leadership in the area of early childhood development, an issue that we care so much about; Gov. Voinovich -- congratulations on assuming the NGA chairmanship; and Gov. Carper -- congratulations on becoming vice chairman; Sec. Riley; Mickey Ibarra, our new director of intergovernmental affairs; Fred Duval, deputy director for governors.

I am glad to be here in the great city of Las Vegas. Two days ago I was at Lake Tahoe. Governor Miller, you've got a beautiful state. This is the fifth year I have spoken to the NGA as President, and each year we have seen progress in strengthening the growing partnership between the White House and the state house. When I first took office in 1993, I had a clear vision of what it would take to prepare our country for the vast opportunities and challenges of the 21st century. I believed then, as I believe now, that we must be committed to the pursuit of opportunity for all, responsibility from all, in a community of all Americans.

That means that, above all, we must work together. The American people made it clear some time ago that they wanted a shift in the balance of power between Washington and the states. They wanted a smaller, more efficient federal government -- one that did not try to solve all problems, but set national priorities and gave people the tools to make the most of their own lives. They wanted a federal government that cost less and worked better. And we have given them that.

We all know that the best way to limit big government in Washington is to have better government in the states. Thanks to you, that is what we are getting. More and more of what used to be run out of Washington has now been turned over to you -- and you are proving that you are up to the challenge. We have also asked the American people to take a more active role in this new partnership -- calling for greater personal responsibility and a renewed commitment to citizen service. And that too is having a positive impact.

Just look at what we have accomplished together. In 1993, we put in place a new economic approach -- reducing the deficit to create the conditions for growth; investing in the education and skills of our people so all Americans can reap the rewards of prosperity; and an aggressive drive to open foreign markets to our goods and services. We now have the strongest economy in a generation: the deficit is down 77%; 12.5 million new jobs; unemployment is the lowest since 1973; we have the biggest drop in income inequality and the lowest inflation in 30 years. All this was made possible by the combined efforts of all of us in this room and citizens from Maine to Hawaii.

Our country is in strong shape. We are well prepared for the 21st century. But, today I want to talk about two things we must do to keep us on the right track. First, we must continue to move forward on welfare reform so that the problem of generational dependency does not become the legacy of this century and follow us into the next. And second, we must make sure we give our children the world's best education -- one that challenges them to achieve at the highest standards so they will have the skills and confidence to take advantage of the vast opportunities of the 21st century.

Fixing our broken welfare system has been one of the top priorities of my presidency. Since I took office, we granted waivers to 43 states to help you launch welfare reform experiments that emphasize work and personal responsibility. And last year we took the bold step of finally ending welfare as we know it. We began to transform the system -- to make welfare a second chance, not a way of life, and to elevate our values of family and work and responsibility. A year ago, I signed welfare reform into law to make tough work requirements, time limits and parental responsibility the law of the land. There was a lot of debate at the time over whether this bold experiment would work. We still have more to do. But today, the old debate is over: welfare reform works.

There are 3 million fewer people on welfare than the day I took office and a remarkable 1.2 million fewer since I signed welfare reform into law. Nine states have cut their rolls by more than 40% in the last four years. Wisconsin and Wyoming have cut their caseloads in half. This is the largest decrease in the welfare rolls in history, giving us the lowest percentage of the population on welfare since 1970.

But even more impressive than these numbers is the pride that comes from a mother being able to tell her children she now has a job, or a community being able to come together to create jobs and hire and train people on welfare, or a child who now has access to safe, healthy, good quality day care because her state chose wisely to invest in child care.

And we should also be proud of the fact that we are on course to fix the things we said we were going to fix. In the balanced budget agreement, we got commitments to restore the most egregious cuts in aid to legal immigrants and to restore \$1.5 billion for food stamps. State and local officials were central to this battle for fairness. You agreed with us that those provisions represented a cost-shift to states that would have undermined our efforts at true reform. And I thank you for that.

So, there is much that we should be proud of. But, there is also much more to do. Welfare reform is not a fait accompli, but a work in progress. You asked to be cut loose from federal bureaucratic strings that tied your hands and impeded the pace of reform -- and we did that. But we must never forget, with flexibility comes responsibility. When I signed that bill into law, I did not sign away my responsibility to make sure it achieved its stated purpose of moving people from welfare to work. States now have both the added power and the added responsibility for making that a reality.

So, today, nearly one year after the enactment of welfare reform, I want to take a hard look at how we are doing -- to highlight our successes, point out our shortcomings and to challenge everyone involved -- welfare recipients, the business community, the religious community, civic and non-profit organizations, state legislatures, local officials and governors -- to redouble our efforts so that we can meet our goal of moving a million people from welfare to work by the year 2000.

We need to take a look at what states are doing in four areas that are critical to moving people off welfare: jobs, child care, transportation and child support.

The first thing we need to do is assess how well we are doing in creating jobs that will move people from welfare to work. As I have said all along, if we are going to require people to work we have to provide them with the opportunity to work. Nearly all state welfare-to-work programs include the traditional elements of job search, training, education, community work experience and placement in unsubsidized jobs. But now, 36 states are doing what I have encouraged every state to do -- use welfare checks to subsidize private jobs.

We made sure that the balanced budget agreement we reached with Congress included \$3 billion in welfare-to-work funds to help create the jobs to move people from welfare to work. I also secured a commitment from congressional leaders to give private employers tax incentives to hire long-term welfare recipients. Pennsylvania and Massachusetts are among those states that is already doing this. Let me say, I believe that every one of those new workers should earn at least the minimum wage and receive the protections of existing employment laws that other workers enjoy.

Our Welfare-to-Work partnership is bringing together CEOs of small and large companies committed to hiring people off welfare. I want to thank Governors Tommy Thompson and Tom Carper for co-chairing the Partnership's Advisory Council. I urge all of you to become members and I challenge you to create similar public/private partnerships in your own states. North Carolina is among a growing list of states that are already doing quite well in this area.

Here in Las Vegas, the state and the hotel/casino industry have been working closely to create training programs and hire welfare recipients. MGM Grand Hotel has hired over 1000 welfare recipients during the past several years. And the state has set a goal for new casinos to set aside 10 percent of all positions for former welfare recipients.

Child care is a critical support for families moving from welfare to work and low income families trying desperately to make ends meet. Parents need child care so they can work without worrying and children need quality child care so they can learn and grow. We simply cannot expect parents to go to work if they have nowhere to send their children during the day. We would not think of imposing that dilemma on our families -- and we should not do that to families struggling to make the move to independence. That is why I made sure the welfare

reform bill added \$4 billion more in child care assistance. Now, you must do your part.

I am pleased to report that efforts to expand child care are widespread. Because of the additional \$4 billion we secured in the welfare law, states are now receiving more federal dollars.

