

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 015 - FOLDER -001

[07/31/1997 - 08/01/1997]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Phone No. (Partial) (1 page)	07/31/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([Kagan])
OA/Box Number: 250000

FOLDER TITLE:

[07/31/1997-08/01/1997]

2009-1006-F

bm36

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Phone No. (Partial) (1 page)	07/31/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([Kagan])
OA/Box Number: 250000

FOLDER TITLE:

[07/31/1997-08/01/1997]

2009-1006-F
bm36

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 18:51:02.00

SUBJECT: Elizabeth's number in Boston

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

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

TEXT:

You can reach her at P6(b)(6) until Saturday

[001]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 09:09:14.00

SUBJECT: Re: What can we say re: FICA/EITC discussions

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

We should lean forward. The President told me last night he was fine with giving that up. (In fact, if it weren't for our other commitments, he would be fine with the exemption from the 1988 law.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:31-JUL-1997 16:01:47.00

SUBJECT: Mtg today at 6:00 re Standards

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

READ:UNKNOWN

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jessica L. Gibson (CN=Jessica L. Gibson/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Maria is mtg with Mike Cohen at 6:00. Mike is out for the next two weeks and Maria is out of the office for most of the day tomorrow. If you can make the meeting please come.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 13:15:17.00

SUBJECT: Re:

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

READ:UNKNOWN

TEXT:

The Ehrenrich article is on its way. The guy who does those memos, Drew Hansen, is really very good. he's helping with our family numbers (also on the way), helped with a good survey on child care financing (Jen K. has it, I can get you a copy if you want), and the diseases and minorities backgrounder. he works like hell, and has pretty good political instincts.

He's just finished his Rhodes and is headed to Yale law school next year, but would like to stay. If you know of a spot, I think we should grab him.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Katherine Hubbard (CN=Katherine Hubbard/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:31-JUL-1997 15:57:13.00

SUBJECT: Race policy meeting with agency folks

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: David S. Beaubaire (CN=David S. Beaubaire/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Thurgood Marshall Jr (CN=Thurgood Marshall Jr/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Have you scheduled a race policy meeting with agency folks? Please advise. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 14:15:56.00

SUBJECT: Possible Heroin chic event

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

TEXT:

Mary had an idea for an event on heroin and the fashion industry: in the wake of the President blasting them on heroin-chic ads, the industry put together a council to reform themselves, we thought we should publicize their response. You guys kind of liked the idea.

Now there is a report coming out that will show heroin use is up. Mary sent the event idea to Rahm who liked it (dovetailing with the report) and suggested DPC put together a scheduling request.

We're sending the memo over to Jose/Leanne for figuring out if this is a good idea. Options include having the fashion/entertainment people come to the WH to talk about reforming the images they use, a PSA campaign, etc.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 11:12:31.00

SUBJECT: Re: Workfare, the Govs, and Employment Taxes

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:

----- Forwarded by Diana Fortuna/OPD/EOP on 07/31/97
11:15 AM -----

Bruce N. Reed

07/31/97 10:58:45 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc: Diana Fortuna/OPD/EOP

Subject: Re: Workfare, the Govs, and Employment Taxes

The part that's true is that I told them we'd help them on FICA, FUTA, and EITC. I told them we'd never give way on FLSA.

I'm glad to see Voinovich say the WH is sympathetic while some members of Congress just don't understand.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 09:21:10.00

SUBJECT: Workfare, the Govs, and Employment Taxes

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

CC: Keith J. Fontenot (CN=Keith J. Fontenot/OU=OMB/O=EOP @ EOP [OMB])
 READ:UNKNOWN

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

TEXT:

See the remarks attributed to Bruce re hanging FICA, FUTA, etc on to an
 approps bill. True that the White House supports this? on Labor/HHS/ED?
 ----- Forwarded by Barry White/OMB/EOP on 07/31/97 09:19
 AM -----

Larry R. Matlack 07/31/97 08:56:00 AM

Record Type: Record

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

cc:

Subject: Workfare, the Govs, and Employment Taxes

----- Forwarded by Larry R. Matlack/OMB/EOP on 07/31/97
 08:53 AM -----

No. 147

Thursday July 31, 1997

Tax, Budget & Accounting

Employment Taxes

Governors Will Push Congress to Enact

Tax Exemptions for Workfare Employers

LAS VEGAS, Nev.--The nation's governors said July 30 they hope to use
 their united influence to urge Congress to append the budget deal to
 include exemptions for employers who hire workfare participants.

'We're going to continue to work [with Congress] on part of it, the only
 part that still gives us a problem,' said Nevada Gov. Bob Miller (D), who
 stepped down as chair of the National Governors' Association.

'Most of use have no objection to the minimum wage part of it, and that's
 a big part,' Miller said. He passed the chairmanship of the organization
 on to Ohio Gov. George Voinovich (R).

The governors do have a problem with employers who hire workfare
 recipients being subject to 'some of the onerous aspects' of the Fair
 Labor Standards Act, Voinovich said.

During the 89th annual meeting of the NGA in Las Vegas, the governors reached a consensus on their own differences on workfare exemptions. Delaware Gov. Thomas R. Carper (D), new vice chair of the organization, said he regretted that the governors forged an agreement too late in the budget negotiation process to have an impact. He said governors hope to wield their influence in the remaining days of the current congressional session.

Workfare Recipients Not Like Regular Employees

Carper spelled out the governors consensus, saying the states agreed workfare recipients should be paid the minimum wage. However, he said, governors felt workfare recipients should not be treated as regular employees with respect to Federal Insurance Contributions Act withholding taxes, unemployment taxes.

Also, he said, "they should not be eligible for the earned income tax credit." Coupled with the minimum wage, extending the earned income tax credit to workfare workers would mean employers would be paying them as much as \$7 an hour, Carper said.

Carper told BNA a consensus is emerging among the governors on how workfare recipients meet the minimum requirement of 25 hours worked a week in the second year of work and 30 hours of work in the third year.

The governors also discussed whether job search time and vocational training could be credited toward the minimum, Carper said.

Carper said Bruce Reid, adviser to President Bill Clinton on domestic policy, was hopeful the states could append the governor's concerns in the appropriations bill.

Voinovich said the White House and Congress are aware of the governors' concerns and "will be responsive to our suggestions on how to fix the problem."

"Perhaps some of the members of Congress don't realize how important this is to us," he said. "We are real concerned about truly reforming our welfare system from a way of life to a way of work."

Miller stressed that governors' concerns about FLSA exemptions should be weighed against the fact that states came out well in the budget agreement.

"This agreement contains an enormous amount of suggestions of the governors," he said. He noted that governors had unusual access to the process, a few of them having met with the budget conferees last week in Washington, D.C.

"The deal is overwhelmingly positive for the states," he added.

By Tripp Baltz

Copyright , 1997 by The Bureau of National Affairs, Inc., Washington D.C.

Message Sent

To: _____

Barry White/OMB/EOP

Keith J. Fontenot/OMB/EOP

Maureen H. Walsh/OMB/EOP

Jeffrey A. Farkas/OMB/EOP

Janet Himler/OMB/EOP

Lisa M. Kountoupes/OMB/EOP

Debra J. Bond/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 22:05:16.00

SUBJECT: native american issues

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

TEXT:

FYI. Mary and I are thinking of doing a somewhat coherent survey of native american issues-- I suppose they are popping up in various places-- perhaps mostly education. If this is a bad idea, or if there is a direction you think would be useful to look at, give a holler.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 12:02:28.00

SUBJECT: Re: Workfare, the Govs, and Employment Taxes

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

READ:UNKNOWN

TEXT:

fyi

----- Forwarded by Cynthia A. Rice/OPD/EOP on 07/31/97
12:02 PM -----

Bruce N. Reed

07/31/97 10:58:45 AM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP

cc: Diana Fortuna/OPD/EOP

Subject: Re: Workfare, the Govs, and Employment Taxes

The part that's true is that I told them we'd help them on FICA, FUTA, and EITC. I told them we'd never give way on FLSA.

