

**NLWJC - KAGAN**

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**[08/05/1997]**

# Withdrawal/Redaction Sheet

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE  | DATE       | RESTRICTION |
|--------------------------|--|------------|-------------|
| 001. email               | Diana Fortuna to Elena Kagan re: Mtg. on Monday [partial] (1 page) | 08/05/1997 | P6/b(6)     |
| 002. email               | James Dorskind to Todd Stern et al. re: twofer (1 page)            | 08/05/1997 | P6/b(6)     |
| 003. email               | Diana Fortuna to Elena Kagan re: Mtg. on Monday [partial] (1 page) | 08/05/1997 | P6/b(6)     |

**COLLECTION:**

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

**FOLDER TITLE:**

[08/05/1997]

2009-1006-F  
bm38

### 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]
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- 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]



**Revised 8/5/97 3:00 pm**

**DRAFT REPLY TO CONGRESSWOMAN LUCILLE ROYBAL-ALLARD  
FROM ERSKINE BOWLES**

Thank you for writing to me about the Family Violence Option that was in the Senate version of the budget reconciliation bill. As you know, the conferees did not include the provision in the final version of the Balanced Budget Act of 1997.

The Department of Health and Human Services has drafted regulations on this and other issues relating to the implementation of the new welfare law and recently submitted them to the Office of Management and Budget for review. We plan to take your comments into consideration as part of this review.

Thank you again for letting us know of your concerns.

Automated Records Management System  
Hex-Dump Conversion



**TO:            BRUCE REED, ELENA KAGAN**

**FROM:        TOM FREEDMAN, MARY L. SMITH**

**RE:            INSURANCE FOR HOME CHILD CARE PROVIDERS**

**DATE:        JULY 29, 1997**

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**SUMMARY**

Recently, there was a problem in Florida with insurance companies canceling homeowner's insurance policies for persons who provided child care in their homes. This problem reached crisis levels in Florida because the state's insurance company, known as the Joint Underwriting Association, which is a last-chance insurer for many persons, was planning on denying coverage to people providing day care in their homes. Apparently, this is a widespread problem that often does not rise to the surface for several reasons, including the following:

- (1) Many insurers simply don't know that their policyholders provide child care in their homes;
- (2) Insurance coverage only affects those who provide child care to a certain minimum number of children, usually above 3 to 5 children; and
- (3) Many child care providers are able to locate insurance from a few insurers.

**HOW THIS AFFECTS OTHER AREAS**

- **Welfare.** Home child care facilities are often the main solution for welfare moms who are about to enter the workforce under the new welfare law. For instance, Larry Pintacuda, chief of child-care services for the Florida Department of Children and Families, believes that the insurance companies' restrictions on the number of children would seriously jeopardize Florida's welfare-reform efforts to solve a shortage of infant, evening and weekend care. Pintacuda believes that thousands of poor children will be without affordable day care if the state can't expand the number of neighborhood-based child care homes.
- **Mortgages.** Even if home child care providers obtain separate business liability insurance, their homeowner's insurance still might be canceled. Many mortgage companies require homeowner's policies.

## SOME STATES THAT HAVE TAKEN ACTIONS

- **California.** California passed legislation that an insurance company can't cancel a person's homeowner's insurance simply because that person provides home child care services.
- **Florida.** A few weeks ago, a crisis developed because the state's insurance company, the Joint Underwriting Association, was threatening to deny homeowner's coverage to those persons providing child care services in their homes to more than three children. **Solution:** Florida is in the process of negotiating that policies would be issued only to registered and licensed family child-care homes. There are about 7,600 licensed and registered family child-care homes in Florida, but state law does not require them to carry liability insurance.
- **Minnesota.** Minnesota passed legislation that immunizes insurance companies from liability under a homeowner's policy to those persons operating child care facilities out of the home. The insurance company's liability, if at all, would stem from a separate business insurance rider.
- **Oregon.** Oregon passed legislation that prohibits insurers from canceling or refusing to issue or renew homeowner's or renters' liability insurance or fire insurance solely because the policy holder is a family day care provider.
- **Washington.** Washington passed legislation intended to remedy the problem of the unavailability of liability insurance for day care providers by requiring all insurers authorized to write commercial or professional liability insurance to be members of a joint underwriting association created to provide liability insurance for day care providers.

## BACKGROUND

- Business liability insurance costs approximately \$300-\$500.
- In many states, such as Minnesota, there are only one or two insurance companies that will provide the type of coverage needed by home day care facilities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 21:23:47.00

SUBJECT: Re: Request for VP event/announcement ideas for September

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

READ:UNKNOWN

TEXT:

Elena--

Here are some ideas; please let me know if you are going to pass any of these along; as you will see, some of these I would rather have the POTUS do.

The Education Department and the National Institute for Literacy have both expressed interest in having the POTUS release some data on adult literacy rates (by state and congressional district) on National Literacy Day, which is Sept. 8. The Department has submitted a scheduling request for an event that would tie those data in to family literacy provisions in America Reads. Carolyn Staley at the National Institute for Literacy would like to try to use this to develop an additional component of America Reads that is explicitly focused on adult (rather than child literacy). I don't foresee that happening, but the data could still make either a decent POTUS radio address (on the Saturday just prior to Sept. 8, the last at Martha's vineyard) or for a VP event on Sept. 8. I don't really see this as "the" POTUS event for back to school week because it isn't K-12 focused enough, and the overall data on adult literacy has already been released, although not by subdivision.

In addition, at least a couple of the things I e-mailed you and Bruce about last night might be appropriate if the POTUS doesn't do them, especially the grants announcements:

1. Announce \$40 million in new charter schools grants (Jon Schnur with OVP is very involved with charters so this would be easy for VP to do; however, I think it's really important for the President to do a charter event soon if we are going to get state legislatures going on this again, and for this event the news piece is easy).
2. Possibly announce technology literacy grants (still need to check on timing of this)
3. Release math strategy (addresses falloff in TIMSS scores after 4th grade) (but personally I would prefer for the POTUS to do this, in part because it has been developed in response to a POTUS directive and that has been the general expectation for the working group; moreover, this doesn't have to go out the week of Sept. 8; we have a lot of flexibility on when to release this)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 19:57:13.00

SUBJECT: Higher Ed Act Title III

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

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

TEXT:  
Bruce and Elena--

The Education Department is preparing to submit the portion of the Higher Ed Act reauthorization that deals with aid for improving postsecondary institutions such as Historically Black Colleges and Universities (HBCUs). Currently the law allows for assistance to both HBCUs and other institutions that serve traditionally under-represented populations, such as Hispanic-Serving Institutions (HSIs) and Tribal Colleges and Universities. However, as the law is currently structured, HSI's and Tribal Colleges are bunched in with other kinds of needy institutions, whereas HBCUs have their own separate section of the law. Ultimately a much smaller share of HSIs (25%--about \$10.8 million per year, going to 37 institutions) and Tribal colleges actually receive aid compared with HBCUs (100% -- I think -- of 98 institutions, receiving \$110 million per year). At the same time, the educational challenges facing Hispanics and Native Americans are certainly compelling, and by some measures (like dropout and college-going rates) at least as daunting as those facing African Americans.

The Department's proposal, as announced in testimony by Secretary Riley, would create two new sections within the program, one for HSIs and one for Tribal Colleges. This is something that has been sought by Hispanic groups, in particular. The proposal would also substantially increase the authorization levels for both HBCUs and for HSI's and Tribal Colleges.

In discussions with the staff of the Congressional Black Caucus, and now in a letter to the POTUS from former Congressman Bill Gray and Henry Ponder on behalf of the National Association for Equal Opportunity in Higher Education, it has been made clear that many in the black community are strongly opposed to this change. The biggest issue, it seems, is (especially in the tight budgetary environment) that they are concerned that HBCUs would now have to more directly compete with HSIs and Tribal Colleges for money, and will wind up with less than they have had in the past. Two other arguments have been made by opponents. The first is that, by giving HSIs and Tribal Colleges the more prominent set-aside, they will place all such assistance (including that to HBCUs) at risk to legal (Adarand) challenges, because the HBCU provisions are more strongly rooted in a unique historical background and mission for these

institutions. I have asked the counsel's office to look into this issue, and folks at ED are as well, but at first blush I'm a little skeptical given that HSI's already had their own line-item. The other concern raised is that the changes would repeal certain targeting provisions and open up non-needy institutions such as UCLA to the Title III program, something which the Department feels isn't true, because even institutions with 25% Hispanic enrollment (the basic criterion for being an HSI) would have to meet other targeting provisions applicable to all schools that receive aid under Title III. The Black Caucus has asked ED to delay sending the bill up so the CBC can work something out with the Hispanic Caucus.