About half the states are increasing their spending beyond what is needed to receive all of their new federal funds. Some states, including Florida and Wisconsin are adding quite a bit more. And some states are creating seamless child care systems which provide subsidies for all workers below a certain income, whether they have been on welfare or not. That is a model that should be followed throughout the country. So, I challenge every state to make a significant investment in child care.

The First Lady and I are convinced that the availability of quality, affordable child care for all who need it, is the next great frontier we have to cross to truly enable American families to reconcile the demands of work and home. That is why on October 23rd, we will convene the first-ever White House Conference on Child Care to discuss the strengths and weaknesses of the present system so we can find ways to achieve our goal.

The third thing we ought to take a look at is how well we are doing in making sure there is adequate transportation to get those moving from welfare to work to jobs, which often are outside their neighborhoods.

One of the biggest barriers facing people -- in cities and in rural areas -- who move from welfare to work is finding transportation to get to jobs, training programs and day care centers. Today, only about 6 percent of those on welfare have cars. In many big cities, no matter how long people sit on a public bus, they can't reach half the entry level jobs. At the same time, businesses in the suburbs need new workers. Our challenge is to make sure that lack of transportation is not an obstacle to getting people who want to work to jobs where they are needed. That is why I urge the Congress to pass a transportation bill that includes my proposal for \$600 million to help states and local communities devise transportation strategies to move people from welfare to work.

Some communities and states have already started to address the transportation challenges of welfare reform. Kentucky's "Empower Kentucky" initiative combines the resources of four cabinet offices in a free transportation brokerage system that will assure transportation is available in all areas of the state. Michigan's "Project Zero" provides transportation in its effort to put every able-bodied welfare recipient to work. And in Wisconsin, where only 3.5 percent of welfare recipients own cars, the state's "Job Ride" initiative is vanpooling thousands of central city workers to suburban jobs. Other states are devoting a portion of their welfare block grant funds to transportation. We need this kind of innovation in more states. And we need Congress to support these types of efforts in the ISTEA bill.

Fourth, we know that child support can be the difference between welfare and self-sufficiency. Every child has two parents and they are entitled to the support of two parents.

We have made remarkable progress in this area -- increasing child support collections by 50% from 1992 to 1996. And we made sure the welfare law included tough new measures to help states track deadbeat parents across state lines. To date, however, not all states have taken all the steps to put these measures in place. For those states that are lagging behind, this is one of the critical steps in welfare reform. For the sake of the law and the children, it cannot wait. Work with your legislatures to get it done. And put in place no-nonsense state-wide child support collection systems that work for every child and every family.

Finally, let me add a caution. Welfare reform will only work if states continue to use the savings they are now seeing to move more people into the workforce -- those savings should not be diverted to other uses.

Together, we have lowered the welfare rolls by over 3 million people in four-and-a-half years. That is a great accomplishment. But we all know that many of the people left on the welfare rolls are those with the least skills and experience, who may require extra help in getting into the workforce. That is why I believe debates in some state Capitols about how to divert welfare savings away from welfare reform to other uses are just plain wrong. We should invest those savings to put even more people to work. Cutting back on child care or financing a big tax cut defy the spirit of the law. I challenge every state to follow Maryland's lead -- take the money you save from lowering your caseloads and use it for the child care, transportation, and training that people need to move from welfare to work.

It is clear: as we approach the first anniversary of this bill, welfare reform is working. But, we must not rest on this early success. We still have a ways to go to make the permanent underclass a thing of the past. I know of the good work you all doing and I urge all of you to intensify your efforts to make sure we uphold our end of the bargain and our most cherished values of work, family, and responsibility.

I want to ask for your help in one other area -- education. As you know, the centerpiece of my comprehensive plan for improving American education -- and the most important thing we can do to give our children the world class education they deserve -- is an insistence on high standards. Not federal standards, but national standards of excellence that every child can meet.

In my State of the Union, I challenged every state to adopt these high standards, and by 1999 to test every 4th grader in reading and every 8th grader in math to make sure these standards are met. Since I issued that call, governors and education leaders in six states have agreed to participate in these tests. I want to thank North Carolina, Maryland, Massachusetts, Michigan, Kentucky and West Virginia, along with the Department of Defense schools all over the world for stepping up to this challenge.

Last week, Secretary Riley and I attended a meeting of the National Association of Elementary School Principals in Washington, where we announced that fifteen of our largest

school districts -- including the schools in six of the seven largest cities in America have committed to adopt national standards and participate in this testing program. That means that now 8.6 million children -- one out of every 5 public schoolchildren in America -- will be held to world class educational standards in the basics. So, we are making progress. But we need more states to join this effort. For more than a decade, governors have been the leaders in educational reform. You have been leading the effort to raise standards in your states. But as long as each state is doing this on its own, your students will not know if they are meeting the requirements of the global economy. They deserve better than that -- and we have a responsibility to give it to them.

This is not about the federal government taking over education, it is about every one of us doing all we can to inspire our children to reach for and realize their highest potential. We owe it to our children to set high standards and to measure how well they are doing -- not just against your state's expectations, but against the requirements they must meet throughout the country and the world. And we have to take whatever steps are needed to ensure that all our kids can meet these standards. So, today I urge every governor who has not stepped up to this challenge to do so. It is the most important thing we can do to prepare our children to succeed in the century ahead.

Welfare reform and education reform -- both are state responsibilities, but national priorities. And both are critical to making sure America is strong and growing into the next century. I want to thank all of you for your leadership on these two important fronts. But I want to caution you that nothing we do in these areas will matter unless we come together as One America.

Last month, in San Diego, I issued a call for all our citizens to begin a great national dialogue about the issue of race. I asked us to focus on how we can enter the next century as the most successful multiracial, multiethnic, multireligious democracy the world has ever known. And I was pleased that two former governors -- Thomas Kean of New Jersey and William Winter of Mississippi -- agreed to serve on my advisory board.

You are already seeing the great demographic shift that is literally changing the face of America. Today, Hawaii is the only state in America that has no majority race. Within four years, California will also have no majority race. And within 30 years, there will be no majority race in this country. We know what we will look like in a generation -- the question before us today, is what will we be like. Can we respect and celebrate our differences, while uniting around a common set of values? Can we open our minds and hearts to ensure that all our citizens of every race, ethnic background and income level, have an equal chance to make the most of their lives?

How we answer those questions will determine what kind of a nation we will be in the next century. We will need your help in the coming months as we grapple with the difficult issues that still divide us and set a course of unity for our future. I know I can count on your support.