I'm glad to see Voinovich say the WH is sympathetic while some members of Congress just don't understand.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 12:01:40.00

SUBJECT: Tax bill appears to ban EITC

TO: ELENA (Pager) #KAGAN (ELENA (Pager) #KAGAN [UNKNOWN])

READ:UNKNOWN

TEXT:

for workfare. diana 65570

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 18:49:00.00

SUBJECT: Title V cleared

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

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

CC: Mary I. Cassell (CN=Mary I. Cassell/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Kathryn B. Stack (CN=Kathryn B. Stack/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Jonathan H. Schnur (CN=Jonathan H. Schnur/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:

DOJ cleared, and ED took up to the Hill the Title V teacher preparation provisions today. According to ED's legislative office, Sen. Kennedy is expected to introduce the bill tomorrow, and Sen. Jeffords staff has said that he will work with us, as well.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 09:09:59.00

SUBJECT: Re: CORRECTION - 52 DEMOCRATS SUPPORTED THE BILL

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

READ:UNKNOWN

TEXT:

Hilley thanked us for all our help. He said we would have lost 50 more if we hadn't gotten all the FLSA stuff out of there.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP [OSTP])

CREATION DATE/TIME:31-JUL-1997 15:00:29.00

SUBJECT: FL Medicaid Suit

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

TEXT:

Florida ruling strips major defense from
tobacco case

By Reuters, 07/31/97

WEST PALM BEACH, Fla. - A Florida judge ruled yesterday
that tobacco
companies cannot use public knowledge of the dangers of
smoking as a
defense, stripping cigarette makers of a key defense two
days before the
trial of Florida's billion-dollar Medicaid lawsuit.

Lawyers for both sides said the ruling, issued by Palm
Beach Circuit Judge
Harold Cohen, would significantly impair the industry's
ability to defend itself
against the lawsuit, which seeks to recover the costs of
treating
smoking-related illnesses.

"It means they have no defenses," said W. C. Gentry, a
lawyer representing
the state.

"By this ruling the only thing they can try to prove is
that cigarettes don't
cause disease, the product wasn't defective, that they
couldn't make a safer
cigarette," he said.

Jury selection in the widely watched lawsuit was
scheduled to begin
tomorrow, with testimony expected to start in early
September.

Philip Morris attorney Peter Bleakley said Cohen's
ruling could be grounds
for reversible error should the case go to an appeals
court.

Cohen himself called the ruling one of the most
important he had made in the
case.

Earlier in a day of hearings meant to determine what evidence the jury will be allowed to consider, Cohen made other rulings detrimental to the industry's defenses.

He said the companies would not be allowed to argue the so-called ``premature death benefit'' - that Florida saved money in its Medicaid program because smokers die earlier than nonsmokers - to mitigate potential damages.

``If smokers cost less than non-smokers, then the jury should hear about it,'' argued Murray Garnick, an attorney for Philip Morris.

This story ran on page of the Boston Globe on 07/31/97.
. Copyright 1997 Globe Newspaper Company.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 12:01:02.00

SUBJECT: Tax bill appears to ban EITC for workfare

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

READ:UNKNOWN

TEXT:

We are double checking, but here is part of Section 1085 of the tax bill:

(c) Workfare Payments Not Included in Earned Income.--Section 32(c)(2)(B) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by adding at the end the following new clause:

"(v) no amount described in subparagraph (A) received for service performed in work activities as defined in section 407(d) of the Social Security Act to which the taxpayer is assigned under any State program under part A of title IV of such Act, but only to the extent such amount is subsidized under such State program."

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 16:51:20.00

SUBJECT: Brady Meeting

TO: Alan B. Rhinesmith (CN=Alan B. Rhinesmith/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TO: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

TO: Karen A. Popp (CN=Karen A. Popp/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TEXT:
There will be a Brady Law meeting at 11:00am in room 211. Agenda for meeting is attached.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D97]MAIL48731611E.216 to ASCII,
The following is a HEX DUMP:

FF575043E6040000010A020100000002050000007308000000020000C3E436E5546DF2143C97A1
A7E8BDAB36BF7A06B291AB3B4B0B7DB9784E58FE8FF4E2611255C84831268B97FA057723ABD667
D26BD8033D9D6F32BA7976F2DF89E7EC4670A371EA9F9F03BCFB4D675BF890FB9649F663DF8128
F43CBBDD8E679B8A20783D727CEE010ADE5F68BD1682DB8FE56EB9F85ABF6AC8DDE4A0073549F
4009AE291BDB32B07E8FCCF31C39E4D72F27B20C2B401BAA92EFC307E6151EAE13157353C4C3BB
532EEFA79CBACF32F04403515692C7E23745272AC518AC888816CF9AAE6083AC5F25BCBCBD86B3
22BA876C1874ACB04B10AEF67AF9680E5B561DA9B93E2E9C16ABF82F833333BEC664A8EDEE625D3
AF710B279A833CB2910848F6D9043F2DC3A54B00B9D3DAE564A1E2E9A762001C6CB1B393EAB69B
125BF4765D3039576D44A14886AD5C2F8910C321A98416881422CB00456C1E71E74E6D31136D20
7B1E68F48693A1ED42210FA12F0C13A6C8FD1AAA5D19725B7663A8634813F3B2D9FFF66864E1D3
8AD7034C790D4A18FC38477FCCAEAA5969B12B3F7358558D9C2D8FC7C4FFAEB420A83064F08CB7

**Brady Law Follow Up Meeting
Agenda
August 1, 1997**

- I. Voluntary Background Checks -- Treasury
 - A. Overall survey of CLEOs
 - B. Arkansas
 - C. Ohio

- II. Insta-Check System -- Justice

- III. Options:
 - A. Continue to work with CLEOs on voluntary checks
 - B. Clarify state and local authority, immunity, fees
 - C. Schumer/DOJ legislation
 - D. Condition grants
 - E. Authorize more NCHIP (National Criminal History Improvement Program) funding and require background checks

- IV. Law enforcement groups

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 12:54:46.00

SUBJECT: Veto threats

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

TEXT:

I guess our veto threat didn't go over very well.

----- Forwarded by Michael Cohen/OPD/EOP on 07/31/97

01:02 PM -----

Lawrence J. Haas

07/31/97 12:50:51 PM

Record Type: Record

To: Michael Cohen/OPD/EOP

cc:

Subject: Veto threats

Hi.

I need to give you what I hope is some helpful guidance.

April Mellody asked for my input for McCurry about the Labor/HHS spending bill and, in the course of that conversation, she shared with me the talking points that you had prepared for McCurry.

With regard to veto threats -- especially in the name of the President -- the White House has a very tightly structured process that includes Erskine, Frank, and other relevant players in deciding whether we're going to issue them.

Seeing your talking points, I had assumed that the White House made a decision about the Goodling amendment. But when I ran it by Frank as a final check, he said that no such decision was made.

Anyway, I'd be happy to work with you on such potential veto threats in the future -- and Bruce or you obviously can work directly with Frank and Jack Lew.

Thanks for listening. I hope this helps.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 12:56:14.00

SUBJECT: Meeting tomorrow on response to Powell letter that Cab. Affairs is calling

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Cabinet Affairs will invite you to a meeting tomorrow at 3:30 to discuss how to respond to the letter from Colin Powell suggesting that the President/VP/FL should attend some of the mini-summits being planned around the country. Ann Lewis and Jen Palmieri are supposed to be there.

I'm not sure how much it will focus on his schedule vs. throw around the old question of our involvement with America's Promise. I'll be there, so if you don't want to go, let me know if you have anything you'd like me to convey .

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:31-JUL-1997 08:48:18.00

SUBJECT: Goodling amendment update

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

TEXT:

Here is the summary of yesterday's actions. I think it would be very good if the three of us could get together today and discuss how to proceed in light of yesterday's developments.

1. As you no doubt know, the Labor HHS bill was pulled indefinitely because there is no agreement over an abortion amendment. They don't want to go to the floor until they get that issue resolved. No one knows when that will be, but as of last night at about 8:00, the smart money was on no vote until September.

2. We suffered some setbacks over the course of the day, and it is clear that Goodling and others were working this pretty hard. Most notable on the Republican side:

By mid-morning, John Porter had decided to advance a substitute amendment, that would have prohibited us from using FY98 funds to administer the tests, though we could use funds to develop and field test. Substantively this would have no impact on the work for the fiscal year -- no administration is planned until FY99, but it would have taken some work to spin this as a victory, or as inconsequential. At least some in the press and in the states would have seen this as a sign of trouble. Politically, by the time Porter decided to do this, he was nervous about the outcome of a straight up-or-down vote on Goodling, and probably had decided not to pull out all the stops in his own opposition to Goodling.

Lynne Cheney was calling members during the day in support of the Goodling amendment. Lamar Alexander told the governors the test was a bad idea, because some future Secretary of Education, like Marion Barry or Phyllis Shafly, might screw up the test in the future. (This is the same argument Diane Ravitch made to POTUS in the Cabinet Room meeting months ago. Someone more cynical than I might suspect that Lamar, Diane, Lynn and Checker are working together again!)

