

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 022 - FOLDER -005

[01/08/1998] [2]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JAN-1998 17:21:26.00

SUBJECT: Re: Auto Choice Proposals

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

A word more on the "fraud option" means: approximately 16% of insurance
tab comes from fraud. We're looking for ways to crackdown on this,
looking to DOJ. DOT, FTC.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JAN-1998 15:13:32.00

SUBJECT: Child support update

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

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

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

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

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

TEXT:

Barbara Chow says she's trying to get in to see Frank to show him a version of the budget description she wants us to review. She decided to do one version instead of two to move closer to us and says she's going to try to sell Frank on language that does not take a position. Bottom line, though, is that we don't have language yet.

We are closer to having a substitute \$300 million saver, though -- there are discussions back and forth between HHS and OMB about the savings estimates for HHS' proposal to require mandatory, rather than optional, review of child support orders every three years.

Cynthia A. Rice
01/07/98 05:08:51 PM
Record Type: Record

To: Cynthia A. Rice/OPD/EOP
cc: Andrea Kane/OPD/EOP, Emily Bromberg/WHO/EOP, Emil E. Parker/OPD/EOP,
Diana Fortuna/OPD/EOP
bcc: Records Management
Subject: Re: Raines reaction re: yesterday's child support budget
meeting

Elena's response was:

we should see their paper first; that seems the courteous thing to do.

Cynthia A. Rice
01/07/98 02:17:29 PM
Record Type: Record

To: Elena Kagan/OPD/EOP, Andrea Kane/OPD/EOP, Emily Bromberg/WHO/EOP, Emil E. Parker/OPD/EOP
cc: Laura Emmett/WHO/EOP, Diana Fortuna/OPD/EOP
Subject: Raines reaction re: yesterday's child support budget meeting

I spoke to Barbara Chow, who said Raines asked her to draft two versions of the budget description:

Version #1: expressing concerns about the problem and expressing a desire to work on it (the version we were urging yesterday);
Version #2: outlining in general terms the modified proposal we discussed yesterday, that would let states keep all child support collections in exchange for a lower match (the version Raines still prefers).

I told her that since the President's senior advisors still seem to disagree, that it appears we will have to bring them together to discuss and decide whether we need to send a memo to the President for him to decide.

Shall I go ahead and set up a Raines-Reed-Sperling meeting? OMB would of course rather have us wait until we see their paper (I made Chow promise we'd have it no later than first thing tomorrow morning).

On a related issue, I expect to have paper shortly from HHS on their proposed substitute \$300 million saver. Very generally, I understand the proposal would a) require mandatory, rather than optional, review of child support orders every three years, which would result in more frequently updated child support orders, more collections for families as well as the federal government; and b) would revise a "hold harmless" provision related to child support incentive payments, which is garnering some states more than expected.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JAN-1998 12:26:21.00

SUBJECT: Riley press

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

READ:UNKNOWN

TEXT:

I just spoke with Leslie Thronton. They can move some things around on Riley's schedule this afternoon. She is going to work with David Frank (ED Press guy) to figure out how to get Riley into network stories, and will get back to me shortly.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JAN-1998 11:15:07.00

SUBJECT: Safe Start; Immigration

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

READ:UNKNOWN

TEXT:

We've tucked \$10m into DOJ's budget to be used for Safe Start if DOJ can agree with HHS, DPC, OMB, etc on the structure of the program, and for Violence against women programs otherwise.

On immigration, Steve Mertens will forward sometime in the next day or so the list of issues raised by Greenstein and company.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JAN-1998 12:11:10.00

SUBJECT: Phoenix policy announcement

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:

Elena,

Should Secretary Herman be the person to announce the Youth Opportunity Grants in Phoenix?

Julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mark D. Neschis@EOP@LNGTWY@LNGTWY (Mark D. Neschis@EOP@LNGTWY@LNGTWY [WHO

CREATION DATE/TIME: 8-JAN-1998 19:03:40.00

SUBJECT: weekend shows

TO: Amy W. Tobe@eop (Amy W. Tobe@eop [WHO])
READ:UNKNOWN

TO: Eleanor S. Parker@eop (Eleanor S. Parker@eop [WHO])
READ:UNKNOWN

TO: Maria Echaveste@eop (Maria Echaveste@eop [WHO])
READ:UNKNOWN

TO: Deborah Falk@eop (Deborah Falk@eop [WHO])
READ:UNKNOWN

TO: Cathy R. Mays@EOP (Cathy R. Mays@EOP [OPD])
READ:UNKNOWN

TO: Michele Jolin@EOP (Michele Jolin@EOP [CEA])
READ:UNKNOWN

TO: david t. johnson@eop (david t. johnson@eop [NSC])
READ:UNKNOWN

TO: Nanda Chitre@eop (Nanda Chitre@eop [WHO])
READ:UNKNOWN

TO: Nathan B. Naylor@ovp@eop (Nathan B. Naylor@ovp@eop [UNKNOWN])
READ:UNKNOWN

TO: Marjorie Tarmey@eop (Marjorie Tarmey@eop [WHO])
READ:UNKNOWN

TO: Brian D. Smith@eop (Brian D. Smith@eop [WHO])
READ:UNKNOWN

TO: Bruce N. Reed@EOP (Bruce N. Reed@EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan@eop (Elena Kagan@eop [OPD])
READ:UNKNOWN

TO: Christopher C. Jennings@eop (Christopher C. Jennings@eop [OPD])
READ:UNKNOWN

TO: Jason S. Goldberg@EOP (Jason S. Goldberg@EOP [WHO])
READ:UNKNOWN

TEXT:
Message Creation Date was at 8-JAN-1998 18:57:00

JANUARY 8th, 1998

MEMORANDUM TO MIKE MCCURRY, ANN LEWIS AND RAHM EMANUEL
FROM MARK NESCHIS

SUBJECT WEEKEND TELEVISION(tentative)

FRIDAY JANUARY 9TH 1998

WASHINGTON WEEK IN REVIEW

Topic: tba
Guest: tba

Topic: tba
Guest: tba

Topic: tba
Guest: tba

Roundtable:
Guest:

SATURDAY JANUARY 10TH 1998

EVANS & NOVAK (CNN)

Topic: New York Senate Race
Guest: Sen. D'Amato

INSIDE POLITICS WEEKEND (CNN)

Topic: Politics, 1998 Agenda
Guest: Political Strategists Ralph Reed and James Carville

SUNDAY JANUARY 11TH, 1998

FOX NEWS SUNDAY (FOX)

Topic: Taxes, Budget, Republican Agenda
Guest: Rep. Armev

Topic: Medicare
Guest: Request for National Economic Adviser Gene Sperling, Rep. Thomas

Topic: Human Cloning
Guest: Dr. Ezekiel Emanuel, Harvard Medical School & National Bioethics
Advisory Commission, Dr. Richard Seed, Physicist

Roundtable: Mara Liasson NPR, Brit Hume Fox News, Juan Williams Wash.
Post

FACE THE NATION(CBS)

Topic: Medicare
Guest: Sen. Phil Gramm, Sen. Dodd

Topic: Medicare, Child Care
Guest: Health and Human Services Secretary Donna Shalala