Thank you and God bless you all.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JUL-1997 17:01:13.00

SUBJECT: Ann Lewis MEMO as of 5:00

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Only from Cynthia===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

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Events/Reports While the President is on Vacation (Rice/Fortuna):

- On August 22, the first anniversary of the signing of the welfare law, we hope to be able to release a report showing that the economy is producing more than enough jobs for those leaving the welfare rolls. We are working with HHS, CEA, and NEC to determine the feasibility and methodology of such a report, as well as who might author it.
- The Department of Justice is working on a report on the extent of the problem of statutory rape, a report required by the welfare law. The Attorney General will be reviewing the report and some related proposals shortly.
- We may be able to release a Presidential Memorandum directing federal agencies to explore additional measures to expand service opportunities for federal employees (if it isn't a problem to release such a memorandum from vacation).
- We should be able to announce progress by one or more federal agencies on our service summit commitments.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 08:53:52.00

SUBJECT: Questions for you re: NGA Speech

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])
 READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
 READ:UNKNOWN

TO: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])
 READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
 READ:UNKNOWN

Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])
 READ:UNKNOWN

TEXT:

States to Mention

I propose to substitute some different states as examples to make the list of states praised more bipartisan.

On page 3 --

Instead of Florida giving tax credits, list Pennsylvania and Massachusetts (this will also keep Florida from being mentioned twice).

Take out Washington (leave North Carolina) re: public/private partnerships

On page 5 --

Challenge every state to follow Maryland's lead to take the money saved from caseload reduction and use it for welfare reform (take out Indiana and Oregon -- they aren't great examples anyway).

With these changes, we will praise--

Pennsylvania	North Carolina
Wisconsin (twice)	Florida
Michigan	Kentucky
Massachusetts	Maryland

Also, Governor Carper and Thompson will be mentioned name as co-chairs of the Welfare to Work Partnership Advisory Council.

Child Care Question for Bruce and Elena

On page 4 -- do we want to mention the White House Child Care conference here? We had originally thought no, because the conference will focus on child care beyond the welfare realm. However, I think the way it's done here gives it a universal theme -- particularly after the President's call for more universal, seamless systems. So I'd be happy to leave it in. Question: have we announced the date of the conference yet?

Question for Emily

Diana asked me last night if it's excessive on page 2 to say that "Governors were central to this battle for fairness" in restoring legal immigrant and food stamp cuts. It sounds like it is, although we could say it anyway. What do you think?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JUL-1997 12:55:49.00

SUBJECT: DOJ/Interior Justice Issue

TO: Robert N. Weiner (CN=Robert N. Weiner/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Patricia E. Romani (CN=Patricia E. Romani/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: William P. Marshall (CN=William P. Marshall/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

----- Forwarded by Mona G. Mohib/WHO/EOP on 07/25/97
12:52 PM -----

Mona G. Mohib

07/24/97 04:47:09 PM

Record Type: Record

To: Michael Deich/OMB/EOP, Elena Kagan/OPD/EOP, William P.
Marshall/WHO/EOP, Robert N. Weiner/WHO/EOP

cc:

Subject: DOJ/Interior Justice Issue

Lynn would like to set up a meeting this Tuesday, July 29 in her office. She suggested the times of 8:15 am, 11:30 am and 2:30 pm. Please let me know what times do not work for you in order to help actually set up the meeting.

I also can be reached at 6-2896.

Thank you. Mona

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JUL-1997 13:51:57.00

SUBJECT: DOJ/Interior Justice Issue

TO: Robert N. Weiner (CN=Robert N. Weiner/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Patricia E. Romani (CN=Patricia E. Romani/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: William P. Marshall (CN=William P. Marshall/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Michael Deich (CN=Michael Deich/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

CC: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

The meeting is set for 2:30 on Tuesday in 106 OEOB.

----- Forwarded by Mona G. Mohib/WHO/EOP on 07/25/97

12:52 PM -----

Mona G. Mohib

07/24/97 04:47:09 PM

Record Type: Record

To: Michael Deich/OMB/EOP, Elena Kagan/OPD/EOP, William P.
Marshall/WHO/EOP, Robert N. Weiner/WHO/EOP

cc:

Subject: DOJ/Interior Justice Issue

Lynn would like to set up a meeting this Tuesday, July 29 in her office. She suggested the times of 8:15 am, 11:30 am and 2:30 pm. Please let me know what times do not work for you in order to help actually set up the meeting.

I also can be reached at 6-2896.

Thank you. Mona

**National Governors' Association Speech
July 28, 1997
Questions and Answers -- 7/25 DRAFT**

Welfare to Work

Question: **The President said that Pennsylvania and Massachusetts are among states that are giving tax incentives to employers. What exactly are they doing?**

Answer: According to a report from the National Governor's Association, under Massachusetts' Full Employment Program, employers receive subsidies of \$2.50 per hour for up to nine months. Participating employers are also entitled to an excise tax credit of \$100 per month for each FEP employee hired. Pennsylvania rewards employers for participating in their Employment Incentive Program (EIP) by providing up to \$5100 in state tax credits for each welfare recipient an employer hires. The employer can earn \$1,500 of the possible tax credit by paying for or providing child care to the welfare recipients hired. The welfare recipient must be employed for at least one year for the employer to receive the financial incentives.

Question: **In his speech, the President cited North Carolina as an example of a state that is effectively creating public-private partnerships to move welfare recipients to work. What is North Carolina doing?**

Answer: As part of North Carolina's Work First Program, the state is recruiting business leaders to hire people off welfare. Many county offices have contracts with the local Chambers of Commerce to hold job fairs once a month and meetings with chief executives.

Question: **The President also commended Las Vegas, Nevada and the hotel/casino industry for their partnership in hiring welfare recipients. What exactly are they doing?**

Answer: Las Vegas, the state of Nevada, the Chamber of Commerce and the hotel/casino industry have been working closely to get jobs for welfare recipients. The State goal is for new casinos to set aside 10 percent of all jobs for TANF recipients. Several hotels have already met this standard, including the new MGM Hotel (1,000 positions), the Stratosphere hotel (2,600 positions) and the Silver Legacy Hotel (2,800 positions).

Child Care

Question: **The President said that about half the states are increasing their spending beyond what is needed to match new federal child care funds. Which states was he talking about?**

Answer: The President commended states that are making child care a priority because child care is the most critical support for families moving from welfare to work and low-income working families struggling to make ends meet. According to an APWA, the 24 states that are already making this financial commitment to child care are: Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Jersey, North Carolina, Ohio, Oregon, Tennessee, Vermont, Washington State and Wyoming.

Question: **The President mentioned Florida and Wisconsin specifically - - what are they doing?**

Answer: Wisconsin and Florida are examples of states that are making important investments in child care with state funds and/or by transferring TANF funds.