The home-schoolers started calling members during the day -- "flooding offices with calls" was how it was described to me, though that may have been a bit of an overstatement based on other conversations I had. Nonetheless, this is serious. This group is notorious for turning out tons of calls and faxes on issues, and they often do it on education issues that have at best a remote connection to home-schooling. Aligned with the far right on most education issues, they are inclined to see the long arm of the federal government reaching into their home schools almost every time we try to do something new.

We lost Bob Livingston by mid-day. He was originally aligned with John Porter, at least to the extent that he did not want veto-bait on his appropriations bills. By mid day he had switched to supporting Goodling. We think this was basically from far-right pressure back home. If Livingston remains on the wrong side of this, it will make it more difficult for moderate Republicans to stay with us. I've spoken with

some of our good friends in LA, who also happen to have tremendous access to Livingston. They are trying to bring him back around.

3. Now for news from the Democratic front:

The Hispanic Caucus is taking a very hard line, and continues to threaten to vote with Goodling if we don't satisfy their concerns. Here are the details: After talking with Becerra and Hinojosa, Janet Murguia strongly urged that we share the letter in draft form with them, before sending it in final. I refused at first, but after a second conversation with Janet, agreed. (I think I made a mistake on this, though I'm not sure we would be in any better shape if we had just sent the signed letter as planned). In any event. I spoke with both Becerra and Hinojosa after they reviewed the letter. (The conversation with Becerra took place after the vote was delayed--more about that below). Both pushed for specific commitments to test LEP kids in Spanish and to alter the test development contract that will be awarded in the next few weeks so that we can guarantee that the Hispanic version will be developed right away. I told them that was impossible -- we had not made the policy decision to develop a Spanish version of the test, and could neither make that decision nor commit to specific implementation steps yesterday afternoon.

Both also were critical of the assurances we provided about testing LEP kids under Title 1. Hinojosa because he doesn't understand Title 1 testing issues to begin with, and Becerra because he believes we have been granting waivers to these provisions, and shouldn't trust states and locals anyway. Not a good sign--that's the option Riley and Smith are most likely to gravitate to.

Since I talked with Becerra after the vote was postponed, he indicated that we ought to get this issue resolved before the September vote. While I made no specific commitment to a deadline, I think we have to do that. If we don't -- one way or another -- the caucus will conclude that we aren't going to give them what they want. And we don't need to spend forever dealing with this anyway; we don't gain much by stringing it along.

Finally, on this issue. Both Becerra and Hinojosa shared the draft letter with MALDEF and other groups, a move that I regarded as a breach of faith. It is also not helpful, or fair to the President, to have the draft floating around. Now that we may have a month before the vote, I haven't been able to figure out if we are in worse shape having a draft float around than we would be if we had the signed copy floating around. Either way, it's not the situation I wanted us to be in.

On the good news front, the AFT really worked with the Black Caucus for us. Andy Blocker says they were doing a good job, and I think they were able to keep a good number of members on our side. I will get more specific details later in the day.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lawrence J. Haas (CN=Lawrence J. Haas/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:31-JUL-1997 19:08:02.00

SUBJECT: Veto threats

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Well, at least on today's issue, I think we found a painless solution. Sorry if I caused any confusion. I was merely trying, as tactfully as I could, to communicate what I know are the strong feelings from the top on this issue.

As for the future, I talked to Frank. He says that -- while he understands what Elena was suggesting about earlier suggestions of veto in earlier contexts -- each situation has to stand on its own. Veto threats are often determined by the context (can we sustain a veto on a particular bill? is this the only objectionable item in the bill? etc.). So, unfortunately, I think we have to run these up the flagpole each time.

On the other hand, we can do what we did today -- get the message basically across without using the "v" word -- or touch the bases rather quickly. Please let me help as best as I can. Nobody here, certainly not me, is trying to throw any unnecessary roadblock in your or anyone else's way.

Hope this helps. Call me if we need to talk further. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah A. Bianchi (CN=Sarah A. Bianchi/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 1-AUG-1997 19:18:59.00

SUBJECT: weekly

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

READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])

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.D74]MAIL424307219.216 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A02010000000205000000F61E0000000200007F14DF91114B52C5549143
3033D1D9EF90A64FC78FBF7602316F10085276D36D6397ADD5A001D345A6A56F42FCEBEE581F4D
C7808D41B1AF256ECA87C565CA50D6145957E63E94E4C87326A327B7B4E8BEA70BFDAB0FA2FF62
BC67AC41B19AEE894A3B7B21955615E03934FB18DCE6C09AE8901072FE0659F769CA3389958822
E0B0251BC9AED312E8DF6F80D064B6A8D715268E22A9D9CDA145436E5521D30BA2B72B852DAD4F
EE7B9817281E6E1EA98439830B00A16999AB3DEC3B6574AD3ECB1B710D539739A83BEB17A70A7D
6EB87E053C4880997A3D30BA21496EFCF56539235DB638277F2C012150A1DC9C5D4C15A31DE203
C159E638096A8A520D24D3C189E4CC2F842207B422CB3E8569BE83A39C71491CB163875DE37B93
CDB3139B8AF6A18DDFE196E6C0E7E2112469AFA0A6CE2497C4C2182A89B641COD074A9048D1F09
C9A614C221C8E50DE89AB2A0E22F84302A67B4077FD17A88E40E54BF51867FCC8917CA486488B5
4A48711B5E6C50DACCE964A3DD51CB2DFB5E3A361F1E58EE1821DA9577AF37777AE5B8DEF8B3F6
B124B8C6E0F37F0B98F447367FCDE56F676F4F85841893F780E69064D3DB92CC96E26B971DF7F2
3594B7693737452C62BD4AF67312E44958E1268CD9AEAF44FD373F1AC79FA4DA7763DB543A509E
3018C44649020009000000000000000000000000082301000000B0100007E02000000550100000
4E000000890300000925010000006000000D70300000B30020000002800000DD030000087701
000000400000000504000008340100000014000000450400000802010000000F00000059040000
080501000000080000006804000000985C005C004F0041005F0038005C005C005C004F00500044
005C003200310036005F004100
000000000000000000000000057494E53504F4F4C0000000000C800C8002C012C012C012C01C800
C8003000
00
00
0000000005E0037132800C8196810480D000011090000005A000B010000103600540069006D0065
00730020004E0065007700200052006F006D0061006E00200052006500670075006C0061007200
0000000000000000001000200580201000000400280000000000000000000000000000000000
00011202002400A1000000A1000000A0000003204020002003304010045003404010002003504
0200020036040100450037044000658138040B000B003904070013003A04010055003B04250065
816C96E922000000001000000000780EE80E5C0008337C007800000200003B04000003010004
0002000000DD0A10008301040003000200211000DDDD0B0B00030000040B00DDDF1023B04F19BF1
033B04F1F1003B04F1F1023704F19BF1033704F1F1013B04F1F1023B04F1F1033B04F1F20CF242
7564676574F1003704F19BF1013704F1805369676E696E6780616E6480496D706C656D656E7461
74696F6E2E8080F30CF3805765807765726580717569746580706C656173656480776974688074
6865806F7574636F6D65806F6680746865D0011500000B00090001B004000000001201500D0F1
003704F19CF1013704F14D656469636172652CF1003704F19BF1013704F1804D65646963616964

Budget Signing and Implementation. We were quite pleased with the outcome of the Medicare, Medicaid and children's health reforms in the final budget agreement. Because of your statement about the importance of a strong benefits package at the National Governor's Association, we were able to secure a good benefits package which guarantees that States will be able to choose from any of four benefits packages: (1) the FEHBP model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any one of the three benefit packages stated above provided they cover an equivalent level prescription drugs, vision, hearing, and mental health services. We have found that in the overwhelming percent of states, all three of the first options include the four benefits you emphasize, so the states choosing the actuarial value option also will have to include these meaningful benefits. We were also able to get a number of important provisions in at the end of negotiations that will ensure that states use this money for uninsured children rather than supplant existing funding. We also ended up getting in a Medicaid disproportionate share formula that does not provide too much pain to any one state, as both the House and the Senate proposal would have done.

We are now beginning to develop our implementation strategy. In particular, we are discussing ways in which we can work with the states to ensure that the new children's health investment is used to cover as many uninsured children as possible.