Despite the concerns raised, the Secretary is conscious that he has already publicly indicated the path the Administration expects to take on this and, in general, continues to feel that establishing the new provisions for HSIs and Tribal Colleges is the right way to go. However, we have slowed down the expected timeframe for transmitting the legislation a little to allow for additional analysis of the issues raised and for a meeting next Tuesday at ED involving the Secretary, Mike Smith, and others to carefully review Hill strategy. The bill remains under review by both DOJ and OMB for clearance purposes (OMB will require special sign-off because the bill includes specific authorization levels for each of the types of institutions assisted, as well as an overall increase from FY 98 budget levels (from about \$205 million to \$275 million; this will be a critical part of a successful Hill strategy on the measure).

The letter to POTUS requests a meeting with Bruce and Gene Sperling to discuss these issues. They argue that the needs of Latino students can be met without such a significant impact on HBCUs. I will need some guidance from Bruce on whether this is something he wants to be involved with, or whether he would prefer that Riley and/or Mike Smith, perhaps together with Cohen, should handle this. One complicating factor is the Bruce is scheduled to leave town (the 19th) about the time Cohen gets back, although Mike C. will be in town the latter part of next week and could attend a meeting here if necessary. Another complicating factor is that the Department feels that it has tried to be responsive to a general effort that the Administration overall has been making to insure that Hispanics are getting a fair shake from education programs. I did check today with Riley's scheduler, who said that the Secretary had not met with Gray or Ponder anytime recently, certainly not on this issue. In any event, everyone seems pretty clear that a meeting, not a reply letter (especially from the POTUS), is the correct next step.

Cathy has a copy of the Ponder/Gray letter, but I will re-fax over to you both, along with an ED-provided summary and proposed authorization levels, and then I will red-dot over a copy of the legislation in the a.m.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ellen S. Seidman ( CN=Ellen S. Seidman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 5-AUG-1997 12:43:24.00

SUBJECT: Proposed Rand briefing on study of punitive damages

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Tracey E. Thornton ( CN=Tracey E. Thornton/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TO: Lisa M. Brown ( CN=Lisa M. Brown/O=OVP @ OVP [ UNKNOWN ] )

READ:UNKNOWN

TO: Kathleen M. Wallman ( CN=Kathleen M. Wallman/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: Cristian J. Santesteban ( CN=Cristian J. Santesteban/OU=CEA/O=EOP @ EOP [ CEA ] )

READ:UNKNOWN

TO: Ingrid M. Schroeder ( CN=Ingrid M. Schroeder/OU=OMB/O=EOP @ EOP [ OMB ] )

READ:UNKNOWN

TO: Elena Kagan ( CN=Elena Kagan/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: Timothy J. Brennan ( CN=Timothy J. Brennan/OU=CEA/O=EOP @ EOP [ CEA ] )

READ:UNKNOWN

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

READ:UNKNOWN

TO: Charles W. Burson ( CN=Charles W. Burson/O=OVP @ OVP [ UNKNOWN ] )

READ:UNKNOWN

TO: Gene B. Sperling ( CN=Gene B. Sperling/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

CC: Jennifer D. Dudley ( CN=Jennifer D. Dudley/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

CC: Marc A. Silverman ( CN=Marc A. Silverman/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

CC: Russell W. Horwitz ( CN=Russell W. Horwitz/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TEXT:

The folks from the Rand Institute for Civil Justice who did the study on punitive damages in financial injury cases have offered to come brief those who are interested on the Thursday or Friday after Labor Day. This same group could also talk about Auto Choice (on which they have done the best quantitative research) if we warned them in advance. Please let me know if you have any interest in attending, and if so, whether either Thursday or Friday would be better, and whether you're interested in hearing about Choice. If you DESPERATELY want to come, but can't do it either day, let me know about that too, as we can probably work something else out.

Ellen

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie ( CN=Eli G. Attie/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 5-AUG-1997 11:25:41.00

SUBJECT: Request for VP event/announcement ideas for September

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Jonathan A. Kaplan ( CN=Jonathan A. Kaplan/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: 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: Gene B. Sperling ( CN=Gene B. Sperling/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

An all-points bulletin:

Ron Klain is hoping to find some solid events for the VP to do, with hard news value, the first week of September (when the President will still be on vacation). In particular, he thought it made sense to find things we could do to show that we were implementing the budget agreement -- demonstrating how people can claim the HOPE scholarship, rolling out more detail of the welfare-to-work provisions, announcing what's happening on child health, etc.

Any ideas or proposals?

Many thanks...

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 17:54:49.00

SUBJECT: Re: Prop. 209/Hopwood

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

READ:UNKNOWN

TEXT:

fyi. If you missed it, take a look at the story in today's Post on the ABA and admissions. Also, I'm not sure if it will ever be useful, but I know the UC Berkeley Deans etc. from my recent salad days there.

# Withdrawal/Redaction Marker

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 10:50:50.00

SUBJECT: Mtg. on Monday

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:

I note we are NOT inviting OMB, either program staff or counsel's office/Mac Reed. I think we decided this was the best strategy since they are likely to be negative at first, and we are at a delicate point. But I just wanted to make sure we are on the same wave length.

[Redacted] P6(b)(6)

P6(b)(6)

[001]

----- Forwarded by Diana Fortuna/OPD/EOP on 08/05/97  
10:51 AM -----

Laura Emmett  
08/05/97 09:02:05 AM  
Record Type: Record

To: Diana Fortuna/OPD/EOP, Anne H. Lewis/OPD/EOP, WHITE\_W @ A1 @ CD @  
LNGTWY  
cc:  
Subject: Mtg. on Monday

There will be a meeting Monday, August 11, at 3:00 in room 211 OEOB to discuss the draft Executive Order on Employment of People With Disabilities. Please let me know if you cannot attend.

Attendees  
Elena Kagan  
Diana Fortuna  
Anne Lewis  
Bill White  
Kitty Higgins (DOL)  
Representatives for Seth Harris (DOL)  
John Lancaster (President's Committee for People with Disabilities)  
Reps from HHS, DOE, & EEOC



**M E M O R A N D U M**

Automated Records Management System  
Hex-Dump Conversion

**TO: ELENA KAGAN**  
**FROM: TOM FREEDMAN, MARY L. SMITH, BILL KINCAID, JULIE MIKUTA**  
**RE: RECOMMENDATIONS FOR HOPWOOD/PROPOSITION 209**  
**DATE: AUGUST 5, 1997**

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**SUMMARY**

The Administration is investigating options to ensure diversity in higher education in light of some of the effects of the Hopwood decision and the University of California Board of Regents' decision to exclude race as a factor in admissions. Two approaches to the problem are being pursued simultaneously: (1) litigation to reverse the decision and/or law and (2) policy initiatives to improve diversity in higher education. This memo is not concerned with the litigation strategy, but rather with some possible policy initiatives that could be implemented both long-term and short-term.

This memo first lists some of the actions already being taken in California and Texas to combat the Board of Regents' decision and the Hopwood case. These actions are excerpted from a memorandum from Leslie Thornton at the Department of Education dated July 18, 1997. We also plan to set up a meeting with Leslie Thornton, DOE, and DOJ this week.

Following the section on actions being taken in California and Texas, this memo outlines a universal set of possible proposals to investigate further, grouped in the following categories: (1) pre-kindergarten; (2) kindergarten through eighth grade; (3) high school; and (4) access opportunities, regardless of age.

Following the outline of policy proposals, this memo lists some possible participants in a planning meeting and proposes a tentative time line for planning and implementation.