Topic: Cloning

Guest: Thomas Murray, National Bioethics Advisory Commission, Case Western Reserve University, other guest tba

no roundtable

THIS WEEK (ABC)

Topic: Cloning

Guest: Dr. Richard Seed, Physicist

Topic: Budget

Guest: Rep. Kasich & OMB Director Franklin Raines

Topic: Taxes

Guest: Former Republican Presidential Candidate Steve Forbes

Roundtable: George Stephanopoulos, Bill Kristol

MEET THE PRESS (NBC)

Topic: New York Senate Race

Guest: Geraldine Ferraro

Topic: Taxes, Politics

Guest: Request for Dan Rostenkowski

Topic: Budget, Taxes

Guest: Rep. Gephardt, Rep. Archer, Jack Kemp, Empower America

no roundtable

LATE EDITION (CNN)

Topic: Iran

Guest: National Security Adviser Sandy Berger

Topic: Budget

Guest: Rep. Kasich

Roundtable: Steven Roberts, NY Daily News, Tony Blankley, George Magazine, Susan Page USA Today

MCGLAUGHLIN GROUP

Topic: 1998 Agenda, Presidential Privacy, Iran

Guest: Fred Barnes, Pat Buchanan, Eleanor Clift, other panelist tba

MCGLAUGHLIN ONE ON ONE

Topic: Iran, Iraq, UN Agenda

Guest: U.S. Ambassador to the UN Bill Richardson

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JAN-1998 17:13:39.00

SUBJECT: EZ Round II

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

According to Julian Potter of the VP's staff, the Vice President has apparently made his decision regarding the timetable for designating the Round II winners. He has chosen Option II (the HUD, OMB, NEC option).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William H. White Jr. (CN=William H. White Jr./OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JAN-1998 14:42:44.00

SUBJECT: Re: Child Care & Disability

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:

But this is the story of my life. I'll work with Laura to put something together for Monday afternoon. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jordan Tamagni (CN=Jordan Tamagni/OU=WHO/O=EOP [UNKNOWN])

CREATION DATE/TIME: 8-JAN-1998 10:13:13.00

SUBJECT: Departure Statement

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

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

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

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

TEXT:

PRESIDENT WILLIAM J. CLINTON
STATEMENT ON EDUCATION STANDARDS
THE WHITE HOUSE
January 8, 1998

Good morning. This week, an independent report showed that more than half the students in our nation's city schools are failing to master the basics in reading, math, and science -- the building blocks of all the skills our children need to succeed in the 21st Century. And while some city schools systems are making progress, all too many are clearly failing our children.

As a nation, we have a responsibility to all our children-- and especially those in our most vulnerable communities. That is why I have fought for excellence, competition, and accountability in our nation's public schools, with more parental involvement, greater choice, better teaching, and an end to social promotion.

Above all, that is why I have fought for high national standards and national tests to help our children reach their highest potential. Since I called for national standards, I am proud to say that 15 major city school systems have stepped forward to accept that challenge. But we must not rest until every school system in the nation commits to adopting high standards -- and helping their students to meet them.

If we are going to prepare our nation for the 21st Century, we must continue to expand opportunity for all of our people -- and when it comes to our children's education, that means continuing to expect and demand the very best from our school, our teachers, and above all, from our students. We cannot afford to let them down when they need us the most.

Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JAN-1998 10:34:19.00

SUBJECT: Jackson event policy

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:

Elena,

Would the Jesse Jackson event on the 15th (on Wall Street) be a good time to announce either the Community Empowerment Fund or the Employment Discrimination Enforcement policies? I need to check on whether the focus of the three day conference is on access to corporate boards and high level positions by minorities (which sounds like the latter) or business investment in minority communities (the former). Thanks.

Julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JAN-1998 08:30:36.00

SUBJECT: Mtg for WH Staff on Phoenix Race Board Meeting Friday at 2pm 472 OEOB

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

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

TO: Michele Cavataio (CN=Michele Cavataio/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Tamara Monosoff (CN=Tamara Monosoff/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Michael J. Sorrell (CN=Michael J. Sorrell/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

TO: Chandler G. Spaulding (CN=Chandler G. Spaulding/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

TO: Audrey M. Hutchinson (CN=Audrey M. Hutchinson/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

READ:UNKNOWN

TO: Trooper Sanders (CN=Trooper Sanders/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Lin Liu (CN=Lin Liu/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Judith A. Winston (CN=Judith A. Winston/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

READ:UNKNOWN

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

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

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

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

TO: Raymond E. Donnelly III (CN=Raymond E. Donnelly III/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TO: John M. Goering (CN=John M. Goering/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Grace A. Garcia (CN=Grace A. Garcia/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

TO: Brenda Toineeta (CN=Brenda Toineeta/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Claire Gonzales (CN=Claire Gonzales/OU=PIR/O=EOP @ EOP [PIR])

READ:UNKNOWN

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

TO: Robert Wexler (CN=Robert Wexler/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ: UNKNOWN

TO: Steven W. Adamske (CN=Steven W. Adamske/O=OVP @ OVP [UNKNOWN])
READ: UNKNOWN

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

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

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

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

TO: Ansley Jones (CN=Ansley Jones/O=OVP @ OVP [UNKNOWN])
READ: UNKNOWN

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

TO: Sean P. Maloney (CN=Sean P. Maloney/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: Joseph P. Lockhart (CN=Joseph P. Lockhart/OU=WHO/O=EOP @ EOP [WHO])
READ: UNKNOWN

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

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

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

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

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

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

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

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

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

TO: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP @ EOP [WHO])

READ: UNKNOWN

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

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

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

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 01/08/98
08:27 AM -----

Richard Socarides 01/08/98 08:12:17 AM

Record Type: Record

To: Richard Socarides/WHO/EOP
cc:
Subject: Mtg for WH Staff on Phoenix Race Board Meeting Friday at 2pm 472
OEOB

We will have a updated briefing for WH staff on the Phoenix Race Board meeting (set for Tuesday and Wednesday of next week) on Friday, 1/9 at 2pm, Room 472 OEOB.

Here is an updated agenda and list of panelists for the main panel on Wednesday morning:

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

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D46]MAIL438903704.026 to ASCII,
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DRAFT (as of March 25, 2010, 3:40PM)
Agenda
President's Advisory Board On Race
Phoenix, January 13-14, 1998

Theme: Race in the Workplace

The purpose of this meeting is to examine whether there is economic opportunity for all Americans. We will explore why, despite gains, significant disparities still exist among races and the extent to which these disparities are due to racial discrimination or other factors. Further, we will examine whether there is a need for continued responses to address these issues and identify some promising practices to reduce disparities.

Key Questions:

- Is there economic opportunity for all Americans and has this situation changed?
- Are there continuing disparities in employment opportunities? What are the main causes of these disparities? Does discrimination continue to effect employment opportunities for minorities?
- What governmental and non-governmental programs and policies are most effective in addressing the causes of labor market disparities? How much more needs to be done to reduce and eliminate disparities?

Day 1:

11am - 4:00pm

As board members arrive, they visit local, workplace Promising Practices.