Diabetes Announcement. Next Friday, you will announce (we hope with Speaker Gingrich) the new investments in the budget which, according to the American Diabetes Association (ADA), is the most significant development for diabetes since insulin was discovered in the 1920s. These investments include: \$150 million over five years for Type I diabetes research (most common in children); \$150 million for prevention, treatment, and research for diabetes in the Indian population (diabetes is nearly 3 times more common in the Native American population than in the entire population); and a new Medicare preventive diabetes benefit. You are also announcing a new collaborative effort between HCFA, ADA, and the National Committee on Quality Assurance to develop new standards of care for diabetes. This type of collaborative effort is unprecedented in almost any disease, and diabetes experts believe it will significantly help improve care for diabetics.

Fraud and Abuse. Next week we are preparing for the release a host of new initiatives you are taking to respond to a recent HHS report which stated that the Medicare program lost \$23 billion last year due to overpayments and fraud and abuse. We hope to be able to announce that HCFA is immediately halting payments to many of the providers identified as fraudulent in the HHS report and conducting a comprehensive audit on other additional providers identified as potentially defrauding the government. We have also achieved a commitment between HHS and Justice to submit to a quarterly report on all fines, decertifications and ongoing investigations on fraud and abuse and announce a new award for state and local governments and other organizations who have demonstrated outstanding efforts to eliminate fraud and abuse. Lastly, but probably most importantly, we will suggest that when signing the balanced budget into law, you highlight all of the fraud and abuse enforcement provisions that you called on Congress to pass that are included in it

Pediatric Labeling. August 11th, you and the Vice President will announce a new pediatric labeling regulation from the FDA that will ensure that drug companies test their products specifically on children who may need different doses and have different reactions. Children suffer from most of the same diseases as adults, however, most drugs have not been tested to understand their unique impact on children. The children's groups as well as the AIDS groups (there has been little testing on the impact of protease inhibitors on children) are excited about this regulation and event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-AUG-1997 11:17:24.00

SUBJECT: COS Scheduling Meeting

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

READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./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: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here is the list of DPC scheduling requests that could come up at today's meeting:

Tobacco E.O. - the date now has to move again b/c the budget signing is now on 8/5. Shalala is not available on 8/7 which was the next obvious date, so this will have to get worked out at this meeting. Shalala does not know it's been cancelled yet.

Tobacco Meeting w/ POTUS - 8/4-8/8

Tobacco Announcement - post vacation

Diabetes Event - pending for 9/8. This is the time to raise the political concerns Chris has.

1st Back to School Event on Higher Education - Scheduled as a Radio Address on 8/16.

*If you want to push this for an event, Mike has suggested a round table at a middle school on preparing students for college. Middle school and High School students and parents, teachers, college guidance counsellors, College Admissions reps, and financial aid reps could participate. POTUS could focus on the tax credits in the budget and the DOE booklet for parents which talks about taking tough classes and setting high standards, as well as financial planning.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-AUG-1997 12:29:16.00

SUBJECT: Latest latest on EITC and subsidized jobs/workfare

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

You probably already know this and were involved in it, but yesterday the subsidized jobs problem with the EITC workfare exemption got fixed, through an enrolling resolution. The word I got was that Center on Budget apparently pushed it very hard, and Gene got involved, as did Karl Scholtz at Treasury. The Republicans got some minor airlines thing in exchange.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-AUG-1997 10:47:06.00

SUBJECT: POTUS August schedule

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Jonathan Prince (CN=Jonathan Prince/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/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: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Eric P. Goosby (CN=Eric P. Goosby/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Sarah A. Bianchi (CN=Sarah A. Bianchi/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

TO: WEINSTEIN_P (WEINSTEIN_P @ A1 @ CD @ LNGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

TEXT:

A lot of these dates could change by a day or two, but this is the schedule at the moment.

(Please note: the tobacco event was moved b/c of the need to sign the budget on the 5th. It is tentatively scheduled now for the 7th, but the VP isn't in town and so it may get pushed back even further.)

8/1 Foreign Policy
8/2 Live Radio Address on the Budget
8/4 Climate Change Meeting w/ CEOs
Address to National Urban League (not message event)
8/5 Sign Balanced Budget
8/6 Press Conference on Budget
8/7 Possible Tobacco Executive Order Event at HHS
8/7 Tape Videos - NAPO Convention
8/8 Possible Diabetes Event
Tape Radio Address
8/11 Pediatric Labeling Event
8/12 Welfare to Work Event in St. Louis
8/13 Possible OK City Memorial Ceremony
8/14 Religious Freedom Event
8/15 Millenium Event at a museum
8/16 Radio Address on Higher Education
8/16-9/7 Vacation

RECORD TYPE: PRESIDENTIAL (EXTERNAL MAIL)

CREATOR: Cathy R. Mays@EOP@LNGTWY@EOPMRX

CREATION DATE/TIME: 1-AUG-1997 16:37:00.00

SUBJECT: DPC Team Leaders Meeting

TO: WEINSTEIN_P (WEINSTEIN_P@A1@CD) (OPD)
READ:NOT READ

TO: Elena Kagan (Elena Kagan@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Christopher C. Jennings (Christopher C. Jennings@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Thomas L. Freedman (Thomas L. Freedman@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Jose Cerda III (Jose Cerda III@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Cynthia A. Rice (Cynthia A. Rice@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Michael Cohen (Michael Cohen@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TO: Jennifer L. Klein (Jennifer L. Klein@EOP@LNGTWY@EOPMRX)
READ:NOT READ

CC: COOPER_L (COOPER_L@A1@CD) (OPD)
READ:NOT READ

CC: BALDERSTON_A (BALDERSTON_A@A1@CD) (OPD)
READ: 1-AUG-1997 16:38:48.19

CC: Laura Emmett (Laura Emmett@EOP@LNGTWY@EOPMRX)
READ:NOT READ

CC: Essence P. Washington (Essence P. Washington@EOP@LNGTWY@EOPMRX)
READ:NOT READ

TEXT:

Message Creation Date was at 1-AUG-1997 16:31:00

The DPC Team Leaders meeting for Monday, August 4, is rescheduled for 1:00 p.m.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 1-AUG-1997 16:57:34.00

SUBJECT: MTV Diversity Poll & Conference Call

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

READ:UNKNOWN

TO: Edward F. Hughes (CN=Edward F. Hughes/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: June G. Turner (CN=June G. Turner/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Angelique Pirozzi (CN=Angelique Pirozzi/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Cheryl D. Mills (CN=Cheryl D. Mills/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

MTV would like to discuss thier new poll on diversity with the White House next week:

Geoff Garin has arranged for a conference call between Sylvia Matthew's office and MTV's people on Tuesday at 1:30 PM, if that time works for everyone.

In addition, Sylvia would like to hold a meeting on Monday, time TBD, to prepare for Tuesday's call.

Please let June Gayle or me know if you'll be able to attend the Tuesday call. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-AUG-1997 16:17:55.00

SUBJECT: 8/22 paper on whether there are enough jobs available for welfare recipien

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

We have been working with NEC, CEA, OMB, HHS, Treasury, and Labor on a possible paper for the 8/22 welfare anniversary that would outline how many people must leave welfare for work and whether jobs will be available for them. Attached is the outline of such a paper by Emil Parker; Cynthia asked me to forward it to you to see if you think we are heading in the right direction and if you think such a paper would be worth doing.

We are not entirely confident such a paper can be done well and serve our purposes. Two methodology questions have arisen that can probably be resolved. First, HHS has been very slow to agree with us on what should be measured, and doesn't want to use the law's requirements as a benchmark for success. (By the way, they now agree that their goal for NPR purposes should exactly match the President's goal of moving 1 million people to work in the year 2000.) On the jobs side, while the economist-types think the analysis will probably show there will be enough jobs absent a recession, they are reluctant to project the number of jobs that will be available. They argue instead we can prove our point by pointing to analogous past experiences like the 80's immigration wave, where new workers were absorbed.

In addition to the thorny question of who should author this, the final concern is perhaps most important: it seems quite possible that the analysis will show that, because of the huge caseload reduction to date, not that many people will actually have to go to work in a given year for the law to succeed. This was Sawhill's finding.