Question: **What are examples of states that have seamless child care systems?**

Answer: Illinois, Michigan, Washington

Question: **What is the White House Conference on Child Care that the President mentioned in his remarks?**

Answer: Last week the President announced that he and the First Lady will host the first-ever White House Conference on Child Care on October 23, 1997. The conference will examine the strengths and weaknesses of child care in America and explore how our nation can better respond to the needs of working families for affordable, high quality child care. The conference builds on the Clinton Administration's long-standing commitment to increasing access to child care and ensuring child care quality.

Transportation

Question: The President mentioned three states that have started to address the transportation challenges of welfare reform. Can you tell me more about what they're doing?

Answer: Kentucky: As part of Kentucky's "Empower Kentucky" initiative, Gov. Paul Patton's is developing a new transportation system that will ensure that welfare recipients all over the state can receive safe, timely and effective transportation to work, job training program, and child care and health facilities. This transportation system will integrate the transportation programs of four cabinets -- Children and Families, Health Services, Transportation, and Families and Workforce Development-- and extend service to areas of the state currently underserved. The new system will include creating 8-14 transportation regions across the state, contracting with a single broker/provider in each region, and establishing a toll-free number for recipients to arrange for transportation through their regional broker.

Michigan: Michigan's "Project Zero" is a pilot state effort in five counties to reduce to zero the number of public assistance households without earned income. As part of the pilot, three state agencies are partnering to address the transportation barriers faced by participants. Michigan's Suburban Mobility Authority for Regional Transportation provides bus patrons with a ride from their stop to their work site. New employees are provided one month of free bus service. In addition, the Urban and Public Transportation Program provides vehicles to counties to assist clients in getting to work and child care sites during off-peak working hours.

Wisconsin: Wisconsin developed "Job Ride" in 1989 to respond to the emerging transportation need for welfare recipients. For example, statewide only 3.5 percent of families receiving public assistance own automobiles. The program sought created an innovative van pool to link low-income job seekers with jobs in outlying suburban areas. The program served more than 1,100 job placements in Milwaukee and Southeast Wisconsin and recorded over 72,000 trips to work in its eight-year history.

Question: The President noted that some states are using welfare block grant dollars to fund transportation. Can you give me an example?

Answer: In Connecticut, Governor Rowland has committed to using \$2.2 million of the state's TANF dollars for transportation services for public transit operators across the State to provide new transportation services to move welfare recipients to work.

Question: **The President said he recently proposed legislation providing \$600 million to help states and local communities move people from welfare to work. Could you tell us more about this?**

Answer: The President is proposing to use the \$600 million in new funds to create an Access to Jobs program as part of the reauthorization of the ISTEA transportation bill. This six-year competitive grant program will support new, flexible, innovative transportation services to get people to where the jobs are.

Investing in Welfare

Question: **The President challenged all states to follow the lead of Maryland. What is Maryland doing?**

Answer: Maryland has committed to maintain their investment in welfare reform efforts --

above and beyond what the new welfare law requires. Some of the resources are going to demonstration projects in critical areas like reducing teen pregnancy; but most of the money is going back to local communities for them to reinvest in job training and support services to families like case management, child care and transportation.

[Background: The welfare law requires states to maintain 80% (75% for states that meet work participation requirements) of their FY 94 state spending on cash assistance programs. This is called the Maintenance of Effort (MOE) requirement. Maryland has committed to spending 100% of its MOE.]

Question: **The President said that some states have been debating how to divert savings generated from welfare caseload declines away from welfare reform efforts. Which states have been considering this? As a former Governor, doesn't the President understand that states often have competing needs for dollars and have to spend any savings where they are most needed?**

Answer: Diverting welfare savings for other uses has been discussed in many states. We

happen to have detailed information from the Center for Public Policy Priorities (CPPP) in Austin, Texas, an organization that monitors budgeting decisions in the State legislature. CPPP found that Texas will have a \$363 million TANF "surplus" due to declining caseloads. Of this surplus, Texas used only about one-third on services for welfare recipients; the state used most of the rest of the federal funds to replace existing state spending, fill budget gaps, or purchase other

services.

[Contact person at the Center: Patrick Bresette at 512/320-0222.]

Child Support

Question: The President said that some states are lagging behind in enacting the new child support laws. Which states have not completed work on legislation?

Answer: Currently, 26 states have enacted the new child support enforcement measures of the new welfare law. The main new enforcement tools are new hire reporting, license revocation, centralized state collections, uniform interstate collection laws and streamlining paternity establishment. These new measures will substantially increase child support collections.

Unfortunately, 8 states have not included some of the provisions of the new law. Those states are Alaska, Idaho, Illinois, Indiana, Maryland, Montana, Oklahoma and Vermont. Some of the measures not adopted by the states are new hire reporting (Illinois), and other significant measures that makes it easier for the states to seize funds from paychecks and property owned by deadbeat parents. Not including all the provisions undermines the states' ability to ensure that children get the support they deserve and need. The President today sent a very strong message that states have to act quickly and pass these crucial child support enforcement provisions.

Question: What about the remaining states?

Answer: The other states and territories have either not yet finished their legislative sessions or, under the law, have some additional time to pass the new enforcement provisions. The President sent a strong message today that states need to put these new enforcement tools in place or children will not get the full support they need.

Question: What will happen to the states that don't pass the new provisions?

Answer: We are taking the passage of these provisions very seriously. States that do not pass the new enforcement tools will receive a warning from HHS to comply with the law. If the states still do not come into compliance, they will risk losing federal funds for their child support enforcement. The stakes are high here, but getting badly needed support to children is our highest priority.

Question: Is it true that the states could also lose their federal welfare funding?

Answer: If a state does not have a fully compliant child support enforcement program, it risks a loss of its federal welfare funds. Child support can be crucial to help

families achieve self-sufficiency and get off the welfare rolls. Parents, not taxpayers, should support their children.

Question: **Didn't GAO recently release a report which criticized the federal government for a lack of strong leadership and direction in helping states with child support computer systems? Aren't a lot of states going to miss this October's deadline for having their computer systems up and running?**

Answer: As many as 9 states say they are concerned that they will not meet the deadline. There are several main reasons why states have had difficulties. States have experienced contractor problems. States with county-based child support programs, like these states, have encountered jurisdictional problems between the counties and the states.

The child support system is a federal/state partnership. Within this partnership, it is the states' responsibility to implement these important computer systems. The law clearly places this significant project in their hands. HHS has pushed the states to meet deadlines, provided technical assistance and where necessary suspended funding to states which were not making progress.

Welfare Caseloads

Question: **The President said in his speech that nine states have cut their rolls by over 40% in the last 4 years. Which states are these?**

Answer: The nine states that the President was referring to are Indiana, Massachusetts, Mississippi, Oklahoma, Oregon, South Carolina, Tennessee, Wisconsin, and Wyoming.