5:00pm - 7:00pm

There will be a meeting with regional leaders of American Indian tribes to hear their concerns.

Day 2:

9am - 9:05am

Welcome and review of agenda by Chairman Franklin.

9:05am - 9:10am

Welcoming remarks from local officials; Mayor.

9:10-9:20am. Secretary of Labor Alexis Herman: Overview: introduces and sets tone for the day.

9:20am - 9:45am

Dr. Janet Yellen (Chair of the Council of Economic Advisors) Provides overview of labor market issues and race

9:45am-11:45am

This round table discussion will bring together national experts to discuss whether there is equal economic opportunity for all Americans, the existence of discrimination and how it manifests itself, the challenges of building and maintaining a diverse work force, the causes of continued disparities, and possible programs and policies to address them. It could include a

discussion of fears of “reverse discrimination” and whether programs designed to eliminate disparities should continue. (Panelists include: Professor Paul Ong, UCLA; Ms. Claudia Withers, Fair Employment Council of DC; Professor Glen Loury, Boston University; Professor Harry Holzer, Michigan State University; Dr. James Smith, Rand Corporation; and Dean Jose Roberto Juarez, St. Mary’s Law School, San Antonio. This session will conclude with 45 minutes of q&a.

Moderator: TBD

12pm - 12:30pm: Initial Press Availability

12:30-1:30pm: Lunch

1:30pm - 3:30pm

Corporate and Labor Forum

The afternoon round table discussion will involve corporate and labor leaders and will be moderated by U.S. Labor Secretary, Alexis Herman. The discussion will focus on the benefits of racial diversity in the workplace, ways in which to successfully achieve such diversity, and the challenges faced in doing so. A key objective of this session is to engage business and employee leaders in adapting successful efforts to their own particular situations. (In addition to invited corporate leaders, possible panelists include: an employee and management representative from the private sector, and a representative from the Chamber of Commerce.) This session will conclude with 45 minutes of q&a from the audience.

3:30 - 4pm

Possible press availability

4:15 - 5:30pm

The day will conclude with a community forum in which Board members listen and learn of the race concerns in the Phoenix area.

Panel Members: January 14, 1998 AM Panel: Disparities and Equal Employment Opportunity.

Experts:

- 1. Claudia Withers, Executive Director of the Fair Employment Council of Washington: will discuss testing evidence; attorney;
- 2. Dr. Harry Holzer, Michigan State, economist who has done recent major surveys of employers;
- 3. Ms. Lorenda Sanchez, California Indian Manpower Coalition; American Indian program administrator and expert on Native American employment and unemployment issues (not yet accepted);
- 4. Dean Jose Roberto Juarez, Professor of Law, St. Mary's Law School, San Antonio; (accepted);
- 5. Professor Paul Ong: Urban Planner at UCLA; analyst of affirmative action and employment issues among Asians;
- 6. Dr. James Smith, Rand, economist and analyst of employment and race issues;
- 7. Dr. Glenn Loury, Boston University; economist
- 8. Moderator: either Michael Grant or Jose Cardenas (not yet invited)

Advisory Board/PIR members:

9. Dr. J. Hope Franklin, Chair
10. Ms. Linda Chavez-Thompson
11. Rev. Suzan Johnson Cook
12. Ms. Angela Oh
13. Mr. Robert Thomas
14. Governor William Winter
15. Ms. Judith Winston, Executive Director, PIR
16. Secretary of Labor Alexis Herman

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JAN-1998 14:22:48.00

SUBJECT: Re: Memo Julie and I need to you to clear

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I know it's very unusual to have so many options, but Stephen Goodin (who has been very involved in this) insists that he wants to make this choice himself, and that if we don't give him enough he will somehow get his hands on the Corporation's list of 70 communities that got MLK Day grants and go through them all by himself. So there's a history here.

I'll make the other changes you wanted. Thanks.

Elena Kagan

01/08/98 02:09:54 PM

Record Type: Record

To: Diana Fortuna/OPD/EOP

cc: Bruce N. Reed/OPD/EOP, Cathy R. Mays/OPD/EOP, Laura Emmett/WHO/EOP, Julie A. Fernandes/OPD/EOP

Subject: Re: Memo Julie and I need to you to clear

Looks good to me, but (1) I think the Americorps glossery should go up front, so that he knows what Young Heroes, CityYear, etc. are as he's reading the options; (2) do we really need to give him 11 options? aren't the first five enough?; and (3) I don't think white and black are capitalized.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JAN-1998 18:25:57.00

SUBJECT: Privatization

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

As a follow-up to the Podesta meeting, I spoke w/ Gerry Shea he is prepared to have a dialogue about this issue and will pull together a very small group of labor policy people to engage on the issue and discuss options/principles etc. I informed Sec Herman we would be moving ahead and she will send someone to the meeting. I will try for next week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JAN-1998 12:55:53.00

SUBJECT: Jan. 15th policy announcement?

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 have learned a bit more about the Jackson event on Wall Street on the 15th. The focus is on empowering minority communities through expanded entrepreneurship and economic growth. It sounds like, if we wanted to make a policy announcement, it would be on the Community Empowerment Fund. Do you want this to happen? Should I talk to Paul/Jose' about it? Thanks.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JAN-1998 19:14:50.00

SUBJECT: AR and Brady

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:

BR/EK:

Attached please find the text of an e-mail I've prepare to give Bruce Lindsey a "heads up" on Arkansas and Brady. Any thoughts, comments? Or should I just go ahead and send it?

Jose'

Bruce:

The Treasury and Justice Departments are preparing to resolve the issue of Brady background checks in AR, and we expect it to be controversial. Thus, Bruce, Elena and Rahm thought I should forward a note to you with some of the history and details. Please let me know if you require any additional information.

Jose (6-5568)

AR and Brady Background Checks

Since the Supreme Court overturned part of the Brady Law last summer, the Departments of Justice and Treasury have worked with the state and local law enforcement officials initially charged with conducting background checks (CLEOs, or Chief Law Enforcement Officers) to encourage them to continue to do background checks on a voluntary basis. More than 90% have complied with this request. Only two states -- AR and OH -- and about 100 small jurisdictions of 5,000 persons or less resisted. Several weeks ago, OH signed a Memorandum of Agreement with Treasury and Justice, and re-instituted backgrounds checks. And, while the 100 or so smaller jurisdictions have been contacted, these areas include less than 1% of the gun buying public. Thus, AR remains the only major jurisdiction that refuses to conduct background checks.

Justice and Treasury have worked hard to resolve this issue, but the State Police -- by order of the Governor's Office -- have refused to do background checks on a voluntary basis. At first, a staff attorney in the Attorney General's office concluded that background checks were no longer mandated by federal law and should be stopped. Attorney General Winston Bryant, however, reversed this decision and clarified that not only could background checks continue as a matter of AR state law -- but that they were actually required. Despite this opinion, the Governor has still refused to allow the State Police to do background checks, and he has told Justice that AR will not do so unless it receives new federal funds for this

purpose. For its part, Justice has informed the Governor that he has unobligated federal funds into which he could tap.