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

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

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D68]MAIL41269521F.216 to ASCII,
The following is a HEX DUMP:

```
FF575043BF040000010A02010000000205000000FF1C000000020000CFF8F72E4B1D056A70DA71
00ECEABAD856547FC6CB0F327AF354564039C16A7AB2063C4515C15D29F68178C7A3639D1C6129
D70AC57F7C849EF888162B6D64D6E38A846BA976712E1ACF584A302C856083098DFF9E118E1339
A8BA31486EB06832A9289C4D9BABF0E75808C750773C85516C9738FD90D83142094695FB2DD7C6
A91D1755FE3E58987B2B358C38AC427199E4829B6B333067F5A577FB3361976229D2EE4631B0A8
60CD506EF5BD64D5357E9F4FC58B96B58575BC17EACFF348CDF872B403176DDA150FOAD0717B3F
```

STRUCTURE OF PAPER
March 25, 2010

Number of jobs needed

There are at least two ways to think about this concept:

- 1) *Number required to participate in work activities under the bill* (national estimate)

Possible Assumptions:

- a. No caseload growth between 1997 and 2000; or a modest decline or increase in the caseload between 1997 and 2000 (e.g., consistent with prior law CBO or HHS projections).
- b. Upper bound: all those participating in work activities would be in subsidized or unsubsidized employment; lower bound: percentage of recipients working (i.e., with earnings) equal to double the figure under prior law--e.g., roughly 20 percent of the caseload, as opposed to 10 percent under AFDC.
- c. Single-parent households with a child under one would be excluded from the denominator; or a percentage of these cases would be excluded, if a substantial number of States have set the exemption level at less than a year.
- d. Growth in child-only cases as a share of the caseload to be projected by fitting a curve to the historical data (curve fitting to be explored by CEA).
- e. The percentage of cases with two parents remains constant.

The estimated caseload reduction credit would be based on the reduction from 1995 through 1997 and the caseload growth assumptions for subsequent fiscal years. The percentage of recipients who would have been employed under prior law (i.e., with earnings) could be deducted from the participation figures to determine the number actually in need of/entering employment as a result of welfare reform. This is the approach taken in the Urban Institute paper.

- 2) *Number who will reach the five-year time limit*
Number who will reach a two-year time limit (national estimates)

Estimate the number of recipients who will be on assistance for a cumulative total of 60 months between the date of enactment and, for example, 2005 (since no one will reach the five-year limit in the year 2000; also see "available jobs" discussion below).

Estimate the number who will accumulate 24 months between date of enactment and 2000.

The actual figure will lie between these two numbers, since sixteen States, including Florida,

Illinois, Massachusetts, North and South Carolina, have set full-family time limits of two years (or less, in Tennessee and Connecticut). Four other States have time limits greater than 24 months but less than 60. [source: HHS State pages].

Number of suitable jobs available

The figure should be based on the number of low-skill jobs that BLS estimates will be produced over the relevant period--1997 through 2000 (through 2005 for purposes of the five-year time limit number).

The paper provided by Ed Montgomery of Labor summarizes the BLS job growth projections for the period from 1994 to 2005. The economy is, for example, expected to create about 20 million new jobs requiring only short-term training and experience. At least eight of the 20 occupations that are predicted to experience the greatest numerical (as opposed to percentage) increases over the period are jobs that welfare recipients could realistically obtain, including home health aide, cashier, janitor, guard, receptionist and child care worker.

The paper also includes a brief discussion of labor force growth, suggesting that BLS also publishes projections in this area.

If possible, estimated growth in low-skill jobs would be compared to the projected increase, absent welfare reform, in labor force members with no more than a high school diploma or GED and little training or experience.

Possible Assumptions:

- a. Job growth spread evenly over the 1994-2005 period--the 1997-2000 figure would be a pro-rated share of the total.
- b. Steady labor force growth over the period.

Conclusion

The number of jobs needed (under the two frameworks discussed above) would be compared to the difference between projected growth in low-skill jobs and estimated growth in labor force participants with no postsecondary education and little or no training/experience. Net growth in low-skill positions greater than the number of jobs needed would suggest that the economy can, even in the short term, absorb the labor supply shock resulting from welfare reform.

NOTE: In any case, part or all of the CEA displacement paper that discusses past labor supply shocks (the baby boom, the Mariel boatlift) should be either folded into or released along with this "jobs needed/available" paper.

August X, 1997

Elijah E. Cummings
Member of Congress
1632 Longworth Building
Washington, D.C. 20515

Dear Elijah:

Thank you for writing in support of the recommendation made by the Attorney General and Drug Director to reduce the disparity between crack and powder cocaine sentences. I have reviewed and accepted their recommendation and have asked them to work with you and other members of Congress on this matter.

As I have stated before, I believe that some adjustment to the current penalty structure for cocaine trafficking is warranted as matter of sound criminal justice policy. Reducing the sentencing disparity to a ratio of 10 to 1 makes good law enforcement sense and addresses issues of perceived unfairness in the criminal justice system.

Again, thank you for your support on this very important matter.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-AUG-1997 17:49:26.00

SUBJECT: Monday's Meeting with Shalala

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:

She's bringing: Kevin Thurm, Bill Corr, JimO'Hara, and Rich Tarplin.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-AUG-1997 17:49:26.00

SUBJECT: Monday's Meeting with Shalala

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:

She's bringing: Kevin Thurm, Bill Corr, JimO'Hara, and Rich Tarplin.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-AUG-1997 12:07:29.00

SUBJECT: POTUS Briefing Memo for McCain-Feingold Meeting

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

FYI. This is a good update on what is going on in CFR.

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on
08/01/97 12:07 PM -----

PETER G. JACOBY

07/31/97 09:35:20 PM

Record Type: Record

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

cc:

Subject: POTUS Briefing Memo for McCain-Feingold Meeting

FYI. Peter

Message Sent

To:

Michelle Crisci/WHO/EOP

Michael Waldman/WHO/EOP

Paul J. Weinstein Jr./OPD/EOP

Laura K. Capps/WHO/EOP

Virginia N. Rustique/WHO/EOP

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D40]MAIL40534421Y.216 to ASCII,

The following is a HEX DUMP:

FF57504333340100010A02010000000205000000BD540100000200006B61320AB0FD5DF0410777
A51F8289837EB9B5E352BBC748A2FDC8F17FA496A9AC70FD809A3F746A05A2BF1320D69753CEDE
DB6DEBA628910A0F6A9FF1F2C37AC2E31D718FFE6294ABC100D43C0607B84C5BDAF8E65E29D5FC
4FEDF7CA2EB1CF34BC40CFABF9FB88111A4C85823F0597554F48B97DF22ED742F808F8B795D8F0
79000BBF2CC3258DCEFCAB00DE5239D471886546BC412E408B8CEAA2DE9EF49DD650E35C1835B9
EE295B4F7CED7BE0FB40A2D6F4B75048D52A0966AC893DB55D30BDB439AFF7D771EEF9BAFC6D00
6D7A8ABB1B6F265B7888A9EB06EA9C76DA5BF3DBEBC227356947E517A93733945D1865BA42FBC0
98F4B347563A816557519F47A0CDFEA8177AC09EE162B3453263C30813794669A5DB4B53820103
2C05996B25DF2E5214A0FC74078DCD5BBE95A7FE439207E09A4A7192BAB5BEDCCB2034A46AE485
E785137853330EEE3CC3293BF027198ED19E9F5DCF41CA94F133EC354A28C8B3501FB1F1326158

March 25, 2010

MEETING WITH SENATORS McCAIN(R-AZ) AND FEINGOLD (D-WI) THE LEAD
SENATE SPONSORS OF BIPARTISAN
CAMPAIGN FINANCE REFORM LEGISLATION

DATE: August 1, 1997
LOCATION: Oval Office
TIME: 9:45 a.m. to 10:15 a.m.
From: John Hilley
Peter Jacoby

I. PURPOSE

To conduct a working session with Senators McCain and Feingold to discuss the legislative, political and public relations strategies that will be necessary to enact comprehensive campaign finance reform legislation.

II. BACKGROUND

This past Wednesday, Senators McCain and Feingold announced on the Senate floor that they are committed to bringing campaign finance reform legislation to the floor in September. Subsequently, the Senators requested this meeting to discuss and coordinate the strategy for passing their legislation when it is considered. The two key issues for discussion will be: 1) how can the Administration best work with the Senators to gain support for their bill; and, 2) what changes to the legislation will be necessary (and acceptable to you) for the measure to pass the Senate.

Early this year you met with Senators McCain and Feingold [and Congressmen Shays (R-CT) and Meehan(D-MA)] and committed your Administration to a serious effort to enact comprehensive campaign finance reform legislation. Since that time you have announced a series of initiatives designed both to advance substantive campaign finance reforms and to focus attention on the need for legislation. Those initiatives include petitioning the Federal Elections Commission to conduct a rulemaking proceeding that would ban or limit soft money; announcing your support for free television for political candidates; announcing

the co-chairs of a Presidential commission tasked to study the public interest requirements for the broadcasters that receive digital spectrum; announcing that the Solicitor General will argue in favor of court challenges to the Buckley v. Valeo decision when, and if, those challenges are considered by the Supreme Court; and naming former Senators Kassebaum-Baker and Mondale to lead an effort to develop support for reform. Finally, during their floor announcement earlier this week, Senators McCain and Feingold read a Presidential statement supporting their efforts to bring the bill to the floor in September.