**I. ACTIONS BEING TAKEN IN CALIFORNIA AND TEXAS**

**A. CALIFORNIA**

- Forming "school-centered partnerships" among each UC campus and public schools chosen for their poor academic performance, to establish standards and to improve student achievement.
- Expanding academic outreach programs for K-12 students.

- Creating an “information outreach” program to help students and their families prepare for college.
- **Alternative admissions strategies.** A June 24, 1997 article in the Sacramento Bee set out how each of UC’s nine campuses will “experiment” with different admissions policies in an effort to achieve diversity. **UC-Davis:** in filling 40% of the places in its 1998 freshman class, UC-Davis will give weight to factors other than grades and test scores such as extracurricular leadership experience; attendance at a high school that is economically disadvantaged and has a historically low level of UC attendance; residence in the three counties closest to the university; military service; and marked academic improvement in the 11th grade. The new policy is only triggered, however, by students who meet UC minimum eligibility requirements of a combined 1000 on the SAT and a high school grade-point average of 2.82 in designated college preparatory courses. **UCLA:** will give an advantage to applicants from disadvantaged urban and rural neighborhoods. **UC Irvine:** will look at an applicant’s entire profile, not just grades and scores, including personal essays and extracurricular activities. **UC San Diego:** will look at “special circumstances and personal challenges” which could include whether an applicant is trying to become the first in his or her family to attend college.
- A July 9, 1997 Education Daily article says that the UC Task Force’s \$60 million dollar plan to increase minority enrollment at UC would make training and retaining teachers in disadvantaged schools a priority. The Task Force estimates the total cost of professional development at \$18.5 million annually or about \$370,00 at each of 450 schools --the disadvantaged high schools, plus 400 “feeder” elementary and middle schools. On July 17, 1997, a Board of Regents committee approved the plan to double UC’s annual spending on outreach efforts--which seek to increase minority enrollment without using affirmative action--from \$60 million to \$120 million. The \$60-million additional cost projection for the program includes \$27.2 million for school outreach efforts, \$17.9 million for expanding academic programs that target black and Latino students but are open to all, and \$7.9 million for contacting students, families and schools about UC admissions requirements.

## **B. TEXAS**

- The Texas legislature passed a bill that automatically admits the top 10% of all Texas high schools students to the state’s university system.
  - Ethnic Recruitment Program in which Texas residents may apply for grants up to \$1,000. Applicants must have a 2.75 GPA and 900 SATs. The awards may be used at any school in which their minority group

constitutes less than 40% of total enrollment. [The Big Book of Minority Opportunities]

## II. POSSIBLE FUTURE ACTIONS THAT CAN BE TAKEN ACROSS THE COUNTRY

### A. PRE-KINDERGARTEN

- Revamp HeadStart to become more focused on school readiness and reading skills.
- Child care initiatives.

### B. KINDERGARTEN THROUGH GRADE 8

- Math and reading strategies
  - Pass/fund America Reads
  - Push aggressively to sign-up college-work study tutors, esp. in TX and CA
  - Encourage business community and others to recruit tutors in CA and TX
  - Establish additional ED-organized reading pilot sites in TX and CA for next summer
  - Organize regional meetings and target other information on best practices in reading and math in TX and CA
  - Increase funding for ED and NSF programs targeted on improving middle school math in urban areas per math strategy
  - Possible math partnership with private sector and other agencies, with challenging math problems, and encourage “coaching” activities in high need areas, esp. CA and TX
- Urban testing initiative which signed up 15 urban schools systems to participate in national tests and to form a network with the Department of Education and NSF to share information about promising practices and resources to prepare students to meet the standards.
- Urban systemic reform which builds on the Department of Education’s 1996 proposed urban initiative (ACE) which focused on accountability, choice and excellence through an urban grants program.
- Teacher Recruitment and Preparation initiative proposed under Title V of HEA.
- Community Schools Program in Department of Education’s FY 1998 budget.

- After School Programs in proposed amendment to Juvenile Justice bill.
- School Construction (action needed depends upon outcome of budget reconciliation).
- Summerbridge is a national program in which high school and college students teach summer school to middle school students. Summerbridge is in 36 cities. Students who teach the course have a high rate of college attendance, and many go into education.
- Technology
  - Press private sector to complete job of outfitting and connecting up schools in poor areas in TX and CA
  - Possible initiative on teacher professional development re: technology?

## C. HIGH SCHOOL

### *Initiatives in California*

- The University of California system has created a partnership with the 50 low-performing high schools that will help students achieve better test scores and grades in order to help qualify for university admissions on academic merit.
- SCORE is a program at Buena Park High School, CA, which was established in 1991. Students take field trips to various university campuses, attend classes, have lunch and get an overview of the programs offered. College students visit the high school and discuss their experiences. [Orange County Register, 1/23/97]
- Advancement via Determination is a program in which 47 schools in the Colton Unified School District participate. This program focuses on study skills and goal-setting with minority and low-income students.
- Cal Grants :
  - Grant A: from \$600 to \$4,500 to help low-income residents of the state cover tuition and fees at colleges-- renewable for up to 3 years.
  - Grant B: from \$600 to \$1,200 as a living allowance to low-income students.
  - Grant C: to help vocationally-oriented students obtain marketable job skills.

### *Initiatives in Texas*

- Automatically admit the 10% of all seniors to attend any state university (proposed in Texas).
- Ethnic Recruitment Program in which Texas residents may apply for grants up to \$1,000. Applicants must have a 2.75 GPA and 900 SATs. The awards may be

used at any school in which their minority group constitutes less than 40% of total enrollment. [The Big Book of Minority Opportunities]

***Other Initiatives***

- Courses to help prepare for the college admissions tests like the SAT.
- Expand grants to pay for Advanced Placement (AP) testing (this was in our budget proposal).
- Urban systemic reform which builds on the Department of Education's 1996 proposed urban initiative (ACE) which focused on accountability, choice and excellence through an urban grants program.
- Teacher Recruitment and Preparation initiative proposed under Title V of HEA.
- Community Schools Program in Department of Education's FY 1998 budget.
- After School Programs in proposed amendment to Juvenile Justice bill.
- School Construction (action needed depends upon outcome of budget reconciliation).
- Upward Bound is a federally funded program for low-income high school students which was started in 1965 under the Higher Education Act. Through the program, students attend summer courses and after-school or Saturday classes throughout the year either at their school site or at a college. Some Upward Bound programs also give the students financial assistance for college preparatory activities such as paying for the SAT processing fee.
- Aid with processing of forms associated with going to college -- Some for-profit companies target minorities with programs that will identify scholarships available to them, assist them in their completion of forms and even college entrance essays.

**D. ACCESS OPPORTUNITIES**

- Insert a proposal in the higher education reauthorization bill that would create a one-stop shopping approach to make future students aware of all the possible financial aid that is available.

- Aggressively promote, in California, Texas-like legislation on admissions to upper-tier universities for students graduating in the top percentage of their class.
- Issue of early Pell grant proposal (Rep. Chaka Fattah).
- Bully pulpit and Department of Education activity to promote HOPE scholarship and federal student financial aid, especially with students and parents in CA and TX.
- Creation of an interactive Website that would provide a customized list of financial aid available.
- Using existing resources and programs (Title I, Safe and Drug Free Schools, Technology Literacy Challenge, e-rate, Goals 2000, School-to-Work, Vocational Education) to more effectively support the improvement of urban education, by:
  - greater targeting of resources to urban areas through appropriations requests, formula changes, or regulatory changes;
  - increased flexibility in the use of formula funds to support local improvement strategies;
  - better information on effective practices for addressing urban issues with federal program funds;
  - targeted technical assistance to help small number of districts use program funds and R&D to strengthen reforms, with a special emphasis on reading and math standards;
  - accessing resources in EZ's/EC's to support education improvement; and
  - targeting funds for National Board for Professional Teaching Standards to provide support to urban and rural teachers preparing for board certification and/or incentives for board-certified teachers to teach in high poverty urban and rural schools.
- Programs to improve the scores of minorities on the SAT
  - Organizations, businesses, schools and colleges across the country are sponsoring SAT study groups for disadvantaged students. For example, in Atlanta, the local chapter of an African-American fraternity, the NAACP, and the school board run a course that costs \$75 instead of the \$700 fee of a commercial course. Prince George's County schools work with Maryland's Bowie State University. The program offers an intensive, 14-week SAT-preparation course for 150 high school students, with the goal of increasing college-entrance rates. The university and private businesses are paying for the program; the school system is picking up the tab for transportation.
  - Kaplan works with volunteer organizations to train SAT tutors. It also goes into

high schools with needy students to offer services for free or at a reduced charge to the youths. Financial aid for disadvantaged students is also available.