Question: **How many people are now on the welfare rolls?**

Answer: Just under 11 million, down from 14.1 million in January 1993, a drop of 3.1 million or 22 percent.

Question: **Why do you say that we now have the lowest percentage of the population on welfare since 1970?**

Answer: According to HHS data, 4.1% of the U.S. population was on welfare in April 1997 -- that's 11 million people out of a total U.S. population of 267 million. In 1970, the comparable figures were 8.5 million people on welfare out of a total U.S. population of 205 million.

Question: **Why do you think the caseload numbers are down?**

Answer: In May, the Council of Economic Advisors (CEA) issued a report to explain some of the reasons for the dramatic decline in the welfare caseload during the last four years. According to the CEA's analysis, over 40 percent of the reduction in the welfare rolls can be attributed to the strong economic growth during the Clinton Administration, nearly one-third can be attributed to waivers granted to states to test innovative strategies to move people from welfare to work, and the rest is attributed to other factors -- such as the Clinton Administration's priorities to increase the Earned Income Tax Credit, strengthen child support enforcement, and increase funding for child care.

Question: **If the welfare rolls were declining before the new welfare law, why did he need to sign it?**

Answer: The caseload reductions show why the President signed the welfare law -- they're the best evidence that welfare reform works. As you know, this Administration granted welfare reform waivers to 43 states so they could impose tough work requirements and time limits and provide incentives that made work pay better than welfare. The 22 percent decline in welfare caseloads since January 1993 shows that these kinds of actions work. With the new law, governors can expand these welfare reform actions without having to petition Washington.

July 1st

Question: **What is the significance of the July 1 implementation date?**

Answer: In accordance with the welfare law signed by the President last August, as of July 1 all states are now operating under the tough new work rules of the Temporary Assistance of Needy Families (TANF) program. Welfare is now a truly transitional assistance program that requires work in exchange for time-limited assistance.

However, even before welfare reform many states were well on their way to changing their welfare programs to jobs programs. By waiving certain provisions in federal statutes, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. Nearly 90 percent of states have chosen to continue or build on their welfare demonstration project approved by the Clinton Administration.

White House Hiring

Question: **The White House pledged to hire 6 welfare recipients by the year 2000. Have any been hired?**

Answer: Yes. The Executive Office of the President has already hired 6 welfare recipients. [Note that the original commitment that the "White House" would hire 6 people actually reflected the full Executive Office of the President, including OMB and the Office of Administration. To date, the White House has hired 3 people, OMB has hired 2, and the Office of Administration has hired 1.]

Welfare Privatization

Question: **How hard are you fighting Congressional efforts to change the law to allow privatization of Medicaid and Food Stamp operations?**

Answer: We strongly oppose these proposals, believing that allowing states to privatize health and human services programs would not be in the best interests of program beneficiaries. As you know, we recently told the state of Texas that while certain program functions, such as computer systems, can currently be contracted out to private entities, the certification of eligibility for benefits and related operations (such as obtaining and verifying information about income and other eligibility factors) should remain public functions.

Minimum Wage and Workfare

Question: **Are you going to accept the House welfare provisions which undermine the minimum wage and worker protections?**

Answer: We strongly oppose the House provisions on the minimum wage and worker protections. We believe that everyone who can work must work, and that those who work should earn at least the minimum wage and receive the protections of existing employment laws -- regardless of whether they are coming off welfare.

In addition, the Administration strongly believes that we must retain the welfare law's strict emphasis on work and oppose provisions to permit States to count additional time spent in activities such as job search toward the work requirements.

Question: What is the Administration doing to ensure that welfare recipients going to work don't displace other workers?

Answer: We are strongly supporting proposed legislation that would strengthen the anti-displacement provisions of the welfare law. We are urging Congress, at a minimum, to include in the welfare law the non-displacement language from H.R. 1385, the House-passed job training reform bill. We were successful in getting these protections added to the Ways and Means and Education and Workforce Committees on the House side; we must retain these improvements in conference. We are also urging the conferees to accept the House provision which ensures the Federal Government will not pre-empt State non-displacement laws that provide greater worker protections than Federal law.

Welfare to Work in the Budget Bill

Question: What do the budget bills do to promote work?

Answer: The budget agreement contains two critical welfare to work initiatives. The first is a \$3 billion Welfare to Work fund for cities and states to create job opportunities for welfare recipients. This proposal, a centerpiece of the President's second-term agenda, will help move one million adults from welfare to work. The budget agreement also includes our proposed enhanced tax credit that would give companies that hire long-term welfare recipients a 50 tax credit on the first \$10,000 of wages paid over two years. In conference, we are fighting to include the House Ways and Means version of the \$3 billion welfare to work program, which directs more funds towards poor cities, and to revise the proposed welfare to work tax credit to conform to the budget agreement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 11:14:59.00

SUBJECT: America Reads/National Service Mtg

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

FYI

----- Forwarded by Cathy R. Mays/OPD/EOP on 07/25/97 11:13 AM -----

From: Melissa Green on 07/25/97 11:09:20 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: America Reads/National Service Mtg

Gene Sperling is holding a meeting on Tuesday July 29 at 12:00pm to discuss strategy for appropriations re: Education and National Service. Any questions please call Melissa at 456-5804. Thanks

Attendees:

Dep. Secy Smith
Carol Rasco
Mr. Wofford
John Gomperts
Director Raines
Deputy Director Lew
Barry White
Bruce Reed
Mike Cohen
Bill Kincaid
Sylvia Mathews
John Hilley
Gene Sperling
Mike Shireman

Message Sent

To:

Cathy R. Mays/OPD/EOP
Michael Cohen/OPD/EOP
William R. Kincaid/OPD/EOP
Barry White/OMB/EOP
Jill M. Blickstein/OMB/EOP
Janet L. Graves/OMB/EOP

Sandra L. Via/OMB/EOP
Janet Himler/OMB/EOP
Virginia N. Rustique/WHO/EOP
June G. Turner/WHO/EOP
Laura @ 401-0596 @ Fax
Kerry Galea @ 565-2784 @ Fax
Vicky/Sara @ 401-3095 @ Fax

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 10:07:02.00

SUBJECT: Re: Welfare to Work Options

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

I had them add dropping community service as an allowable use to Option 1.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 12:46:39.00

SUBJECT: NGA edits

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: James T. Edmonds (CN=James T. Edmonds/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Excellent work on the speech, as usual. I have a few suggestions and thoughts on how to shorten it:

1. At the end of the 1st full graph on p. 2 ("Fixing our broken welfare system.."), I think we should make more of the fact that welfare reform is working better than most expected. I would change the last 3 sentences into a new graph (in bold) that says, "A year ago, I signed welfare reform into law to make tough work requirements, time limits, and parental responsibility the law of the land. There was a lot of debate at the time over whether this bold experiment would work. We still have more to do. But today, the old debate is over: welfare reform works." That should be a good soundbite and applause line.
2. In the next graph, you should add a sentence about state caseload reduction. Cynthia can give you the specifics. It would say something like, "X states have cut their rolls by over 40% in the last 4 years; Wisconsin (and any others) has cut its caseload in half."
3. On p.3, I would drop the 5 questions, which take a lot of time, and just say, "We need to take a look at what states are doing in 4 areas that are critical to moving people off welfare: jobs, child care, transportation, and child support."
4. On p. 4, I would move the other area (savings) to 5th (after the child support graphs). I would drop the sentence "we all know that some things are not going so well" since we don't have any specific examples of states diverting \$. This works better as a general caution than as an assessment.
5. On p. 5, instead of "We still have a ways to go before we can declare victory", I would say, "We still have a ways to make the permanent underclass a thing of the past."

Thanks -- let me know if you need anything.

Talking Points
on NGA Speech

One year ago, the President signed welfare reform into law because he didn't think governors should have to ask permission to impose tough work requirements and time limits and provide incentives to make work pay better than welfare.

As of July 1st, welfare reform has taken effect in all 50 states. Early indications are that so far, it is working.

There are 3 million fewer people on welfare than the day President Clinton took office, and a remarkable 1.2 million fewer since he signed welfare reform into law. This is the largest decrease in the welfare rolls in history, giving us the lowest percentage of the population on welfare since 1970.

In Monday's speech, the President will take a hard look at how we are doing -- to highlight successes and point out shortcomings of states. He will look at how we are doing in five areas:

- Creating jobs that will move people from welfare to work;
- Investing in child care to give women an opportunity to get and keep jobs;
- Making sure people who want to work have adequate transportation to get to work;
- Are states using savings to move people into the workforce or diverting them to other uses?
- And fifth, are they taking the steps necessary to make sure women and children are getting the child support to which they are entitled?

Examples to cite:

Creating Jobs

36 states are doing what the President has encouraged every state to do -- use welfare checks to subsidize private jobs.

Pennsylvania and Massachusetts are providing employers tax incentives to hire long-term welfare recipients, something we agreed to do on a national level in the bipartisan budget agreement.

Welfare to Work Partnership led by United Airlines CEO Jerry Greenwald launched May 20th at the White House, pledged to obtain commitments from over 1,000 companies within six months to hire people off of welfare.

Child Care

President made sure \$4 billion more in federal funds for child care was included in last year's bill.

About half the states are increasing their own spending as well.

Wisconsin, for example, is planning to add \$160 million.

Transportation

Kentucky has launched a coordinated effort across four cabinet agencies to ensure transportation is available.

In Wisconsin, where only 3.5 percent of welfare recipients own cars, the state's "Job Ride" initiative is vanpooling thousands of central city workers to suburban jobs.

Diverting Welfare Savings for Other Uses

The President will make a strong statement challenging states to use the savings from declining caseloads to put even more people to work and saying that he thinks the talk in some state Capitols about diverting funds to other uses is just plain wrong.

Some states are doing the right thing. Maryland has committed to maintain its spending in welfare reform, pledging to keep its state spending at 100% of historic levels to invest in the things people need to go from welfare to work.

Child Support Enforcement

The new welfare law included tough new measures to help states track deadbeat parents, such as new hire reporting, license revocation, centralized collection, and paternity establishment.

States need to pass their own laws to put these new measures in place, but not all states have. The President will make a strong statement urging governors to work with their legislatures and get it done.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 16:15:57.00

SUBJECT: Last Call on Clinical Programs

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

We have been asked to clear the graduate portion of the Higher Ed Act reauthorization proposal by the end of the day today. Unless I hear from you otherwise, I will assume that we should not worry about the law school clinical programs issue.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 11:59:07.00

SUBJECT: Paper on domestic violence

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TEXT:

Mary Bourdette faxed Elena paper on draft domestic violence. She says their GC says we cannot give this actual paper to anyone. To give anyone paper, we should summarize the idea on a separate piece of paper.

Since the Secretary has not yet signed the proposed reg we can describe it to people verbally. Once the Secretary signs it and it is sent to OMB, there is supposed to have no further discussions about it.

For more clarification, call Anna Durand 690-6318.

The National Service Scholars Program

President Clinton announced today that more than 1,600 high school students have won scholarships of at least \$1,000 in the first year of the National Service Scholars Program. The college scholarships recognize outstanding community service.

The President proposed the program last year in an address at Penn State University, challenging communities to raise at least \$500 for their local high schools, which the federal government would then match. High school principals nominate the junior or senior with a strong commitment to community service to receive scholarships.

The \$500 federal match is provided by the Corporation for National Service, which launched the program this spring in partnership with the Citizens' Scholarship Foundation of America. The deadline to apply for the program was June 30, and 1,683 high schools submitted nominees. Awards will be sent to scholarship winners in early August.

The program has proved extremely popular, with a host of leading community organizations stepping forward to raise local scholarships and secure the federal match. The most frequent local contributors include: Kiwanis, Rotary, Lions, Dollars for Scholars, Seventh Day Adventists, Veterans of Foreign Wars, the American Legion, Elks, Women's Clubs, the Masons, Soroptomists, Junior Leagues, Optimists, Jaycees, Quota International, Sertoma, Parent Teacher Associations, and Chambers of Commerce. The Miss America Foundation committed to providing matching scholarships in every state; Sallie Mae provided the matching funds for every public high school in the District of Columbia; and the Minnesota state legislature voted to fund the match for all high schools in that state.

When he announced the initiative at Penn State, President Clinton said, "I want every principal in America to be able to stand up before a graduating class and announce the name of a National Service Scholar. We should make service to the community a part of every high school in America and a part of life of every dedicated citizen in the United States." Noting the success of the first year effort, the President today challenged schools and communities to award scholarships to many more students next year, with the goal of instituting the program in all high schools.

The President's FY 1998 budget includes \$10 million for the National Service Scholars Program, enough to take the program nation-wide.

Attending the radio address where the President made the announcement were two scholarship winners and representatives from four civic groups that raised local scholarship funds (add names).

Talking Points on Presidents' Summit Followup

The President's Commitment: The President remains committed to the goals of the Presidents' Summit for America's Future in April in Philadelphia. The Summit's goals for children (a caring adult, a safe place, a healthy start, a marketable skill, and a chance to serve) are each vital goals of the Administration.