While these Administration initiatives have helped demonstrate your support for campaign finance reform, they - and the efforts by outside groups to build support - have not resulted in the addition of enough Republican cosponsors to the McCain-Feingold bill to ensure Senate passage of the measure. In fact, since January, only Senator Collins (R-ME) has joined as a Republican cosponsor of the legislation.

Consequently, the Senators will ask for a strong commitment of White House resources during the weeks leading up to the bill's floor consideration in September. Additionally, because there has been so little support from Senate Republicans, Senator McCain will indicate that he believes the comprehensive McCain-Feingold bill¹, which includes public benefits such as free and reduced rate television for a candidate who accepts spending limits, should be scaled back to gain Republican votes.

The scaled back bill that Senator McCain envisions would include: 1) a ban on soft money; 2) provisions that would require greater and more timely disclosure of contributions; 3) provisions to enhance the FEC's enforcement capabilities; 4) provisions to restrict issue advocacy expenditures designed to influence elections; and, 5) the codification of the Supreme Court's decision in the Beck case. That case held that non-union employees in closed shops were entitled to a refund on the portion of their union dues spent on political activities.

¹ The current McCain-Feingold bill would: 1) ban PAC's - with lower PAC limits if the ban is found unconstitutional; 2) provide incentives (such as free and reduced rate television and radio time and low cost mailing) for candidates who voluntarily agree to aggregate campaign spending limits; 3) ban political contributions from individuals who are ineligible to vote; 4) ban soft money; 5) make it extremely difficult for political parties to run either independent expenditure ads or express advocacy ads on behalf of their candidates for federal office; 6) restrict express advocacy spending aimed as influencing elections; 7) ban bundling of campaign contributions, and; 8) improve FEC enforcement capabilities.

Notably, Senator McCain's incremental bill does not include spending limits - a key reform supported by Senator Daschle and great majority of Senate Democrats. In addition, the Beck provisions, which many Republicans have said should be codified to require all union members to affirmatively approve the use of their dues for political activities, are strongly opposed by Congressional Democrats. For these reasons, Senator Feingold has strongly resisted attempts to scale back the current legislation.

III. PARTICIPANTS

Senator McCain (R-AZ)
Senator Feingold (D-WI)
Rahm Emanuel
John Hilley

IV. PRESS PLAN

No press.

V. SEQUENCE OF EVENTS

You will make brief opening remarks and conduct the meeting.

VI. REMARKS

Talking points are attached.

TALKING POINTS FOR MEETING WITH SENATORS McCAIN AND FEINGOLD

- Thank you for your considerable efforts on this critical issue. Your leadership on one of the most difficult issues in Washington is greatly admired and appreciated.
- When we met last winter I promised to work closely with you on this issue to do what I could to move reform along. As you know, I have announced a number of initiatives during the past months to do just that -- the effort by Senators Mondale and Kassebaum-Baker, the FEC petition on soft money, my efforts on free television time for candidates and the announcement that the Solicitor General would join in on any challenge to Buckley v. Valeo.
- I can assure you that I remain fully committed to seeing meaningful, significant campaign finance reform become a reality during this Congress and I want to do everything I can to make that happen.
- Now that we have all agreed and announced that this is coming to the Senate floor in September, I want to discuss how you think we should approach this effort and what I can do to make all of our work result in good, strong campaign finance reform legislation.

Draft

Draft

July 30, 1997

MEMORANDUM FOR ELENA KAGAN

**FROM: Jose Cerda
Paul Weinstein**

SUBJECT: NEC/DPC Economic and Community Empowerment Work Group

I. Proposed Membership

- DPC: Paul Weinstein, Jose Cerda, Cynthia Rice, Diana Fortuna
- NEC: Jonathan Kaplan, Emil Parker, Peter Orzag, Ellen Seidman
- OVP: Jonathan Weiss, Julian Potter
- CEA: (need candidate)
- OMB: Michael Deich, Steve Redburn
- CEQ: Keith Laughlin
- Treasury: Michael Barr
- HUD: Paul Leonard, Gloria Robinson
- Labor: (need candidate)
- HHS: David Garrison
- Transportation: Jan Lieber
- Interior/BIA: (need candidate)
- SBA: (need candidate)
- USDA: Carl Willock
- EPA: Tim Fields, Harriet Tregoning
- Energy: Mark Mazur

II. Look Back

- A. Ask CEA, Treasury, and OMB to review economic data of major Administration economic development initiatives, including CRA reform, Empowerment Zones/Enterprise Communities, CDFI program, reform of Low Income Housing Tax Credit and Mortgage Revenue Bond Program, Public Housing Reform, Home-Ownership Initiative, and SBA One Stop Career Centers/Job Training
- B. CEA survey of data, literature, etc. major issues/gaps
- C. Clinton record on issues with impact on race

Overall Economy:

1. Impact of 1993 Economic Plan
2. Impact of 1997 Balanced Budget Agreement

III. Implementing New Initiatives in Balanced Budget Agreement

Welfare Jobs Initiative -- The reconciliation bill includes the President's proposal to create \$3 billion Welfare to Work Jobs Challenge to move long-term welfare recipients into lasting, unsubsidized jobs. **These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers, transportation and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed, through the Private Industry Councils, in the hands of the cities who are on the front lines of the welfare reform effort.**

Welfare-to-Work Tax Credit -- **This provision will give employers an added incentive to hire long-term welfare recipients by providing a credit equal to 35% of the first \$10,000 in wages in the first year of employment, and 50% of the first \$10,000 in wages in the second year, paid to new hires who have received welfare for an extended period. The credit is for two years per worker to encourage not only hiring, but also retention.**

Brownfields Tax Incentive - **The tax incentive will be available for three years. The Treasury Department estimates that this \$1.5 billion tax incentive will leverage more than \$6 billion for private sector cleanups nationwide, allowing redevelopment of 14,000 brownfields.** It is not yet clear whether EPA and HUD will be successful in securing funding for their proposed expansion of the Brownfield pilot program

Increased CDFI Budget Allocation -- The House has agreed to fund the program at \$125 million next year.

2nd Round of Empowerment Zones -- **the reconciliation bill includes, a second round of EZs --15 urban and 5 rural EZs. The new EZs will benefit from a different blend of tax credits from first-round EZs. They will be eligible for the Brownfields tax incentive, special expensing of business assets, and qualification for private-activity bonds. The selection of the new Empowerment Zones is a major initiative on its own.**

DC revitalization plan

IV. Possible New Initiatives

The Ten Best Mayors Tour -- The working group would identify the ten most successful mayors, Democrats and Republicans, and go and meet with them and their staffs to discuss their best economic development ideas: Lead DPC/NEC.

Affordable Housing and Housing Mobility -- Look at a possible expansion of vouchers and the difficult issues involved with housing mobility: Lead HUD.

Expand Low-Income Housing Tax Credit (LIHTC)-- The President fulfilled in 1993 his commitment to make this credit permanent. LISC has proposed lifting the cap on the LIHTC to allow for expanded use of the credit targeted to the development of housing for individuals moving out of public housing. Lead Treasury and HUD.

Fannie Mae/Freddie Mac -- Both of these organizations remain a still untapped resource of housing for low-income individuals: Lead Treasury and HUD.

Serving the "Unbanked" -- Treasury is engaging in an effort to further expand lending, investment, and basic banking services to the unbanked. This includes an initiative to provide money to financial institutions to insure that ATM use is free for individuals living in distressed communities, financial education programs, etc.: Lead Treasury.

Metropolitan Zones -- Proposals to encourage metropolitan planning: Lead OMB, CEQ.

Sustainable Development -- Brownfields is the best example this Administration has of combining good environmental policy with sound economic development design. CEQ has undertaken a large effort to review current best practices of sustainable development. The working group needs to task them with coming up with their best ten ideas to promote the cleanup of the environment and encourage private investment in our cities: Lead EPA, CEQ, Treasury, HUD.

August 2, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Welfare Reform: Welfare Reform and the Budget -- The headline in Friday's New York Times sums it up nicely: "In Budget Bill, President Wins Welfare Battle." As the article notes, you pledged last August when you signed the bill to "change what is wrong" and in this bill you "won major concessions in blunting some of the welfare law's toughest provisions." Even Robert Rector conceded to Robert Pear on Tuesday "the Republicans appear to have capitulated on almost every welfare issue."