- The Princeton Review Foundation, the nonprofit arm of the Princeton Review, runs reduced-cost programs in conjunction with local foundations for about 1,500 students nationwide and has distributed books and trained tutors in local groups.
- Stanford Testing Systems makes SAT-test preparation materials available at a relatively low cost. Some of their test-prep programs are free on the Internet.
- The University of California at Riverside recently started a two-week program to raise the SAT scores of black high school students. Students receive individual tutoring, two hours of computer work each day, and an hour of group instruction each day.
- Hispanic Education Initiative (NEC is leading the effort on this).
- Racially Identifiable Schools (busing, integration)
- Tribal Schools with reforms to come.
- Historically Black Colleges and Universities (HBCU)
- Outreach to minority students generally.
- Fixing failing schools.
- Support on-going research on alternative admissions policies for gaining a diverse student body.
- Retention at college: Several colleges run programs designed to increase the retention of economically disadvantaged and under represented students.

#### **POSSIBLE PARTICIPANTS FOR PLANNING MEETING**

- Leslie Thornton, Department of Education
- other participants from the Department of Education
- DOJ
- Dawn Chirwa, White House Counsel's office

**POSSIBLE TIME TABLE**

1. Initial planning meeting in early August.
2. Proposals from all participants by early September.
3. Implementation of certain selected initiatives by December 1997 so that they can be used during the next college admission cycle.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 15:35:19.00

SUBJECT: Re: child care

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

TEXT:

Great. I just think we should aim high. This should be one of the defining issues for the Democratic party coming into the next elections. On this issue we have the strategic high ground-- the country wants pretty bold action and the longer the R's fight against it, the more they will lose. They will likely want the next year to be a fight about cutting taxes, we would love to have it be a fight about this. I noticed that Bruce's notes on the Residence meeting seem to indicate that the President wants to make it a major part of the State of the Union.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 14:27:14.00

SUBJECT: Incompetent Teachers

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:

The front page New York Times story today ("Teachers Who Fail to Teach") addresses an issue about which there is vast consensus of Americans, and some important symbolic movement by the unions. By 90-10 Americans believe there should make higher standards for poor teachers. Should we put together a small group to write up options for the President to speak out on this topic, extending the generic support he has already given for the concept?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 18:36:25.00

SUBJECT: Millenium

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

Kim B. Widdess ( CN=Kim B. Widdess/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

Just wanted to see if you were fielding ideas from staff on the millenium. Would you like me to follow up with them in any way? When do you think we would have some suggestions for policy announcements?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 16:34:38.00

SUBJECT: Suspension of deportation

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

TEXT:

There will be a meeting on putting together a plan for deferred enforced departure (DED) in case our proposed legislation on suspension does not get through Congress in September.

The meeting will be Thursday at 10:00am in room 211.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jennifer L. Klein ( CN=Jennifer L. Klein/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 5-AUG-1997 15:35:51.00

SUBJECT: Re: Childcare conference

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:

I agree. Laura will you let her know?

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE   | DATE       | RESTRICTION |
|--------------------------|---|------------|-------------|
| 002. email               | James Dorskind to Todd Stern et al. re: twofer (1 page) | 08/05/1997 | P6/b(6)     |

### COLLECTION:

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

### FOLDER TITLE:

[08/05/1997]

2009-1006-F  
bm38

### 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.<br>AND TYPE | SUBJECT/TITLE  | DATE       | RESTRICTION |
|--------------------------|--|------------|-------------|
| 003. email               | Diana Fortuna to Elena Kagan re: Mtg. on Monday [partial] (1 page) | 08/05/1997 | P6/b(6)     |

### COLLECTION:

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

### FOLDER TITLE:

[08/05/1997]

2009-1006-F  
bm38

### RESTRICTION CODES

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

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

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]

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]

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.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 15:35:45.00

SUBJECT: Re: Mtg. on Monday

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

READ:UNKNOWN

TEXT:

I don't feel strongly on OMB; you and I had earlier talked about bringing them in at a later point because they are likely to be skeptical. But I generally think they're so useful and tend to add to the conversation. So I guess let's invite them. But is the them just Mac Reed, or also someone from the program world? (Apfel is the most obvious candidate, though from the SSA perspective he may not like this.)

[Redacted] P6/(b)(6)

[003]

Elena Kagan

08/05/97 02:26:19 PM

Record Type: Record

To: Diana Fortuna/OPD/EOP

cc:

Subject: Re: Mtg. on Monday

[Redacted] P6/(b)(6)

my instinct is to invite omb, but if you think i'm wrong, let me know how come.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dawn M. Chirwa ( CN=Dawn M. Chirwa/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 5-AUG-1997 19:48:53.00

SUBJECT: 9:30 meeting tomorrow in Chuck's office

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

READ:UNKNOWN

TEXT:

Chuck would like to arrange a meeting tomorrow at 9:30 in his office to discuss Piscataway. We hope you can attend for at least part of the meeting. I understand your schedule may conflict at that time, but it'd be great if you could come for at least part of the meeting.

(Unfortunately, 9:30 appears to be the only time that works with Sylvia and John P's schedule.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 15:35:48.00

SUBJECT: Cabinet Memo - 8-5-97

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:

AGRICULTURE

Today - the Secretary swears in four undersecretaries

Tomorrow - the Secretary attends Children's Hospital Event

ONDCP

Today - the Director meets with ed board of Orlando Sentinel; participates in town meetings with local law enforcement officials, education leadership, and adolescents

ENERGY

Today and tomorrow - the Secretary is in Bolivia

EPA

Today and tomorrow - no public schedule

HHS

Today - the Secretary attends Bill Signing at WH; makes amplification calls for radio;

Bio-terrorism edition of JAMA released

Tomorrow - no public schedule

LABOR

Today - the Secretary attends Bill signing at WH

Tomorrow - the Secretary speaks at Nation Urban League Conference

OPM

Today and tomorrow - no public schedule

TRANSPORTATION

Today - the Secretary attends Bill Signing at WH

Tomorrow - the Secretary speaks at National Urban League Conference; meets with Ed Board of USA Today

USIA

Today and tomorrow - no public schedule

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 15:35:42.00

SUBJECT: Bills Received

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

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

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

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

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

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

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

TEXT:

FYI -- It seems we do have to make a decision about the breast cancer stamp relatively soon .

----- Forwarded by Ann F. Lewis/WHO/EOP on 08/05/97 03:20 PM -----

Elisa Millsap  
08/05/97 02:56:43 PM

Record Type: Record

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

cc:

Subject: Bills Received

We have until August 13 to sign the Stamp Out Breast Cancer Act. Fazio is pushing for a ceremony on this. (We thought they were going to hold the bill until September, but apparently Rep. Thomas objected.) Please advise.