As a result of this stalemate, Bryant has asked Treasury to designate his office as the CLEO in AR responsible for background checks. Bryant's office would utilize the FBI's NCIC database (instead of the State Police's database) and resume background checks in AR on a voluntary basis. Treasury and Justice are prepared to comply with this request, and are tentatively schedule to make the necessary changes starting January 22nd. We do not believe that the Governor is aware of this proposed resolution, and we do not expect him to be supportive.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie A. Fernandes (CN=Julie A. Fernandes/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-JAN-1998 13:38:52.00

SUBJECT: Re: Haitians in Miami

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

READ:UNKNOWN

TEXT:

o.k. i haven't called.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JAN-1998 07:30:23.00

SUBJECT: Non-Discrimination Executive Order

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Virginia Apuzzo (CN=Virginia Apuzzo/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Any chance we will get to do this before SOTU, as we discussed. As I mentioned, I cleared it w/ Sylvia. What remains to be done? Who do we need to vet it with? Might it be a good item to vet through the DPC weekly report?

**Domestic Policy Council
Follow-Up on Small Farmers Meeting
January 8, 1998**

Working Group on Highlighting Issues in Farm Policy

The DPC is establishing a working group to research and promote issues of interest to farmers. The group will emphasize finding issues of importance to rural communities that deserve to be a greater part of the President's public agenda. Tom Freedman of DPC will coordinate the working group, which will include representatives from USDA, NEC, CEA, Treasury and OPL.

Meetings With Tobacco Farmers

Bruce Reed will hold meetings with interested tobacco farm representatives, including Ralph Paige, to explain Administration positions on tobacco and coordinate with the needs of farmers. USDA is compiling a list of leading farmer representatives who should be included in the meeting.

Carl Whillock continues to serve as the primary Administration contact at the DPC for on-going agricultural issues.

DRAFT LETTER ON TOBACCO
JANUARY 8, 1998

Dear Senator Robb,

Thank you very much for your thoughtful proposal regarding tobacco legislation and support for the American farmer. I appreciate your efforts in this area and look forward to working closely with you on this project.

As you may know, I have consistently stated that the protection of tobacco farmers and their communities is one of the five key elements essential to effective tobacco legislation. Tobacco farmers are honest, hard-working people, many of whom work on small farms, some in communities that rely primarily on income from the tobacco crop. The tobacco legislation that ultimately becomes law must safeguard these farmers. Your proposal is one valuable approach to protecting farmers, their families and their communities. I know that there are several proposals currently under discussion in this area, and I am certain we will work together to build a consensus.

I believe we have a historic opportunity to create legislation that can help protect teens from the dangers of smoking, and secure a promising future for farmers and their communities.

I look forward to working with you in this effort.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 8-JAN-1998 09:26:58.00

SUBJECT: Policy Announcement for Advisory Board Meeting and Jackson Event

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Judith A. Winston (CN=Judith A. Winston/OU=PIR/O=EOP @ EOP [PIR])

READ:UNKNOWN

CC: Richard Socarides (CN=Richard Socarides/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I spoke with Sylvia this morning who asked me to follow up on the status of policy announcements for the Phoenix Advisory Board meeting and the Rev. Jackson event. Could you please let me know where we stand?

Thanks.

AUTO CHOICE

A bipartisan coalition of Senators has introduced a proposal for auto-insurance reform called 'Auto Choice.'

- Under this proposal, drivers in states who accept the new federal legislation have a choice between the existing system in their state and a strict no-fault plan (called 'personal protection insurance' (PPI)).
- A driver who chooses the PPI option gets first-party coverage for economic damages (mostly medical and lost wages), without regard to fault; a PPI driver can sue or be sued for economic damages above policy limits. PPI drivers cannot sue or be sued for non-economic damages ('pain and suffering'), although exceptions are made for accidents involving drug or alcohol abuse.
- A driver who opts to stay in the state's current tort system must purchase tort maintenance coverage (TMC) to cover accidents with PPI drivers.

Pros

- *Reductions in premiums for PPI drivers.* Drivers who choose the PPI option will see dramatically lower premiums. Premium savings come both from the reduction of substantial, unnecessary transaction costs such as lawyers fees and the elimination of pay-outs for pain and suffering. Premium reductions are estimated by the Joint Economic Committee (JEC) to be 32% of total auto insurance premiums (\$45 billion), if everyone chooses the PPI option. About one-fifth of the premium reduction comes from reductions in transaction costs; the vast bulk of the premium reduction comes from the cessation of payments for pain and suffering.
- *Speedier processing of claims for PPI drivers.* PPI drivers will also have their claims processed faster under their first-party coverage than under the current third-party coverage.
- *Benefits for low-income PPI drivers.* Low-income drivers who elect the PPI option will particularly benefit. The tort system works to the disadvantage of lower income drivers who are less likely to be able to afford to wait out costly litigation and who - with third party payers - must insure against the potential losses of other drivers who have higher incomes and hence higher economic losses (lost wages).
- *Could reduce the number of uninsured motorists.* With the reduced premiums offered by PPI, some motorists who chose not to insure in a tort system may now be willing to purchase insurance.

The appeal of 'choice.' The Auto Choice plan offers drivers who elect PPI all of the potential benefits of no-fault insurance while avoiding the political unpopularity of denying drivers their tort rights. Furthermore, the plan allows states the option to opt out of Auto Choice, in order to alleviate some of the federal-state issues.

Cons

- *More accidents, pollution, and congestion.* The reduction in premiums for those who choose no-fault will result in more drivers on the road. More driving means more accidents, pollution and congestion. In addition, reduced liability for negligence may result in less careful driving.
- *Premiums for safe TMC drivers may increase.* A TMC driver's liability is reduced since PPI drivers whom they hit cannot sue them. However, TMC drivers must now insure their own economic and non-economic damages if they are not at fault and are hit by a PPI driver. Therefore in a competitive insurance market, safe TMC drivers would see their premiums increase under Auto Choice; because safe drivers are by definition at fault less than 50 percent of the time, their reduction in premiums because in accidents in which they are at fault they do not have to compensate PPI drivers' economic and non-economic losses does not offset their increase in premiums from needing to now cover their own economic and non-economic losses when they are not at fault. This increase in TMC premiums for safe drivers would occur even if safe and bad drivers were randomly assigned to the two policy options. State regulation could in principle prevent the premium rise for safe TMC drivers, but it is not clear that current regulations in Choice states do this. *The JEC assertion that drivers who elect TMC will not see their premiums rise is thus highly suspect.*
- *Will there be a real choice?* In a competitive market, premiums for bad drivers who switch to PPI will fall more than premiums for good drivers who switch. The resulting self-selection of bad drivers into PPI will exacerbate the above problem of rising TMC rates for safe drivers. As TMC premiums rise, more people will switch to PPI, thus further raising TMC premiums. These increases in TMC premiums could effectively remove any real 'choice' between the two systems. However, in the three states that currently offer Choice, state regulation prevents the competitive rate setting that would produce this self selection and hence 'choice' may be preserved.
- *Federal / state issues.* Even though the Auto Choice law allows states to opt out, it nevertheless represents Federal involvement in an area that up until now has been left to the states.