The final bill guarantees health and disability payments to all poor legal immigrants in the U.S. by last August, restoring benefits to those now receiving them and guaranteeing assistance to those who become disabled in the future. This restores approximately half of the welfare law's benefit cuts to legal immigrants. The bill includes your \$3 billion welfare to work proposal, which provides funds for job creation and placement to cities and other high poverty areas through the Department of Labor's Private Industry Councils. The funds are targeted to long-term welfare recipients; they can also be used to find jobs for non-custodial parents, when their children's custodial parent is a long-term recipient.

The welfare to work tax credit is similar, though slightly less generous, than the one you proposed: rather than giving companies who hire long-term recipients a credit for 50% of wages up to \$10,000 for each of two years, the final bill gives a 35% credit for the first year and a 50% credit for the second year. The bill also provides \$1.5 billion to fund additional work slots for working-age, childless individuals who will lose Food Stamps if they don't work 20 hours a week, less than the \$4.8 billion you requested for work slots and other benefit restorations. The bill also continues Medicaid coverage for children who lose SSI under the new welfare law because of the stricter definition of childhood disability, another Administration proposal.

In the negotiations we also successfully thwarted Republican attempts to add anti-labor riders to the bill. The provision to allow Texas and possibly other states to completely privatize

Medicaid and Food Stamp operations was dropped (rumor has it that Gov. Bush said no to the only offer we could accept -- allow a substate demonstration in one state which would cover no more than half the recipients -- because he'd rather have an issue than a substate program). And, in one of the last issues to close in the negotiations, we eliminated the GOP provisions to exempt workfare recipients from the Fair Labor Standards Act and other worker protections.

In the final discussions, we had offered to exempt workfare recipients from FICA payroll taxes and the EITC in exchange for some limits on workfare and remedies for gender discrimination that the House Democrats were eager to include. While this deal was not included in the final bill, the EITC exclusion was included in exchange for improvements to the child tax credit. In the meantime, the Republicans have made clear that they intend to re-open the Fair Labor Standards Act issues in September, perhaps in the appropriations context.

2. Welfare Reform: Proposed High Performance Bonus -- You asked whether we like the proposed formula to distribute the \$1 billion in the welfare law for high performance bonuses to states. The short answer is yes; here's why. The welfare law, as you know, measures states on "work participation" which includes individuals in training, job search, and education as well as those combining work and welfare. The "work participation" measure only indirectly captures those who have left welfare altogether for work, by giving states credit for caseload reduction (i.e., a state whose caseload has gone down 20 will have to meet a 30 work participation rate in the year 2002 rather than a 50 one). The high performance bonus gives us an opportunity to judge states on real outcomes related to real work. The proposal now under discussion between HHS, NGA, and APWA would reward states with bonuses whose programs result in high rates of leaving welfare for work, retaining jobs, and improving earnings. It would also give bonuses to those who succeed in critically important task of reducing teen births. HHS and the state representatives seem to agree that these are the right kinds of performance to reward; they still disagree over 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.

3. Education: National Testing Initiative -- The Labor-HHS appropriations bill had been scheduled for consideration in the House earlier this week; it is now likely to come up in September soon after the Congress returns. Mr. Goodling has an amendment he is intending to offer that would prohibit the Education Department from spending any FY 1998 funds on the development or administration of national tests. If the vote had been held this week, there is a chance we would have lost. While Democratic support was generally strong (with the exception of the Hispanic Caucus, discussed below), Republican support was not, and began to erode as the expected debate approached.

For example, Frank Riggs has been a supporter of the tests but was planning to support his chairman, Mr. Goodling. Mr. Porter is one of our strongest supporters, and has consistently indicated his opposition to the Goodling amendment. He has prepared a substitute amendment that would permit the Education Department to continue to develop the tests, though prohibit using FY 1998 funds for test administration. Since we were never planning to administer the test until FY 1999, this would have no impact on our ability to move forward.

Right wing groups, home schoolers, Lynn Cheney and others have been lobbying hard in support of Goodling's amendment, with some impact. For example, Mr. Livingston, originally allied with his subcommittee chair, Mr. Porter, shifted his position in favor of the Goodling amendment, apparently the result of right wing pressure from his district.

We have begun to mobilize supporters of the testing initiative to contact their members during the recess. AFT, NEA, BRT, NAB, the Chief State School Officers, the Council of Great City Schools, and other education groups are working together to activate their members to encourage House members to oppose efforts to stop development of the tests.

The Hispanic Caucus has indicated that it might vote en bloc with Mr. Goodling. The caucus has been very concerned with our policy of providing the 4th grade reading test only in English; they believe this approach will either exclude too many Hispanic students who may not have had sufficient time to learn English, or will force them to take tests they are not yet prepared for. They have asked for a commitment to create a Spanish language version of the test that students with limited English proficiency could take instead. We have been exploring ways of addressing their concerns, while maintaining our position that students should be expected to read in English and be tested in English. The Caucus has indicated that, if it is not satisfied with our final position on this issue, it is prepared to support Goodling's amendment. We have promised the Caucus that we will continue to consult with them over the next several weeks. We will have a decision memo for you before the end of August on this issue.

At the NGA meeting, Secretary Riley met with the DGA and with a number of governors of both parties on the testing issue. There were no breakthroughs at the meeting, nor new commitments to participate in the tests. However, the discussions ultimately were positive. Some 11 Democratic governors have pledged to send you letters of endorsement for the testing initiative. A number of governors in both parties (e.g., Dean, Geringer) appear to be inching toward participation, while others continue to face obstacles. For example, Gov. Romer has been unable to secure the support of his elected State Board of Education, and instead will be encouraging local school districts to sign up on their own.

\$3 BILLION TO HELP MOVE PEOPLE FROM WELFARE TO WORK

The Administration is extremely pleased that the new budget includes the President's proposal to create a \$3 billion Welfare to Work Jobs Challenge fund. This program will help states and local communities move long-term welfare recipients into lasting, unsubsidized jobs. **The budget provides all of the funds the Administration was seeking in this area.**

The President first made this proposal last August, as a critical part of his strategy to make welfare reform a success and move 1 million people from welfare to work by the year 2000. This program recognizes that there are special challenges to moving the hardest-to-employ welfare recipients to work and finding jobs for welfare recipients in areas of high unemployment.

These funds can be used for job creation, job placement, and job retention efforts, including wage subsidies to private employers and critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

The funds will be awarded starting in 1998, with spending continuing through 2001. 75% of the \$3 billion will be distributed under a formula that targets areas of high poverty and unemployment within each state, including inner cities and rural areas. One-quarter will be awarded competitively to innovative projects submitted by local governments, private industry councils, and private entities like community organizations.

Spending must target long-term welfare recipients; those who face special obstacles such as no high school diploma, a need for substance abuse treatment, or a poor work history; and those facing loss of benefits due to time limits. The program gives states and local governments great flexibility to design welfare to work strategies that will be most effective in that community and for that individual.

Notes: This program is for families with children on TANF (formerly AFDC), not single childless adults. Today's New York Times incorrectly described this program as benefitting the latter group, confusing it with the \$1 billion that the Administration achieved to create work slots for childless unemployed adults who face a food stamp cut-off.

Also, it was a major political victory for the Administration that states must pass through most of the money to local private industry councils, whose members are appointed by mayors.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-AUG-1997 11:23:03.00

SUBJECT: Cabinet Memo 8-1-97

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/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: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Eric P. Goosby (CN=Eric P. Goosby/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Sarah A. Bianchi (CN=Sarah A. Bianchi/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

TO: WEINSTEIN_P (WEINSTEIN_P @ A1 @ CD @ LNGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

TEXT:

AGRICULTURE

Today - no public events

ONDCP

Today - Interview with LATimes

ENERGY

Today - meeting with POTUS and VP and Azerbaijan

EPA

Today - Budget Amplification calls

HHS

Today - the Secretary does Budget Amplification; tobacco event at 1:30

HUD

Today - Disaster assistance announcements;

INTERIOR

Today - no public events

Next Week - Tour of the Pacific Northwest

JUSTICE

Today - no public events

Tomorrow and next week - AG to San Francisco to speak to American Bar Association; interviews with Fox

LABOR

Today - numbers day from Chicago

OMB

Today - no public events

Monday - the Director speaks to National Urban League Conference

OPM

Today - no public events

Monday - Jim King speaks in Cincinnati about the success of reinvention

TRANSPORTATION

Today - the Secretary is in Chicago speaking to Rainbow Push Coalition; speaks to National Bar Association