----- Forwarded by Elisa Millsap/WHO/EOP on 08/05/97 02:52 PM -----

Edwin R. Thomas III  
08/01/97 05:52:27 PM  
Record Type: Record

To: See the distribution list at the bottom of this message  
cc:  
Subject: Bills Received

On Friday, August 1, 1997, the White House received the following bills:

H.R. 1585 - Stamp Out Breast Cancer Act  
H.R. 1944 - Warner Canyon Ski Hill Land Exchange Act of 1997  
H.R. 584 -- Private Relief John Wesley Davis  
H.R. 1198 -- Grants Pass, Oregon , Land Conveyance Act

Last day for action: 8/13/97

Message Sent

To: \_\_\_\_\_

Susan A. Brophy/WHO/EOP  
Phillip Caplan/WHO/EOP  
Ann M. Cattalini/WHO/EOP  
April K. Melody/WHO/EOP  
David E. Kalbaugh/WHO/EOP  
William W. McCathran/WHO/EOP  
Sherman A. Williams/WHO/EOP  
G. Timothy Saunders/WHO/EOP  
Todd Stern/WHO/EOP  
Darby E. Stott/WHO/EOP  
Barry J. Toiv/WHO/EOP  
Janet Murguia/WHO/EOP  
Christopher F. Walker/WHO/EOP  
Elisa Millsap/WHO/EOP  
James C. Murr/OMB/EOP  
Raymond E. Donnelly III/WHO/EOP  
Stacey L. Rubin/WHO/EOP  
Dianne M. Wells/OMB/EOP  
Nicholas B. Kirkhorn/WHO/EOP  
Jeffrey A. Forbes/WHO/EOP  
Tracey E. Thornton/WHO/EOP  
Julia E. Yuille/OMB/EOP  
Elizabeth R. Newman/WHO/EOP

Message Sent

To: \_\_\_\_\_

Ruby Shamir/WHO/EOP  
Janet Murguia/WHO/EOP  
Jessica L. Gibson/WHO/EOP  
Ann F. Lewis/WHO/EOP  
Raymond E. Donnelly III/WHO/EOP  
Virginia N. Rustique/WHO/EOP  
Allison L. Bowles/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 13:39:33.00

SUBJECT: Prop. 209/Hopwood

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

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

TEXT:

Timing question. Leslie Thorton seems to be able to do the meeting Tuesday of next week. She seems to be coordinating things on this issue and Kinciad says she's not very good by telephone in meetings. I suggest the meeting be held Tuesday, you'll be leading it anyway, and I'll call in by phone.

If you agree, I'll also call Mike Smith in the meantime and see if he has any ideas on the topic.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 18:34:06.00

SUBJECT: POTUS schedule

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:

The DPC keeps churning out all the events:

Press Conference Tomorrow

- 8/7 Tape Videos - NAPO
- 8/8 Diabetes Event -- local hospital  
Tape Radio Address on Tobacco E.O.
- 8/11 Pediatric Labeling - Rosegarden
- 8/12 Welfare to Work Event - St. Louis
- 8/14 Religious Freedom Event
- 8/15 Education Event - Higher Ed - local school/college
- 8/16 Live Radio Address w/ HRC and POTUS on the Millenium

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 15:35:37.00

SUBJECT: Bruce to St. Louis?

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

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:

Katie Steele tells me that Secretary Shalala will be in St. Louis next Tuesday, at the breakfast event (which the President is not attending) and at the Presidential event: She wants then to go see a program in action (rather than go to the DNC fundraiser) and wants to know if Bruce wants to join her. Bruce, has she mentioned this to you?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 17:18:43.00

SUBJECT: AP Meckler talking to Treasury

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

TEXT:

FYI, Laura Meckler of AP called Barry Toiv and said she felt like she was getting the runaround from Treasury in answer to questions she was asking about the status of their decision on taxation and workfare. I told him that Treasury/IRS is in fact still evaluating this legal question.



**Revised 8/5/97 6:00 pm**

**DRAFT REPLY TO CONGRESSWOMAN LUCILLE ROYBAL-ALLARD  
FROM ERSKINE BOWLES**

Thank you for writing to me about the Family Violence Option that was in the Senate version of the budget reconciliation bill. As you know, the conferees did not include the provision in the final version of the Balanced Budget Act of 1997.

The Department of Health and Human Services has drafted regulations on this and other issues relating to the implementation of the new welfare law and recently submitted them to the Office of Management and Budget for review. As you may know, there are legal limitations regarding discussing proposed regulations before they are published in the Federal Register. However, let me assure you that we will take your comments into consideration as part of our review.

Thank you again for letting us know of your concerns.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 20:03:39.00

SUBJECT: Higher Ed Act Title III

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

READ:UNKNOWN

TEXT:

can you deal with this?

----- Forwarded by Bruce N. Reed/OPD/EOP on 08/05/97  
08:05 PM -----

William R. Kincaid

08/05/97 07:57:00 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Michael Cohen/OPD/EOP, Ananias Blocker III/WHO/EOP  
Subject: Higher Ed Act Title III

Bruce and Elena--

The Education Department is preparing to submit the portion of the Higher Ed Act reauthorization that deals with aid for improving postsecondary institutions such as Historically Black Colleges and Universities (HBCUs). Currently the law allows for assistance to both HBCUs and other institutions that serve traditionally under-represented populations, such as Hispanic-Serving Institutions (HSIs) and Tribal Colleges and Universities. However, as the law is currently structured, HSI's and Tribal Colleges are bunched in with other kinds of needy institutions, whereas HBCUs have their own separate section of the law. Ultimately a much smaller share of HSIs (25%--about \$10.8 million per year, going to 37 institutions) and Tribal colleges actually receive aid compared with HBCUs (100% -- I think -- of 98 institutions, receiving \$110 million per year). At the same time, the educational challenges facing Hispanics and Native Americans are certainly compelling, and by some measures (like dropout and college-going rates) at least as daunting as those facing African Americans.

The Department's proposal, as announced in testimony by Secretary Riley, would create two new sections within the program, one for HSIs and one for Tribal Colleges. This is something that has been sought by Hispanic groups, in particular. The proposal would also substantially increase the authorization levels for both HBCUs and for HSI's and Tribal Colleges.

In discussions with the staff of the Congressional Black Caucus, and now in a letter to the POTUS from former Congressman Bill Gray and Henry Ponder on behalf of the National Association for Equal Opportunity in Higher Education, it has been made clear that many in the black community are strongly opposed to this change. The biggest issue, it seems, is (especially in the tight budgetary environment) that they are concerned that HBCUs would now have to more directly compete with HSIs and Tribal

Colleges for money, and will wind up with less than they have had in the past. Two other arguments have been made by opponents. The first is that, by giving HSIs and Tribal Colleges the more prominent set-aside, they will place all such assistance (including that to HBCUs) at risk to legal (Adarand) challenges, because the HBCU provisions are more strongly rooted in a unique historical background and mission for these institutions. I have asked the counsel's office to look into this issue, and folks at ED are as well, but at first blush I'm a little skeptical given that HSI's already had their own line-item. The other concern raised is that the changes would repeal certain targeting provisions and open up non-needly institutions such as UCLA to the Title III program, something which the Department feels isn't true, because even institutions with 25% Hispanic enrollment (the basic criterion for being an HSI) would have to meet other targeting provisions applicable to all schools that receive aid under Title III. The Black Caucus has asked ED to delay sending the bill up so the CBC can work something out with the Hispanic Caucus.

Despite the concerns raised, the Secretary is conscious that he has already publicly indicated the path the Administration expects to take on this and, in general, continues to feel that establishing the new provisions for HSIs and Tribal Colleges is the right way to go. However, we have slowed down the expected timeframe for transmitting the legislation a little to allow for additional analysis of the issues raised and for a meeting next Tuesday at ED involving the Secretary, Mike Smith, and others to carefully review Hill strategy. The bill remains under review by both DOJ and OMB for clearance purposes (OMB will require special sign-off because the bill includes specific authorization levels for each of the types of institutions assisted, as well as an overall increase from FY 98 budget levels (from about \$205 million to \$275 million; this will be a critical part of a successful Hill strategy on the measure).

The letter to POTUS requests a meeting with Bruce and Gene Sperling to discuss these issues. They argue that the needs of Latino students can be met without such a significant impact on HBCUs. I will need some guidance from Bruce on whether this is something he wants to be involved with, or whether he would prefer that Riley and/or Mike Smith, perhaps together with Cohen, should handle this. One complicating factor is the Bruce is scheduled to leave town (the 19th) about the time Cohen gets back, although Mike C. will be in town the latter part of next week and could attend a meeting here if necessary. Another complicating factor is that the Department feels that it has tried to be responsive to a general effort that the Administration overall has been making to insure that Hispanics are getting a fair shake from education programs. I did check today with Riley's scheduler, who said that the Secretary had not met with Gray or Ponder anytime recently, certainly not on this issue. In any event, everyone seems pretty clear that a meeting, not a reply letter (especially from the POTUS), is the correct next step.