Better as a package: Auto Choice and Per-Mile Premiums

Per-mile premiums plus Auto Choice package would save money AND increase safety

- **By itself, Auto Choice would save \$ but could compromise safety**
- **Per-mile premiums plus Auto Choice will save lives and save more \$**
- **Drivers will choose, if offered the package, to leave tort system to save \$**

Per-mile premiums could save thousands of lives per year

- **Linking premiums closely to miles driven will reduce driving and hence accidents**

Potential \$20 billion in premium savings under per-mile plan in addition to \$45 billion in Auto Choice savings

- **Initially insurance companies would set per-mile premiums to keep total premium constant, assuming driving patterns are unchanged**
- **Premiums would fall as people drive less and accident costs fall**
- **Premiums would fall for the vast majority of drivers; only those who drive more than twice as much as the average driver in their insurance pool (e.g. similar age, experience, part of country, etc.) would potentially see higher rates**

Huge incidental benefits

- **Reduced traffic congestion from fewer miles driven AND fewer accidents**
- **Reduced smog and health-harming pollutants from fewer miles AND less congestion**
- **Reduced emissions of greenhouse gases from fewer miles implies LOWER ABATEMENT COSTS. Carbon emissions would fall by about 5% of the 2010 baseline.**

**Better as a package:
Auto Choice and Per-Mile Premiums
Aaron Edlin with Amy Finkelstein and Mark Rainey**

The Proposal:

Amend the Auto Choice plan so that in states that don't opt out, if a driver chooses no-fault her premium is quoted on a per-mile-driven basis. As under Auto Choice, drivers could opt to keep current insurance coverage instead.

Per-mile premiums could be charged based upon an estimate of miles, with a rebate or surcharge issued every year or two after an odometer reading. Odometers could be read at existing emissions or safety checks or by firms under contract with insurance companies.

Insurance companies would compete in their per-mile premium, subject to current regulations; premiums would consequently vary with region, driving record, type of car, and safety features, much as premiums vary now.

The Package Advantage: Saving Costs without Risking Safety.

Auto Choice could reduce premiums by 32%, according to the Joint Economic Committee. Many argue, however, that no-fault would increase drivers' carelessness and make driving more dangerous. One recent empirical study suggests that if everyone chose no-fault, there would be thousands of extra fatalities each year.

By packaging Auto Choice with a per-mile premium, however, safety should increase and premiums should fall still further. The reason is that a per-mile premium discourages driving.

Huge incidental benefits include reduced traffic congestion (from fewer miles driven and fewer accidents) and reduced smog and other health-harming pollutants (from fewer miles and less congestion). Reduced emissions of greenhouse gases from fewer miles implies **lower abatement costs** to achieve Kyoto agreement. Carbon emissions would fall by about 5 percent of baseline 2010 emissions under our package plan; they would rise under the current Auto Choice proposal.

Per-Mile Premiums could save 9,000 lives per year.

A fundamental problem with current auto insurance systems is that insured drivers face too little of the accident costs associated with the amount of driving they do. Accidents increase the more miles people drive. Insurance rates take this into account somewhat, but the connection is far too weak for two reasons:

Insurance firms typically have coarse mileage groupings---e.g. one rate for over 6000 miles and one for under 6000 miles/year. Odometers are rarely checked and under self-reporting, fraud and mistaken estimates of yearly mileage are big problems. Experience rating helps somewhat, but to a very limited extent. (If the cost of insurance rose for extra accidents by the cost of accidents, insurance would be a loan, not insurance.)

PRELIMINARY ANALYSIS

Furthermore, a driver's own insurance company does not face the full accident cost of the driver driving an extra mile: safe drivers, who are not at fault in accidents, cost their own insurance company little because the other driver's insurance company typically pays the accident costs. Yet, even safe drivers create a substantial social cost simply by being on the road because they are another potential target or obstacle for bad drivers.

As a result, drivers do not actually face and certainly do not perceive the true cost of driving an extra mile. Drivers consequently drive too many miles.

This problem is alleviated if mileage is verified every year or two and insurance premiums are proportionate to miles driven. Initially, per-mile premiums would probably be approximately 4 cents per mile. **Although this would not increase the total cost of driving** (since it would simply substitute for current premiums), it would increase the cost of driving an extra mile substantially. The increase in the *marginal* cost of driving would be roughly equivalent to an 80 percent increase in the retail price of gasoline! We might therefore expect **miles driven to fall by roughly 16 percent**, conservatively taking the low end of results from studies of the responsiveness of miles driven to the price of gasoline. Roughly 9,000 lives could be saved per-year under a mileage based premium system.

Potential \$20 billion in savings on premiums from Per-Mile Premiums in addition to Auto Choice Savings of \$ 45 billion

Insurance companies would set per-mile premiums in a competitive process subject to current regulations. Initially per-mile premiums would probably be set so that total premiums cover total accident costs, assuming that driving patterns remain unchanged. Total insurance premiums would quickly fall, however, because accident costs will fall as drivers drive less. A rough estimate of the fall in total premiums is 22% or \$21 billion, in addition to the fall of \$45 billion from Auto Choice.

A large pool of winners: savings for almost all drivers

Per-mile premiums would undoubtedly be set to vary with a driver's age, the region of the country, urban vs. suburban, driving record, car model, safety features, just as under the current insurance system. Competition would demand such market segmentation. Hence safe drivers, for example, would face lower per-mile rates, and hence lower total insurance costs, than bad drivers, just as they do under the current system.

And even though in some regions rural drivers drive much more than urban drivers, total insurance costs for these rural drivers would fall by the same proportion that urban drivers' total costs would fall. This is because insurance companies currently set rural drivers' rates to reflect both that they drive a lot more than urban drivers and that their chance of having an accident per mile driven is smaller than for an urban driver. With per-mile premiums, the insurance companies would no longer have to increase rural premiums to reflect their greater mileage; but they would set rural per-mile premiums lower than urban per-mile premiums to account for the

PRELIMINARY ANALYSIS

former's lower per-mile accident rate. As a result, a typical rural driver and a typical urban driver would benefit equally from the package proposal.

Although total premiums would fall dramatically on average for a pool of drivers with a given risk profile, some very high-mileage drivers in a pool might pay higher accident rates. Drivers who drive more than twice the average mileage of drivers with their risk profile might face higher premiums. For example, although most rural drivers would see their insurance premiums plummet, a rural driver who drove over twice the average distance that a rural driver drives per year could see a rate increase. The same applies to very high-mileage urban drivers, safe drivers, bad drivers, etc.

Huge Incidental Benefits of Per-Mile Premiums

A 16% fall in vehicle miles would yield:

Abatement cost savings. The reduction in driving will reduce emissions of greenhouse gases substantially. This will save large abatement costs that would otherwise be incurred to meet the Kyoto agreement. Carbon emissions, for example, would fall by about 5% of baseline 2010 emissions. If marginal abatement costs were \$100/ton, abatement cost savings would be over \$8.5 billion.

Less smog and other pollution. Fewer miles would lead to a nationwide reduction in emissions of NO_x, a greenhouse gas that also contributes to smog and particulate pollution. In major metropolitan areas, NO_x emissions might fall by one-seventh of the amount needed to attain EPA's recently promulgated ozone air quality standard. These reductions in NO_x emissions from per-mile premiums could exceed the reductions that would result from **all** the controls identified by EPA in the analysis in support of its recent ozone air quality standard.