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Russell W. Horwitz (CN=Russell W. Horwitz/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-AUG-1997 09:08:10.00

SUBJECT: 1-pager on today's jobs and unemployment data

TO: Christopher R. Ulrich (CN=Christopher R. Ulrich/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Ananias Blocker III (CN=Ananias Blocker III/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robin J. Bachman (CN=Robin J. Bachman/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: Elizabeth R. Newman (CN=Elizabeth R. Newman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Anne H. Lewis (CN=Anne H. Lewis/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Lorraine A. Voles (CN=Lorraine A. Voles/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Craig T. Smith (CN=Craig T. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christopher J. Lavery (CN=Christopher J. Lavery/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Nicholas B. Kirkhorn (CN=Nicholas B. Kirkhorn/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Joseph M. Wire (CN=Joseph M. Wire/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: William H. White Jr. (CN=William H. White Jr./OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

READ:UNKNOWN

TO: Kathleen M. Wallman (CN=Kathleen M. Wallman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lisa M. Kountoupes (CN=Lisa M. Kountoupes/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

TO: Daniel K. Tarullo (CN=Daniel K. Tarullo/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Douglas B. Sosnik (CN=Douglas B. Sosnik/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Alice E. Shuffield (CN=Alice E. Shuffield/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

TO: Stacey L. Rubin (CN=Stacey L. Rubin/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Dorothy Robyn (CN=Dorothy Robyn/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: Victoria Radd (CN=Victoria Radd/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Peter R. Orszag (CN=Peter R. Orszag/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Bob J. Nash (CN=Bob J. Nash/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Linda L. Moore (CN=Linda L. Moore/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: April K. Mellody (CN=April K. Mellody/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michael D. McCurry (CN=Michael D. McCurry/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Doris O. Matsui (CN=Doris O. Matsui/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Julie E. Mason (CN=Julie E. Mason/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jacob J. Lew (CN=Jacob J. Lew/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: G N. Lattimore (CN=G N. Lattimore/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert D. Kyle (CN=Robert D. Kyle/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Charles Konigsberg (CN=Charles Konigsberg/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Angus S. King (CN=Angus S. King/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Brian J. Johnson (CN=Brian J. Johnson/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

TO: Peter G. Jacoby (CN=Peter G. Jacoby/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Nancy V. Hernreich (CN=Nancy V. Hernreich/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lawrence J. Haas (CN=Lawrence J. Haas/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Julia R. Green (CN=Julia R. Green/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jason S. Goldberg (CN=Jason S. Goldberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann T. Eder (CN=Ann T. Eder/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Steven A. Cohen (CN=Steven A. Cohen/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

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

TO: Ann M. Cattalini (CN=Ann M. Cattalini/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Paul R. Carey (CN=Paul R. Carey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Susan A. Brophy (CN=Susan A. Brophy/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Erskine B. Bowles (CN=Erskine B. Bowles/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sarah A. Bianchi (CN=Sarah A. Bianchi/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: David S. Beaubaire (CN=David S. Beaubaire/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Donald A. Baer (CN=Donald A. Baer/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Kenneth S. Apfel (CN=Kenneth S. Apfel/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Barry B. Anderson (CN=Barry B. Anderson/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Christopher F. Walker (CN=Christopher F. Walker/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Emil E. Parker (CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Daniel C. Tate (CN=Daniel C. Tate/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Roger V. Salazar (CN=Roger V. Salazar/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TO: Virginia M. Terzano (CN=Virginia M. Terzano/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Karen E. Skelton (CN=Karen E. Skelton/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Lisa J. Levin (CN=Lisa J. Levin/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Robert B. Johnson (CN=Robert B. Johnson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Beverly J. Barnes (CN=Beverly J. Barnes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ronda H. Jackson (CN=Ronda H. Jackson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Ellen S. Seidman (CN=Ellen S. Seidman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Steven J. Ronnel (CN=Steven J. Ronnel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Franklin D. Raines (CN=Franklin D. Raines/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

TO: Kristen E. Panerali (CN=Kristen E. Panerali/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Peter O'Keefe (CN=Peter O'Keefe/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Joseph J. Minarik (CN=Joseph J. Minarik/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Anne E. McGuire (CN=Anne E. McGuire/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Sylvia M. Mathews (CN=Sylvia M. Mathews/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Bruce R. Lindsey (CN=Bruce R. Lindsey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Kathryn O. Higgins (CN=Kathryn O. Higgins/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: John L. Hilley (CN=John L. Hilley/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Daniel D. Heath (CN=Daniel D. Heath/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

TO: D. Stephen Goodin (CN=D. Stephen Goodin/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ben A. Freeland (CN=Ben A. Freeland/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Karen E. Finney (CN=Karen E. Finney/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

TO: Betty W. Currie (CN=Betty W. Currie/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Brenda B. Costello (CN=Brenda B. Costello/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cheryl M. Carter (CN=Cheryl M. Carter/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Rebecca A. Cameron (CN=Rebecca A. Cameron/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: Marsha E. Berry (CN=Marsha E. Berry/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Eli G. Attie (CN=Eli G. Attie/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Brenda M. Anders (CN=Brenda M. Anders/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lori L. Anderson (CN=Lori L. Anderson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

THE ECONOMY REMAINS ON THE RIGHT TRACK: LOW UNEMPLOYMENT, STRONG JOB GROWTH, AND LOW INFLATION

August 1, 1997

TODAY'S DATA SHOW CONTINUED JOB GROWTH WITH HISTORICALLY LOW UNEMPLOYMENT.

- **Unemployment fell to 4.8 percent, as low as it's been in 24 years.**
 - The July unemployment rate was 4.8 -- its 35th consecutive month below 6 and as low as it's been since 1973. The unemployment rate for the second quarter of 1997 was just 4.9 -- the lowest for any quarter since 1973. In 1992, the unemployment rate was 7.5. [Source: BLS.]
 - The combined rate of unemployment and inflation has been lower under President Clinton than any other Administration since Lyndon Johnson was President. [Source: Based on data from BLS.]
- **12.9 Million New Jobs.**
 - During the Clinton Administration, the economy has added 12.9 million new jobs -- a faster annual rate of job growth (2.5 percent per year) than *any* Republican Administration since the Roaring 1920s. [Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.]
 - The economy has added 2.7 million jobs over the past year.
- **Strong Private-Sector Job Growth.**
 - Over the past year, the private sector has added 2.4 million jobs -- much more than during the entire four-year period before President Clinton took office. [Source: Based on data from BLS.]
 - 93 percent of the 12.5 million new jobs under President Clinton have been in the private sector. [Source: Based on data from BLS.]
- **Turning The Corner In Basic American Industries.**
 - After losing 667,000 jobs in construction during the previous four years, 1.1 million new construction jobs have been added since January 1993 -- that's a faster annual rate than any other Administration since Harry S Truman was President.
 - After losing 35,000 jobs in the auto industry during the Bush years, we have 127,000 new auto jobs since President Clinton took office. [Source: Bureau of Labor Statistics, Current Employment Statistics survey.]

YESTERDAY, WE LEARNED THAT THE ECONOMY GREW BY 3.5 PERCENT AT AN ANNUAL RATE IN THE FIRST HALF OF THIS YEAR WHILE INFLATIONARY PRESSURES REMAIN LOW. BUSINESS INVESTMENT HAS GROWN BY 11.3 PERCENT PER YEAR SINCE PRESIDENT CLINTON TOOK OFFICE -- THE FASTEST FOR ANY ADMINISTRATION SINCE JOHN F. KENNEDY WAS PRESIDENT. THE ECONOMY CONTINUES TO EXPERIENCE ROBUST GROWTH, STRONG INVESTMENT, AND LOW INFLATION.

EXPERTS AGREE THAT THE AMERICAN ECONOMY IS STRONG:

- **Alan Greenspan, Chairman of the Federal Reserve, 7/22/97:** "The recent performance of the economy, characterized by strong growth and low inflation, has been exceptional--and better than most anticipated."
- **David Berson, chief economist, Fannie Mae, 6/14/97:** "What we have now is the best combination of sustained growth and low inflation that we have had in at least a decade."
- **Fortune, 6/9/97:** "Business is booming, inflation is falling, jobs are plentiful, and American industry is way out in front. The U.S. economy is stronger than it's ever been before."
- **Business Week, 5/19/97:** "Clinton's 1993 budget cuts, which reduced projected red ink by more than \$400 billion over five years, sparked a major drop in interest rates that helped boost investment in all the equipment and systems that brought forth the New Age economy of technological innovation and rising productivity."