Cathy has a copy of the Ponder/Gray letter, but I will re-fax over to you both, along with an ED-provided summary and proposed authorization levels, and then I will red-dot over a copy of the legislation in the a.m.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 12:55:09.00

SUBJECT: Likely Domestic Violence meeting

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

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

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

TEXT:

FYI -- Robin Leeds of the women's office tells me Maria Echaveste wants to call a meeting to discuss what next on the domestic violence/welfare reform issue, involving us, them, and HHS.



August 5, 1997

**MEMORANDUM FOR BRUCE REED**  
**GENE SPERLING**  
**ELENA KAGAN**

**FROM:** Jose Cerda  
Emil Parker  
Ellen Seidman  
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: Sandy Korenman  
OMB: Michael Deich, Steve Redburn  
CEQ: Keith Laughlin  
Treasury: Michael Barr,  
Office of the Comptroller: Matt Roberts  
HUD: Paul Leonard, Gloria Robinson  
Labor: Ray Uhalde  
HHS: David Garrison, Don Sykes  
Transportation: Jan Lieber  
Interior/BIA: (need candidate)  
SBA: Ruth Sandoval  
USDA: Carl Willock  
EPA: Tim Fields, Harriet Tregoning  
Energy: Mark Mazur

**II. Look Back**

A. Ask CEA, Treasury, and OMB to review economic and other data on 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, SBA One Stop Career Centers/Job Training, and the Brownfields pilot program.

B. CEA survey of data and literature on urban and rural economic development

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

*This list is by no means exclusive; we expect members of the group to suggest other proposals and areas for exploration.*

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 AT proposals to address housing discrimination and mobility issues: Lead HUD/ NEC.

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/Federal Home Loan Banks/Farm Credit System -- these organizations and systems remain a relatively untapped resource of housing and economic development lending for low-income individuals and underserved communities and business groups: 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 REASONABLE ATM use is free for individuals living in distressed communities, financial education programs, etc.: Lead Treasury.

Metropolitan Coordination and Collaboration -- Proposals to encourage region-wide coordination, especially in areas such as welfare-to-work, transportation, environment and education: Lead OMB, CEQ with extensive DOC, DOT, and HUD participation.

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.

Small/Minority/Women-Owned Business Equity Capital, Entrepreneurship -- Policy proposals could be considered in areas including microlending, CDFI tax credits, and CRA credit for additional categories of bank investment: Lead Treasury, SBA.

CRA Principles for Nonbanks. Explore methods of applying CRA principles to nonbank providers of financial services; e.g., mortgage companies, insurance and securities firms: Lead Treasury, DPC, NEC.

Welfare-to-Work Tax Credit -- monitor utilization and explore options to channel some portion of the tax credit benefits to nonprofits: Lead Treasury, NEC, DPC.



## CHILDREN'S HEALTH

**Q: YOU SAID THAT YOU WOULD NOT SIGN A CHILDREN'S BILL THAT DID NOT ENSURE MEANINGFUL HEALTH BENEFITS, INCLUDING PRESCRIPTION DRUGS, VISION AND HEARING, AND MENTAL HEALTH SERVICES. YET THE PACKAGE THAT PASSED DOES NOT GUARANTEE THESE VERY BENEFITS. HOW CAN YOU VIEW THIS AS A WIN?**

**A:** Without any doubt, this children's health bill is a win. Children will get benefits no less generous than those received by Federal and state employees or those families in the most popular HMO in the state. I would not settle for less. On top of that, these plans' prescription drugs, vision, hearing, and mental health coverage must be meaningful. These benefits are important to children's healthy development.

Beyond the benefits, our support for the increase in the tobacco tax raised the investment from \$16 billion to \$24 billion. The new tobacco tax will not only further reduce the number of uninsured children, but it will serve as a financial barrier to help prevent our children from starting smoking in the first place.

**Q: DO YOU BELIEVE THAT THE CHILDREN'S HEALTH PACKAGE GIVES ENOUGH FLEXIBILITY TO THE STATES?**

**A:** I believe that the children's health initiative has struck the appropriate balance between needed flexibility and accountability. In order to ensure success, there is no question that federal, state and local governments, consumer advocates, providers, insurance companies, and most of all, parents, will have to work together to get the job done. I will make certain that my administration does everything possible to carry its fair share of this burden, and we will do everything in our power to encourage all other parties to do the same.

**Q: WILL THE CHILDREN'S INVESTMENT AGREED TO TODAY COVER FIVE MILLION CHILDREN?**

**A:** This is the largest investment in children's health care since the passage of Medicaid over three decades ago. We believe that it is sufficient to provide coverage for up to five million American children. This \$24 billion package has been carefully structured to provide meaningful coverage to as many uninsured children as possible. Moreover, it contains provisions to ensure that this investment supplements rather than replaces existing private or public spending on kid's health.

**Q: THIS NEW CHILDREN'S HEALTH INITIATIVE IS SCHEDULED TO BEGIN OCTOBER 1. IS THIS FEASIBLE?**

A: A number of states will be ready to go quickly, since over 30 states have experience with some type of expansion program for children. Others will require more time. However, the reactions to this initiative from our nation's governors, children's groups, providers, businesses and parents gives me confidence that most states will take advantage of this historic opportunity as quickly as possible.

**Q: A RECENT NEW YORK TIMES OP-ED PIECE SUGGESTED THAT THE CHILDREN'S INITIATIVE IS NOTHING MORE THAN A LARGE, INEFFICIENT PROGRAM THAT WILL CAUSE MASSIVE SUBSTITUTION OF PUBLIC COVERAGE FOR PRIVATE COVERAGE. IT ALSO SUGGESTS THAT THIS PROGRAM IS NOTHING MORE THAN A BACK-DOOR WAY TO NATIONAL HEALTH INSURANCE. DO YOU AGREE?**

A: Absolutely not. The article overlooked the many, important provisions designed to make this program efficient. There are strong walls between Medicaid, private coverage, and the new program so that funds are used only for uninsured children.

Eligibility is limited to children below 200 percent of poverty except in states that have already expanded to that level so higher income children cannot qualify for assistance. States have a great deal of experience in targeting coverage under 150 percent of poverty (\$24,000 for a family of four) without undermining private sector coverage. And, for those over 150 percent of poverty, states may charge cost sharing which can be designed so that the plan's value does not exceed the value of coverage in the private sector. This would guard against any significant employer dropping.

And, finally, although I remain committed to step-by-step progress toward providing affordable coverage to all Americans, the new children's health initiative is not by any definition a take over of the health care system. It is a capped, targeted program that explicitly creates no entitlement and although the funds are unprecedented, they are limited to the dollar amounts written into law.

## MEDICARE

**Q: DID YOU GIVE IN ON MEDICAL SAVINGS ACCOUNTS?**

**A:** Not at all. I wanted to ensure that Medicare Medical Savings Accounts were a demonstration program and that is exactly what I got. I also fought to ensure that there are important consumer protections in the package that allow beneficiaries to get out of an MSA if they decide soon after that they made a mistake.

**Q: WHY DID YOU AGREE ON INCLUDING A PRIVATE FEE-FOR-SERVICE OPTION IN THE FINAL PACKAGE?**

**A:** As was reported today, we have consistently raised concerns about this provision. In fact, we successfully fought for critically important consumer protections. As a result, the final provision is quite different from the one that passed the Senate. There are now a number of consumer protections such as disclosure requirements and other measures that protect beneficiaries from being overcharged by physicians who may participate in this program. Specifically, current law balance billing protections apply to doctors participating in this type of plan. Doctors will not be allowed to charge more than 15 percent over Medicare approved rates. It is worth noting that because of the new consumer protections and many other positive provisions in the Medicare reform, AARP did not raise objections to this option.

**Q: ARE YOU READY TO DO REAL MEDICARE REFORM IN A COMMISSION?**

**A:** We actually just passed the largest, single reform of the Medicare program since it was created in 1965. We reformed the managed care payment system, so that beneficiaries have greater choices and we are not overpaying plans. We reigned in the cost of the remaining fee-for-service providers such as home health agencies. We now offer beneficiaries a range of preventive benefits that save costs in the long run. And, we crack down on fraud and abuse in the program.

Despite this enormous accomplishment, we must take the needed, next steps to ensure Medicare's life well beyond the decade locked in by the budget bill just enacted. We look forward to working with Republicans on the bipartisan Medicare commission. This offers the opportunity to thoroughly examine this complex problem and its difficult solutions.