Less traffic congestion. Fewer miles implies less traffic congestion, because of less crowding. Reduced accidents will further alleviate congestion. The reduction in congestion-related travel delays in major metropolitan areas would be substantial. For example, in the San Francisco Bay area, and in the Los Angeles area, such delays per driver per year would fall by approximately 30 percent (20 and 23 hours respectively).

Better than gas taxes. Raising gas taxes to address these environmental issues raises the total cost of driving. But the per-mile premium package addresses the same issues while lowering the total cost of driving.

Linking Auto Choice with Per-mile Premiums to redress Auto-Choice's problem.

States and individuals that opt into Auto Choice create a hazard for others. Per-mile premiums offset this hazard, and so they should be required for those who choose no-fault.

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Possibly, this linkage should be waived for states that already have no-fault, if this compromise is necessary to gain political support.

Linking the no-fault choice with per-mile premiums would give us the best of both worlds. Lives could be saved, not lost, and the total insurance cost of driving would fall on average by over 20% more than it would under Auto Choice alone.

CHOICE is central to this package proposal, as it is to Auto Choice

It is important to keep in mind that states can choose whether to opt into the package of Auto Choice and per-mile premiums or to keep their tort and insurance system as it is.

If a state opts in, drivers can choose whether to keep their current insurance or switch to the new package. Those who choose the keep their current insurance would not face per-mile premiums.

Drivers will also choose whether to keep driving their current amounts or reduce their driving. Unlike current gas taxes, per-mile premiums do not increase the total cost of driving. In fact, because of the savings from no-fault, total premiums should fall immediately, even if driving miles stayed constant. Furthermore, people will CHOOSE to reduce miles to save even more on premiums. The great feature is that one person's choice to reduce miles will actually reduce the per-mile charge for others!

Implementation.

A mileage-based premium system could be easily implemented. Insurance companies could simply read a car's odometer once every year or two. Alternatively, odometers could be read during existing emission or safety checks. Per-mile premiums could be charged based upon an estimate of miles, with a rebate or surcharge issued every year or two after an odometer reading.

It is difficult to be sure whether insurance fraud would increase or decrease under per-mile premiums. Currently, there is undoubtedly significant misreporting given that some insurance companies will cut premiums 15 percent for customers who claim to drive less than 7500 miles per year. Under a per-mile system, where odometers were checked, there would likewise be an incentive to tamper with odometers. Tampering with odometers is not, however, a trivial matter that the typical person can do for herself. Moreover, it is a crime, and probably not the easiest or safest way to steal a few hundred dollars a year.

For the vast majority of Americans, odometers are tamper-proof. Although everyone selling a used car already has a substantial financial incentives to set back the odometer (setting back the odometer 30,000 miles typically increases value by \$2,100), odometer fraud today occurs mostly in the wholesale used car business. Therefore, it is currently difficult for someone who might want to adjust his odometer to find someone who can do it. There is also a significant risk

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involved in such tampering. For example, whenever a franchised dealer services a vehicle manufactured by the company granting the franchise, a computerized record is made which includes the vehicle's mileage. Companies currently exist that use this and other sources to collect motor vehicle histories and sell them to prospective purchasers; these companies could similarly sell the histories to insurance companies to deter odometer tampering.

There are already large incentives to tamper with odometers to increase the value of a used car. The resale value of a used car may decline by as much as 7 cents per mile, whereas average per-mile premiums under the package plan would be about 4 cents per mile.

Odometer fraud is significantly more difficult than changing one's own oil. As an illustrative calculation, suppose that 20 percent of people currently change their own car oil, and suppose that 10 percent of these people would set their odometers back. If these people reduced their miles in half, this would raise premiums for everyone else by approximately one percent, much less than per-mile premiums are apt to save from accident reduction. Fear of insurance fraud is not a good reason to oppose per-mile premiums.

Maintaining existing insurance markets. Unlike Pay-at-the-Pump, per-mile premiums do not interfere with the free and competitive operation of insurance markets. Insurance companies would continue to compete for business in the same way under this package proposal. Per-mile premiums therefore do not raise the specter of increased government interference in insurance markets. Additionally, a per-mile charge would vary with the quality of the driver, which affects accidents, not with fuel efficiency, which does not. Insurance companies could continue to adjust insurance premiums for any characteristics of the driver or the car that they currently use to calculate expected accident costs; per-mile premiums would vary in the same way that fixed premiums currently do.

Why don't insurance companies already use per-mile premiums?

Externality. One reason insurance companies do not already use per-mile premiums is that many of the benefits from a per-mile charge are not realized by the driver or her insurance company, but are realized by other drivers and other insurance companies. The reason is that part of the cost of accidents that extra miles cause are borne by other drivers and their insurance companies. Keep in mind that even a safe driver causes accidents by being an extra target that bad drivers can hit. For this reason accident reductions are more than proportionate to the percentage reduction in miles. Driving is much like entering an obstacle course. The fewer times you enter, the fewer total obstacles you will hit. If the obstacle course were held constant as driving is reduced, then we would expect a roughly proportionate reduction in accidents. But there are fewer obstacles when there are fewer miles driven, so the per-mile collision rate will also fall!

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Adverse Selection. Another reason insurance companies don't already offer per-mile premiums is that if a company offers a per-mile package under the current system (without the cost savings from Auto Choice), this option would only be chosen by low mileage drivers, or by the few drivers who manage to tamper with their odometers. If the per-mile price is set to break even given present per-mile accident costs, insurance companies would lose money. Two reasons: first, fraud by the few who tamper with odometers; second, although drivers who drive low miles have lower total accident costs, they may have somewhat higher per-mile costs, because they have less driving experience. Therefore, to break even, insurance companies would have to raise the per-mile charge. As they did so, however, the adverse selection would get worse: only odometer-tampering drivers and very low mile drivers would remain. Breaking even would therefore require a still-higher charge, leading to a still smaller and adversely selected group of buyers. Ultimately, the market may be too small to be viable or disappear entirely.

Cost/Hassle. A final reason that some companies may not have switched is that it seems like a costly hassle to check odometers. The hassle will be reduced, however, if many companies in a state switch to per-mile at once. Then, a single facility could check odometers for all insurance companies. Perhaps it could be done when emissions or vehicle safety is checked.

Response to the Medicare Buy-in. There has been great interest in your Medicare buy-in proposal. Some Republicans, including Senator Gramm and Rep. Bill Thomas, have been extremely critical of the proposal suggesting that this is the wrong time to expand Medicare, as the program is facing insolvency and these problems will only be exacerbated as baby boomers begin to retire. The base Democrats were quite pleased with your proposals -- particularly after Republicans strongly opposed them. While liberal groups were also pleased we are addressing this issue, they believe there needs to be a more affordable option for low-income Americans. Elite validators gave this policy mixed reviews: while they generally recognized that this is a population in great need, they were concerned about the impact of this reform on Medicare and some believed that this policy could cause a modest amount of early retirement.