Since April, the President has continued to speak about the importance of service and volunteerism to audiences, including the Business Roundtable, the Conference of Mayors, and businesses attending the announcement of the Welfare-to-Work Partnership. He has talked extensively about how all of us must move forward to reach the goals of the Summit **and to give more children what they need to grow up to be productive citizens.**

In addition, the President applauds the work of General Powell and America's Promise and looks forward to possible participation in future Summit activities. In fact, Members of the President's Cabinet will soon begin to participate in follow-up Summits around the country.

National Service Scholars: On Saturday the President announced in his weekly radio address that over 1,600 high school students have won scholarships of at least \$1,000 as part of the first year of the National Service Scholars program. These scholarships recognize students with outstanding records of community service. The President first called for this program in a speech at Penn State in May 1996, challenging communities to raise at least \$500 for their local high schools, which the federal government would then match. In the first year, a host of leading community organizations stepped forward to raise local scholarships, including the Kiwanis, Rotary, Lions, Dollars for Scholars, Seventh Day Adventists, Veterans of Foreign Wars, the American Legion, Elks, Women's Clubs, Masons, Soroptomists, and Junior Leagues. The Miss America Foundation committed to provide scholarships in every state. Sallie Mae provided the matching funds for every public high school in D.C. The Minnesota state legislature voted to fund the match for all high schools in that state. Each high school principal is invited to nominate a junior or senior for the scholarship. He urged all 20,000 high schools in the nation to participate next year.

Representatives of civic groups along with five scholarship winners were in the audience. Our hope is that civic organizations will publicize this event in their newsletters and drum up even more support for this program next year.

AmeriCorps Scholarships: Saturday the President announced that service and religious organizations have responded positively to his summit challenge that the Administration would provide 50,000 new AmeriCorps scholarships over the next 5 years to organizations that offer young people the chance to serve. The response has been even stronger than expected, as 77 organizations have answered that challenge by offering to sponsor 10,000 new AmeriCorps members. The Corporation expects to make the first year's awards this summer.

Recent Actions on Welfare and Children's Health:

- **In May, the Vice President announced that he will head a new partnership of civic organizations that will mentor families seeking to leave welfare for work.**
- **Eli Segal's Welfare to Work Partnership is mobilizing businesses to hire welfare recipients, so that those parents can move into the economic mainstream and improve their children's future. A major expansion of this group was announced in May.**
- **In June, the President announced that Kaiser Permanente will commit \$100 million to provide health coverage for uninsured children in California, complementing the Administration's efforts to enact new legislation on children's health coverage.**

Federal Agency Commitments: Federal agencies are following through on the more than 40 commitments they made at the summit, which included mentoring and tutoring and launching new partnerships with corporations and nonprofits. They are also continuing to launch new initiatives and partnerships to reach the summit's goals. The following highlights some of our progress since the Summit.

- The White House has convened an interagency group to focus on this issue. It will meet regularly and hold agencies accountable for their progress. The White House has asked all agencies to complete timelines and milestones that show how they intend to reach their commitments.
- The Administration is working with the National Association of Partners in Education to meet its goal of adopting or establishing partnerships with an additional 500 schools by the year 2000. Prior to the summit, federal agencies had partnerships with approximately 1,500 schools across the country. The Social Security Administration and the Department of Transportation have already established new partnerships since the summit, while the Department of Health and Human Services is working with the organization "Everybody Wins" to adopt more schools. In addition, this summer the Labor Department is operating a new four-week summer academic enrichment program for D.C. public school students in partnership with the National Council of Negro Women.
- The Administration is working toward its goal of using national service as a strategy in the President's proposed America Reads program, **the national literacy campaign to ensure that every child can read well and independently by the third grade.** At this time, the Senate has appropriated \$20 million for the Corporation for National Service to fund AmeriCorps **tutor coordinators to help recruit, organize, and manage volunteers who will tutor children.** While awaiting congressional action, the Corporation is launching a "Seniors in Schools" initiative, with nine pilot sites and support for 8,700 school-based Senior Corps programs. In September, the Corporation will deploy the DC Reads Initiative, with AmeriCorps, Senior Corps, and federal

work-study students tutoring in 18 of the lowest performing public elementary schools in D.C. In addition, the Corporation and the Department of Education have recruited over 500 colleges and universities to dedicate work study students as reading tutors. This summer, AmeriCorps members are helping 8,000 pre-K to 3rd grade students with reading as part of 20 "Summer Reads" programs.

- The Corporation for National Service is taking the lead on a strategy to meet the Summit's goal of engaging an additional 2 million young people in service. In August, it will convene a national strategic planning session in Washington in partnership with America's Promise and Do Something, with participation from the youth community, faith groups, the education community, and summit commitment makers in this area. The Corporation hopes that America's Promise will assist its efforts to expand the National Service Scholars program next year; its goal is to reach every high school in America. The Corporation will place an AmeriCorps*VISTA member in every public high school in D.C. to serve as the service-learning coordinator. Finally, the Partnering Initiative co-sponsored by the Corporation is working this summer to launch "partner schools" in the fall -- schools with model service-learning programs.
- The Corporation and its State Commissions on National and Community Service are taking lead roles in organizing many of the community and state summits in the months following the summit gathering in Philadelphia.
- In June, HHS Secretary Shalala launched a new partnership between the Girl Scouts of the U.S.A. and the Department's Girl Power! public education campaign. This national program will teach Girl Scouts about the dangers of substance abuse and other risky behaviors. It features a new patch that Girl Scouts can earn by completing the program. HHS has also launched its Playcorps commitment with Nike, which trains college students to coach and mentor kids in underserved areas in recreation leagues.
- In September, USDA Secretary Dan Glickman will convene his department's National Summit on Food Recovery, to develop a national strategy to increase gleaning efforts by one-third by the year 2000.
- This month, the Department of Justice followed through on its commitment to expand its Drug Education for Youth (DEFY) program. DOJ gave out grants to 26 DEFY summer camp sites that are now serving 900 children. DEFY promotes positive life choices for children between the ages of 9 and 12. After the summer program, the children will have mentors from the local U.S. Attorney's office, police department, or university.
- In May, the Department of Justice and the Corporation for National Service held the first meeting of a new public/private Mentoring Alliance that will promote the mentoring goal of the Summit. Members include Big Brothers/Big Sisters, One to One, Boys and Girls Clubs of America, Save the Children, and federal agencies. Plans include a teleconference in September on effective practices, a national 800 number to link mentors with opportunities, and development of best practices materials. In addition, DOJ

expects to follow through shortly on its commitment to more than double the number of sites for its Juvenile Mentoring Program (JUMP).