**Q: WHO WILL BE ON THE COMMISSION? WHEN WILL YOU DECIDE?**

A: This will be a critically important commission so I am not going to rush into any decisions or announcements at this time. In the coming weeks, I will be consulting with Congressional Republicans and Democrats to coordinate the set-up of this commission to ensure its successful commencement.

**[NOTE: Do not discuss further details until we have information on personnel and timing options]**

**Q: CONGRESSMAN ARMEY SUGGESTED THAT SENATOR DOLE SHOULD CHAIR THE COMMISSION. DO YOU AGREE?**

A: Senator Dole is among the most able leaders this country has seen. He is most capable of serving in this role. However, it is premature to discuss any commission members at this point.

## **REFORM IN GENERAL**

**Q: WHAT DO YOU HOPE TO DO NEXT TO REFORM OUR HEALTH CARE SYSTEM?**

**A:** In December, 1994 I wrote a letter to the Congressional Leadership outlining the next steps I wanted to take to improve our health care system. In that letter I said I wanted to ensure that health care was accessible to more Americans, that more of our children and families obtained affordable health care insurance, that we take steps to strengthen and preserve the quality and efficiency in our Medicare and Medicaid programs, and that we reduce long term deficits. I am proud that with the enactment of this historic balanced budget we have taken significant steps towards achieving all of these goals. Last year I signed into law the Kassebaum-Kennedy legislation that helps families and children keep their health insurance when a family member changes or loses a job. This week I have signed into law a balanced budget which significantly reduces the deficit, which extends the life of Medicare for at least a decade while improving and modernizing the program, and contains the largest investment in children's health care since the enactment of Medicaid in 1965.

I hope that this fall I can work with the Congress to pass new legislation that improves quality and ensures adequate consumer protections in the nation's rapidly changing health care system. I look forward to working with both Democrats and Republicans to that end.

## **MEDICAID**

**Q. IN MEDICAID, WHY DID YOU CONTINUE TO PUSH FOR REWARDS FOR THE VERY STATES THAT SCHEMED TO DRIVE UP THE COSTS OF THEIR DISPROPORTIONATE SHARE (DSH) SCHEMES?**

**A:** I agree that so-called high-DSH states should be targeted for higher levels of cuts than low-DSH states. All of the plans that I have advocated, including the one in the final bill, ensured that this is the case. However, there is also a limit to the extent to which the high-DSH states can sustain large reductions without excessive pain to the programs and people they serve. We believe that the policy we designed with Congress struck an appropriate balance of targeting high-DSH states without causing too much disruption.



DRAFT March 26, 2010 DRAFT

## Regulations on State Child Poverty Rates

Section 413(i) of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) requires that each state report their child poverty rate annually to the U.S. Department of Health and Human Services (HHS).<sup>1</sup> If the child poverty rate has increased by five percent or more since the prior year as a result of Section 103 (TANF) of PRWORA, the state must also submit a corrective plan that outlines how the state will reduce the child poverty rate.

The Secretary of HHS is charged with establishing a methodology for states to use in determining their child poverty rates. The methodology is statutorily required to include:

- The number of children who receive free and reduced price school lunches;
- The number of food stamp households;
- County by county estimates of children in poverty as determined by the Census Bureau.

From the factors outlined in the legislation (school lunches and food stamp participation) it would appear the Congress is not concerned solely with an *official* measure of poverty. However, given the unsettled nature of the debate on measuring poverty and the requirement that the measure must be able to indicate a five percent change in child poverty, we approach this regulation with a desire not to deviate too far from the official poverty measure.

Our examination of this issue has focused on two questions:

1. A technical methodology for measuring state-level child poverty, including a process for determining whether changes in state-level child poverty are attributable to TANF.
2. Potential regulations regarding corrective action plans.

### 1. Methodology for Measuring Child Poverty Rates

#### Data Limitations

We began our consideration of the issue by examining the data sources mentioned in PRWORA. There are certain limitations to the data types mentioned in the law.

- According to the U.S. Department of Agriculture (USDA), schools report

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<sup>1</sup>This section of the law is attached.

participation by the number of lunches served and do not record the number of children who participate. Over the past several years the proportion of lunches served free or reduced price and the proportion of enrollment approved for free or reduced price meals both have risen steadily. During the same time period, however, poverty counts and AFDC participation decreased. The cause of these disparate trends is unknown.

- Currently, the Census Bureau does not estimate small area poverty rates (what the legislation identifies as the Census' county-by-county estimates) on an annual basis. The most recent data currently available is for 1993; 1995 data is expected in 1998.

We also examined other possible data sources that could be used to calculate poverty rates. The most likely data source is the Current Population Survey (CPS), which the Census Bureau uses to calculate annual national poverty rates. It also has a number of limitations, most notably small sample sizes in the majority of states.

### **POTENTIAL METHODOLOGY**

After examining a number of options, HHS staff have developed a potential approach that attempts to balance data limitations with the requirements and intent of the legislation.

Under this approach, the measure of state level child poverty would involve a three-step process:

1. We would ask the Census Bureau to develop annual state child poverty estimates using the method developed for estimating small area poverty rates.
2. If the Census method in Step 1 showed an increase of five percent or more in the child poverty rate for a state, then that state would submit data on the number of households with children participating in the Food Stamp Program.
3. If the use of food stamp data in Step 2 also showed an increase of five percent or more, then states could submit evidence that the increase in child poverty resulted from factors unrelated to TANF.

#### **Step 1: Use of the Census Methodology for Estimating Small Area Poverty**

The Census Bureau has developed a model for estimating local area poverty

rates. This model, which uses CPS data, the Census Bureau's Annual Intercensal State Population Estimates, Food Stamp Participation data, and IRS Tax Return data, is designed to reduce the large year-to-year variations in state poverty rates that result from CPS-only estimates.

This model would produce the best results from a statistical standpoint. It presents the best opportunity for estimating state-level child poverty rates, and it would allow detection of changes within a statistical confidence interval. At the same time there are limitations to this approach as well. There is a time lag in the availability of the estimates, and the model may not allow the impact of TANF on the poverty rate to be isolated.

### Step 2: Use of Food Stamp Participation Data

We are considering augmenting the Census estimates by using more recent food stamp data. If the Census model detected a .5 percent or more increase in the child poverty rate in a state, then the state would submit data on the number of households with children that received food stamps in the two most recent years. This food stamp data would be used to confirm that economic deprivation among children continued to be a problem in a more recent period.

### Step 3: Evidence that Increases in Poverty were Independent of TANF

The methods described in steps 1 and 2 above for estimating state child poverty rates would not isolate the impact of TANF on child deprivation. Therefore, our methodology must include additional procedures to shed light on the relationship between TANF and changes in child poverty.

If the Census methodology and use of food stamp data resulted in an estimated increase in child poverty rates by five percent or more, states could submit other evidence--economic, programmatic, etc.--that child deprivation did not increase, or that the increase in the child poverty rate resulted from factors outside of TANF.

## **2. Corrective Action Plans**

If a state's child poverty rate increased by five percent or more resulting from TANF, then the state must submit a corrective action plan. The plan is to outline the manner in which the state will reduce the child poverty rate, including

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As one could expect, the intricacies of this model are complex. We plan to have Census staff present at our consultation meetings to answer questions. A full discussion of this model can be found on the Internet at the Census Bureau's home page. The address for the Small Area Income and Poverty Estimates is: <http://www.census.gov/hhes/www/saie/>.

a description of the actions to be taken.

HHS has limited authority to regulate in this area. The statute gives the Secretary explicit authority to establish a methodology, but is silent on authority to regulate corrective action plans. As a result, we do not intend to establish detailed regulations regarding the content and timing of corrective action plans.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 09:17:04.00

SUBJECT: Re: Erskine letter

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

How's this for a reply?

Elena Kagan

08/02/97 06:49:08 PM

Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Diana Fortuna/OPD/EOP

cc:

Subject: Erskine letter

we need this letter asap. thanks.