This proposal did, however, strike a positive chord with the public as well as with other validators. *The New York Times* and *USA Today* were quite positive about the policy, particularly because it addresses an important population and is paid for in a fiscally responsible manner. As a consequence, some Republican analysts believe that this will be a difficult issue to oppose throughout the year.

Robert Reich's Proposal for Fixed Dollars for Health Care. You asked for an analysis of Robert Reich's proposal to forgo a new increase in the minimum wage and instead require that employers require a certain fixed dollar amount for health care. As you will recall, we did forgo proposing a minimum wage increase when we proposed the Health Security Act because we did not want to load up the costs to employers. The idea of having a defined minimum employer contribution certainly has some merit as it would make a significant contribution to decreasing the number of uninsured. Having said that, there are a number of political and policy issues that have to be seriously considered prior to pursuing such a proposal.

There are numerous political and administrative complications that would have to be worked out before moving forward on such an initiative, such as: (1) whether or not we would be forced to add subsidies for this; (2) whether employers would be accountable if their employees had coverage from their spouse's employers; or (3) whether certain employers would be exempt.

Having said this, if you would like to further pursue this you should be aware that of some of the disadvantages. We will have to use a great deal of capital with the employer community as we move forward on our other current health care policies such as health care quality and the COBRA extension for the "promise breaker" employees who have dropped retiree health care coverage. Adding this proposal to the mix would no doubt create a great deal of public animosity from the employer community. Moreover, in a Republican Congress there is no chance that this would pass and it would likely be characterized as another step to "take over the health care system." Although liberal Democrats would be comfortable with this proposal, our centrist Democrats would not support it, primarily because of the opposition from the small business community.

Medicare HMOs Dropping Benefits. You asked us to respond to recent reports that Medicare HMOs were dropping benefits because of changes in Medicare reimbursement policies. We have asked HHS to review the extent to which this is occurring. However, it is important to note that many independent policy experts believe that payments to HMOs still are, on average, excessive given the fact that they continue to attract disproportionately healthy populations. They believe that any movement towards reducing benefits are more attributable to HMO's desire for adequate profit margins for their investors rather than adjustments in reimbursement issue. In fact, one corporate executive just informed us that Medicare continues to be their number one most profitable player. Having said that, the fact that the BBA is starting to reduce Medicare reimbursements to HMOs will clearly contribute to lower revenues for these health plans. It is important to note that the added benefits in Medicare HMO plans do help encourage beneficiaries to participate in these plans. The outstanding question is whether or not we want to allow payment rates to exceed what is necessary so as to ensure that these additional benefits are in place. Regardless, any move in this direction would be premature until we have better information about the extent to which HMOs are reducing benefits and the reasons behind such a trend.

January 9, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

Crime -- Slain Officers: The National Law Enforcement Officers Memorial Fund (NLEOMF) reports that the number of officers killed in the line of duty in 1997 increased by nearly 40% to 159 deaths as compared to the 116 officers slain in 1996. This essentially wipes out the gains made in 1996 -- the lowest number killed since 1959 -- and exceeds the 1990s average of 151 line-of-duty deaths per year. The NLEOMF attributes the rise in deaths to: (1) a sharp increase in firearms-related deaths (70 v. 56 in 1996); (2) an usually high number of traffic fatalities; and (3) 10 multiple death incidents resulting in 22 officers being killed.

Crime -- Brady Handgun Checks: Arkansas remains the only state that is not conducting background checks prior to handgun sales. As noted to you earlier, Governor Huckabee continues to resist background checks, despite an opinion issued by Arkansas Attorney General Winston Bryant that Arkansas has the necessary authority. Attorney General Bryant has asked the Treasury and Justice Departments to make him the designated chief law enforcement officer authorized to conduct background checks statewide. The Justice and Treasury Departments have been working with Attorney General Bryant to de-designate the Governor and to designate Bryant as the chief law enforcement officer authorized for background checks. This proposal will likely be contentious with the Governor, who is not aware of the negotiations between the agencies and Bryant. The proposal is expected to be signed on January 22.

Drugs -- Substance Abuse and Prisoners: On Thursday, the National Center on Addiction and Substance Abuse released a study on the substance abuse problems of the nation's prisoners. The three-year study found that drug and alcohol abuse and addiction were implicated in the crimes and incarceration of 80% of the 1.7 million individuals in prison or jail. This means that 1.4 million offenders were either high on drugs or alcohol when they committed their crimes, stole property to buy drugs, have a history of drug and alcohol abuse -- or some combination of these factors.

The 1994 Crime Law mandates that by 1997, 100% of all federal prisoners defined as eligible receive treatment. According to the Bureau of Prisons, this requirement has been met. Since enactment of the 1994 Crime Law, we have tripled the number of inmates treated in the federal system, increased the number of residential treatment centers in federal prisons by 30% (from 32 to 42), and some form of substance abuse treatment is available in every federal prison facility. Under your prisoner drug testing initiative, states are required to submit comprehensive plans of testing, sanctions, and treatment by March 1998 as a condition of receiving their prison construction funding. To build on this effort, we are preparing a directive to: 1) require states to establish baselines of prison drug use and to measure their progress yearly; 2) allow states to use their prison construction funds to implement their testing and treatment plans; and 3) encourage states to enact increased penalties for smuggling drugs into prisons.

Drugs -- Anti-Drug Media Campaign: On Thursday, the anti-drug media campaign was kicked off in Washington, DC -- the first city in the 12-city pilot. In DC, anti-drug advertisements have started to air during prime-time network programming, with radio and Internet ads to start next week. ONDCP will rollout the media campaign in the remaining pilot cities during the month of January. The other 11 pilot cities and rollout dates are as follows: Atlanta (1/20), Baltimore (1/13), Boise (1/13), Denver (1/16), Hartford (1/23), Houston (1/15), Milwaukee (1/21), Portland (1/22), San Diego (1/9), Sioux City (1/20), and Tucson (1/15).

Child Care -- Announcement Reponse: The response from the Hill, the Governors, and the advocates to the child care announcement was extremely positive, and the press has been generally favorable. Congressional Democrats and some moderate Republicans have enthusiastically supported the package. The response from state officials has been very positive; Governors have particularly praised the state flexibility within the plan. Children's advocates and child care experts have been very supportive, stating that this is an historic investment and a thoughtful, balanced package. Conservative groups and Members have criticized the initiative on two grounds: first, as too big and somewhat unnecessary given the amount spent on child care already during welfare reform; and second, because it does nothing to help parents who want to stay at home to care for their children. You asked about an op-ed by David Blankenhorn in the December 19th New York Times, which criticizes tax cuts for child care and which supports expanding the child tax credit to help parents of young children stay at home. Our general response to this criticism is that your record reflects your commitment to provide real choice and opportunities for families. The balanced budget agreement last year included \$80 billion over five years for a \$500 per child child tax credit, a strong commitment to help parents who stay at home. In addition, you have championed the Family and Medical Leave Act, the Earned Income Tax Credit, increases in the minimum wage, and health insurance for children. We examined expanding the child tax credit for parents of young children. According to the Treasury Department, an additional tax credit of \$250 for parents of children aged zero to three would cost roughly \$6.5 billion over five years, while an additional tax credit of \$500 for parents of children zero to one would cost roughly \$5 billion over five years. Because of its expense, we did not include an expansion of the child tax credit in the child care initiative, but are open to such proposals in our discussions with Members of Congress during the budget process.