- In June, the Attorney General kicked off the Department of Justice's new Youth Network in Baltimore, to provide a forum for young people and community organizations to exchange ideas on juvenile violence and delinquency prevention.
- The Department of Education now has 380,000 tutors and learning partners reading with children this summer, a significant increase over last summer's 300,000 and is well on its way to its goal of 450,000. The program's goal is to get 1.5 million children reading by the end of the summer. In addition, the Department has added 300 partners to its Partnership for Family Involvement in Education, for a total of 3,000 partner organizations.
- In May, Transportation Secretary Rodney Slater launched his department's new effort, the Garrett A. Morgan Technology & Transportation Futures Program, in Cleveland, Ohio, at the Garrett A. Morgan Middle School. With its industry and labor partners, the Department updated the school's computer lab, established a tutoring and mentoring program, and sponsored transportation career days for the students. To date, DOT has heard from over 200 partners who want to join its effort to reach one million students by the year 2000. The program's goal is to give one million students better math, science, and technology skills and information about careers in technology and transportation, through tutoring, mentoring, and educational curricula.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 20:23:31.00

SUBJECT: skypage

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
My skypager is 800-759-8888, pin #2169789

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 12:10:37.00

SUBJECT: Tobacco Mtg

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elizabeth Drye (CN=Elizabeth Drye/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

The meeting with Ben LeBow and the Liggett Group will be Tuesday, August 5, from 2:30-4:00 p.m. in BR's office. I'm waiting on their list of attendees. Secretary Shalala also attend.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 11:54:53.00

SUBJECT: Weekly Items

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

EK/LE:

LeAnne Is DoInG tHe WeEkLy BuLlEt oN jUVIe. Here are some other goodies:

Brady Law -- On Thursday, July 24th, the Arkansas Attorney General issued a statement making clear that Arkansas did have the proper authority under state law to continue doing Brady background checks. Thus, Ohio is now the only state that has given to the NRA's pressure/legal argument that they do not have the authority to continue doing Brady background checks. Justice and Treasury officials are still working with the Ohio Attorney General's office to reverse this post-Brady decision policy.

Household Survey -- Preliminary findings from HHS' 1996 Household Survey on drug abuse are in, and the results are mixed. They include:

1. Overall drug use remains flat. There are 13 million current users or 6.1% of the population. Most are marijuana users -- 10.1 million persons or 4.7% of the population.
2. Increases among some youth seems to have stopped. The jump in marijuana use by youth aged 12 - 17 that has occurred since 1992 dropped slightly in 1996. However, marijuana use by youth aged 18 - 25 has increased slightly.
3. Heroin use up. Not only is heroin use increased since last year -- particularly for youth ages 25 and under -- but there are a record number of new heroin users (141,000).
4. Cocaine use showing signs of coming back. Past month users of cocaine are up slightly for the first time since 1992 -- and up 27% since the 1994 low point in cocaine use. Also, HHS estimates that the rate for first-time cocaine users in the 12 - 17 age group is one of the highest ever.

NB: The Household Survey measures drug use in America's households (age groups 12 - 17, 18 - 25, and 25 and up), not the entire population. The survey misses youth below the age of 12, military personnel, homeless persons, and those in prisons and jails. Thus, the survey tends to miss some of the hard-core drug users.

Crack Study -- Justice's National Institute of Justice is set to release an analysis of Drug Use Forecasting (DUF) data from 1987 to 1996 that shows crack use down in 24 cities. The report finds that crack use by

arrestees is down substantially -- and at least by 10% -- in 10 major cities; that, in another 7 cities, crack use is down among juveniles, which suggests that declines in the overall rate are forthcoming; that, in 5 cities, the crack epidemic was as strong as ever; and that no crack epidemic exists in 2 of the cities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-JUL-1997 14:35:29.00

SUBJECT: Answers to your questions

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TEXT:

This is quite a pop quiz! Here are the answers. I'm faxing to Laura the tables mentioned.

1. How many people are now on the rolls?

Just under 11 million (10,969,000 in April 1997, the latest month for which we have data)

We have a table we could fax her.

2. What percentage is that of the population?

According to HHS data, 4.1% of the U.S. population was on welfare in April 1997 --

11 million people out of a total U.S. population of 267 million. That's the lowest percentage of the population on welfare since 1970. (In 1970, the comparable figures were 8.5 million people on welfare out of a total U.S. population of 205 million.)

We have a table and a bar graph on this one.

3. When we say that Wisconsin [you must have meant Florida] has put 23m and Wisconsin 160m in new funds into child care, is that this year?

I have Joan Lombardi tracking down the answer to this question and making sure these numbers are correct. I've dropped the numbers from the speech because of the uncertainty. However, for Wisconsin, the numbers are: investing a total of \$158 million this year (however, not all is new as we first thought). Florida had earlier told HHS that it was \$23 in new funds this year, but it is still being verified (sorry).

4. What are examples of states that have seamless child care systems?

Illinois, Michigan, Washington

5. What was the rate of child support collection in 1992? now (or in 1996)? Can we get state-by-state breakdowns on child support?

1992 - \$7.9 billion was collected nationwide.

1996 - \$11.9 billion was collected nationwide.

Increase from 1992-1996 is 49%

Yes I have state by state.

6. Have any states actually diverted funds? If I want to name a "bad" state -- and say why -- which should it be?

Diverting welfare savings for other uses has been discussed in many States. We happen to have detailed information from the Center for Public Policy Priorities (CPPP) in Austin, Texas, an organization that monitors budgeting decisions in the State legislature. CPPP found that Texas will have a \$363 million TANF "surplus" due to declining caseloads. Of this surplus, Texas used only \$126 or about one-third on services for welfare recipients; the state used most of the rest of the federal funds to replace existing state spending or fill budget gaps in other areas. The contact person at the Center is Patrick Bresette at 512/320-0222.

7. Are there any interesting graphics -- a map, a chart, etc. -- we can, should offer?

Yes, we have two graphs -- one showing caseloads over time, the other (which is even more dramatic) which shows the percent of population on welfare.

8. What's the year (1994??) that TANF funds are pegged to?

Newspaper stories commonly say 1995 or 1994; the truth is states get to chose the most advantageous of these three: 1) average of 1992, 1993, and 1994; 2) 1994; 3) 1995 (with some tweaking -- i.e., its actually 4/3 of the first three quarters of 1995, since full year data weren't available when the law was passed).

Many, many thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karen C. Fahle (CN=Karen C. Fahle/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:25-JUL-1997 11:56:14.00

SUBJECT: Erskine letter

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Hi Elena. I sent you a letter from Rep. Lucille Roybal-Allard last Tuesday as Erskine wanted a response prepared for him. The subject of the letter deals with the Family Violence Option. Is a letter in the works? Thanks.