----- Forwarded by Elena Kagan/OPD/EOP on 08/02/97 06:51 PM -----

Karen C. Fahle

07/25/97 11:56:06 AM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Erskine letter

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

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



DRAFT REPLY TO CONGR. LUCILLE ROYBAL-ALLARD  
FROM ERSKINE BOWLES

Thank you for writing to me and to John Hilley\*\* about the Family Violence Option that was in the Senate reconciliation bill. As you know, the conferees did not include the Senate provision in the final bill. We plan to examine the issue of waivers for victims of domestic violence as part of the regulatory process for the welfare law, and hope to be able to provide needed flexibility while preserving the welfare law's strong emphasis on work.

Thank you again for writing.,

\*\*Roybal-Allard sent an identical letter to Hilley. Perhaps one reply could be sent?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 15:35:25.00

SUBJECT: Agenda for Weekly Welfare Meeting

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

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

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

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

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

TEXT:

Draft Agenda

August 5, 1997 Weekly Welfare Meeting

- I. Congratulations  
 (Friday's New York Times said it all "In Budget Bill, President Wins Welfare Battle")
- II. Next Steps: FLSA Rematch in September
- III. Welfare to Work Implementation
  - A. Regulations within 90 Days
  - B. Award Competitive Grants by \_\_\_\_\_ {is there a date in the law? Can't find -- CR}
- IV. Next Week: Welfare to Work Partnership Event in St. Louis
  - A. Announce New Caseload Numbers and Underscore Success of Welfare Reform on One Year Anniversary
  - B. Crow about Budget: We Kept our Promise to Fix it.
  - C. Praise the {hopefully} 300 plus businesses in St. Louis that have signed on  
 and challenge companies all around the country to hire welfare recipients.  
 Announce the Partnership's Blueprint for Business, 1-800 number, web page,  
 and (hopefully) public-private partnership with the Ford Foundation and Strive to  
 help companies hire and retain welfare recipients.



***\*DRAFT\*DRAFT\*DRAFT\*DRAFT\*DRAFT\*DRAFT\*DRAFT***

**Projecting the Number of Welfare Recipients Required  
to Enter Work-Related Activities**

Below are preliminary estimates of the number of welfare recipients required to enter work-related activities, based on the attached methodology.

The upper bound estimates are derived using no adjustment in the work participation rates for caseload reduction, while the lower bound estimates assume maximum caseload reduction, based on caseload reduction from 1995 - 1996 and 1995 - 1997. Additionally, these estimates are based on an assumption of continued 1997 levels of program participation. Estimates are based on average monthly caseload and cannot be summed.

**Preliminary Estimate of the Number of Welfare Recipients  
Required to Enter Welfare-Related Activities Under TANF  
*FY 1997 - FY 2000***

| <b>FY</b> | <b><u>Work<br/>Participation<br/>Rate</u></b> | <b><u>Maximum<br/>Caseload<br/>Reduction</u></b> | <b><u>No<br/>Caseload<br/>Reduction</u></b> |
|-----------|---|--|---|
| 1997      | 25  | 546,000  | 734,000                                     |
| 1998      | 30  | 441,000  | 881,000                                     |
| 1999      | 35  | 586,000  | 1,027,000                                   |
| 2000      | 40  | 732,000  | 1,174,000                                   |

July 30, 1997

### **Summary of Method**

The estimation of the size of the work program under TANF for FY 1997 through FY 2000 is based on the most recent data on states' welfare caseloads. These data are estimates and are subject to change as the data from the states are finalized. As caseload projections are not available beyond FY 1997, out year projections of work program size are based on FY 1997 caseload applied to the relevant year's work participation rate.

The estimates of the number required to participate in a work program will be very sensitive to decisions that states make in the design and implementation of their programs under the Temporary Assistance for Needy Families.

The method employs an estimate of total AFDC cases and subtracts an estimate of the number of child-only cases and cases with a child under age one who could be, at state option, exempt from the work requirement. The work participation rate is applied to the resulting nonexempt adult caseload.

### **Detail on Method**

The total number of adult cases is based on an estimate of the average monthly caseload for FY 1997 based on state caseload reports covering October 1996 through March 1997. The total caseload is adjusted for child-only cases using unpublished data from the FY 1996 Quality Control Data System.

The estimate of the number of nonexempt adult cases is calculated assuming that all states will take the option to exempt single parent families with children under age one from the work participation requirements. The proportion of single parent families with a child under age one is taken from the FY 1996 Quality Control Data System.

Pending the issuance of final regulations, the methodology for calculating the caseload reduction factor is unknown. In this analysis a lower and upper bound estimate is produced by using two values for the work participation rate. The upper bound is simply the work rate as specified in the law -- 25% in FY 1997 rising to 40% in FY 2000 and continuing to rise to 50% in FY 2002.

The lower bound work participation rate is estimated by assuming that states take the full caseload reduction credit for the decline in caseloads from FY 1995 to FY 1996. While the caseload reduction factor should be calculated based on the combined AFDC and Emergency Assistance caseloads, an unduplicated count of cases is not available for this analysis. Therefore, the caseload reduction factor is based on the AFDC cash assistance caseload only. The caseload reduction factor for FY 1997 is calculated by the percentage change between the FY 1995 caseload and the FY 1996 caseload. The caseload reduction factor for FY 1998 - FY 2000 is calculated by the percentage change between the FY 1995 caseload and the 1997 caseload. To maximize the caseload reduction, the most advantageous of either the total caseload change or the Unemployed Parent (UP) caseload change is applied to the UP cases.

The projections of the number of adults required to work for states to meet their work requirements in future years (FY 1998 through FY 2000) would not be adjusted for either changes in caseloads or changes in the caseload reduction factor.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 15:35:40.00

SUBJECT: Religious Freedom

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:

Are you going to this? They may need you there on substance, but I don't think I need to go. Please let me know if you think I should go and/or if you think DPC should have a role in this.

----- Forwarded by Christa Robinson/OPD/EOP on 08/05/97  
03:18 PM -----

Ruby Shamir

08/05/97 03:06:20 PM

Record Type: Record

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

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

Subject: Religious Freedom

There will be a Religious Freedom event meeting tomorrow at 11:30am in Ann Lewis' office.

Please confirm your attendance [and let me know if I have left anyone essential off the list]. Thanks.

Message Sent

To:

William P. Marshall/WHO/EOP

Elena Kagan/OPD/EOP

Marsha E. Berry/WHO/EOP

Maria Echaveste/WHO/EOP

Lisa M. Brown/OVP @ OVP

Jennifer M. Palmieri/WHO/EOP

Christa Robinson/OPD/EOP

Ann F. Walker/WHO/EOP

Stephen B. Silverman/WHO/EOP

James T. Edmonds/WHO/EOP

Aviva Steinberg/WHO/EOP

Message Copied

To:

Mark Hunker/WHO/EOP

Darby E. Stott/WHO/EOP

Lori L. Anderson/WHO/EOP

Laura K. Capps/WHO/EOP

Mary Morrison/WHO/EOP  
Laura Emmett/WHO/EOP  
Marjorie Tarmey/WHO/EOP  
Kevin S. Moran/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 14:19:09.00

SUBJECT: We have new caseload numbers! HHS will hold for Tuesday

TO: Elisabeth Stock ( CN=Elisabeth Stock/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

TEXT:

The May numbers show the rolls down another 200,000, to about 10.75 million (I'm still getting the exact number...) a nearly 24% decrease since January 1993.

Judy Havemann has already called HHS looking for them, but I told HHS they have to hold them.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-AUG-1997 13:02:49.00

SUBJECT: Is the new child health program a means tested benefit?

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

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

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

TO: Elena Kagan ( CN=Elena Kagan/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:

The welfare law prevents legal immigrants who arrive after 8/96 from getting something called means tested benefits. After a very long, tortured process, HHS is about to release its definition of this term (although it has already given Lamar Smith and others on the Hill an advance peek). It will place only a few programs off-limits to these new entrants -- mostly programs that are already off-limits because of other explicit provisions in the law (Medicaid, TANF, SSI, food stamps). Now, however, it is dawning on all of us that we have this new child health program. I have heard that HHS's definition would probably make this program inaccessible to new entrants. We and OMB are asking HHS to take a few days to examine this question before releasing its definition. HHS is more inclined not to wait.

Let me know if you want to be involved in this issue as we figure it out.