Welfare Reform -- Welfare Recipients in College: You asked what we should do in light of a recent report in the Washington Post that some college students on welfare are dropping out of school because they can't meet the welfare law's work requirements and keep up with their studies. You asked specifically about work-study jobs. Under the welfare law, education that is not directly related to a job does not count toward the work requirements. However, states have significant flexibility to allow college students to continue their studies, since the percentage of the welfare population that is required to work is now 30% and peaks at 50%. Further, many college students not on welfare combine work with their studies. However, some states are apparently not making it a priority to help welfare recipients stay in college, although there are no precise numbers. Also, many welfare recipients are not well-informed about how the law works, and may believe there is no alternative to dropping out.

At our direction, Secretaries Riley and Shalala wrote to the nation's college presidents in September, explaining the law's flexibility, and noting that work-study jobs are one good way to meet the law's work requirements while remaining on campus. (Most work-study jobs are 10 hours per week, but that is by practice rather than a legal requirement, which was explained in the letter.) We have as you know also asked college presidents to use work-study jobs for America Reads, but we believe it can be a good alternative in the welfare reform context as well.

Welfare Reform--Delaware Releases Evaluation: On Monday, Governor Carper released an evaluation of the state's welfare reform waiver program called A Better Chance. The program began in 1995 as one of the first comprehensive statewide waivers granted by this Administration. Initial results encouraging: by the fourth quarter after the program started, program participants had 24% higher employment, 16% higher earnings, and 18% lower average benefits than the control group. The evaluation found a relatively high rate of sanctioning: 49% of the participants had been sanctioned at least once for either failing to comply with the program's employment or family responsibility (immunization, school attendance) requirements. State officials characterized the sanctions as tough but fair. The study also found that while participants broadly understood the new policies, they did not fully understand the details. For example, 84% knew benefits were time-limited, but only 27% knew about the initial limit of 24 months. The study, by Abt Associates, involved random assignment into control and experimental groups in 5 of the state's 18 offices during the first 18 months of the program, beginning in October 1995. NOTE: Delaware's caseloads have not gone down as dramatically as a number of other states--the decline has been 21% since January 1993. This may be because the program has a 'make work pay' incentive that allows recipients to keep more earnings and still remain eligible for welfare.

Welfare Reform -- Child Support Computer Systems: We are now working closely with a House-Senate group convened by Rep. Clay Shaw's staff on the child support computer systems issue you discussed with Senator Feinstein this fall. Our goal is to put in place a new system of penalties which are large enough to ensure states develop the statewide computer systems needed to locate and withhold child support from deadbeat parents, but penalties that are not so large as to disrupt states' child support collection efforts. As you know, current law

requires us to withhold all federal child support funds from a state without a statewide child support computer system -- a penalty we intend to retain (at least as a threat) for egregious cases.

Shaw's initial proposal, which we think makes sense, would impose an initial penalty of 4 percent of federal child support funds in the first year, with higher penalties in later years. Once a state's system is complete, it could earn back a portion of the penalty. Shaw wants to introduce legislation the first day of Congress and pass it through the House by the second week of February. As always, the Senate is expected to move more slowly, but we expect to be able to enact these new rules by April. By then, HHS expects nine states to still be without statewide computer systems, which were required by the 1988 Family Support Act (California, Michigan, Illinois, Ohio, Pennsylvania, Indiana, Hawaii, Oregon, and New Mexico).

Welfare Reform -- Report on Involving Males in Preventing Teen Pregnancy: On Wednesday, the Urban Institute released a report on why and how young men should be involved in teen pregnancy prevention efforts. The report includes a new analysis of the 1995 National Survey of Adolescent Males (most recent available data) and finds that, contrary to stereotypes, males play a key role in preventing teen pregnancy and this role can be increased. For example, most males in the study believe preventing pregnancy is their responsibility and express a desire to use contraceptives, but don't do so consistently. The encouraging news is that behavior can change--condom use among adolescent males doubled between 1979 and 1988, and continued to increase through the 1990s.

The report also profiles 24 programs that have successfully involved young men (though there are not yet rigorous evaluations to prove whether, once involved, the programs successfully changed male behavior). Lessons from the 24 programs include: know community and client needs, include male staff as positive role models and to put teens at ease, integrate efforts with a larger agenda offering employment, training or recreation, tailor messages to the audience's developmental needs, offer services over a sufficient time to gain trust and develop lasting interest, avoid negative stereotypes and encourage positive change, and accept young men as they are. The report makes several policy recommendations: create a national information clearinghouse for program planners, start rigorous evaluations to learn whether programs alter young men's behavior, and provide more funding for innovative approaches.

Immigration -- Skills of Immigrants: The attached U.S. News article discusses the issue of whether we should change our legal immigration system to strengthen preferences for skilled and well-educated prospective immigrants over those that are poorly educated and unskilled. The current immigration system is set up to favor keeping families intact. Thus, the vast number of legal immigrants are brought to this country through family-based visas, which do not take into account education or skill level. The article cites a Rand study proposal to create a point system of immigration which continues to give weight to immediate family reunification but would also give points for education, language skills, and work experience. The final report of the Commission on Immigration Reform also recommends a shift in priority toward higher skilled immigrants. Instead creating a point system, the Commission recommends revising skill-based admissions (approximately 100,000 visas) to favor highly-skilled and educated

immigrants and eliminating altogether the category of unskilled workers. Though we think that these ideas are well worth exploring, it is unlikely that Congress will want to consider an overhaul of legal immigration this year. Efforts to reduce legal immigration levels were defeated during consideration of the 1996 illegal immigration law.

Education -- California Math Standards: There has been a heated debate in California over the proposed math standards, pitting the math educators who favor a major emphasis on problem solving skills and who downplay the importance of basic computational skills (in both their documents and their rhetoric) against conservative critics who favor a more basic skills approach. Last month the California State Board of Education adopted the more conservative approach, over the objections of State Superintendent Delaine Eastin. Last month, the head of the Education Directorate at the National Science Foundation sent an letter to the Chair of the California State Board of Education strongly criticizing the state board's decision, and strongly implying that this decision would jeopardize continued NSF funding for six Urban Systemic Improvement sites in California. The letter has caused much consternation among conservatives as an example of inappropriate federal intrusion in state curriculum matters (which it was), and we had clear signals from Checker Finn, Diane Ravitch and others that the NSF letter would provide the pretext for Bill Bennet (who has received a fair amount of criticism from conservatives for his support of your national testing initiative) to withdraw his support. This week DPC and OSTP worked with NSF to produce a letter from NSF Director Lane to the California State Board clarifying that it is the job of states to set standards and that NSF would not pull the award based on California's math standards, and emphasizing the importance of basic skills. Based on recent conversations with Finn and others, we believe this step has been sufficient to prevent Bennett's reversal.

Education -- Education Week Report on Urban Education: This week Education Week issued its annual report on education reform in the 50 states, focusing on the progress in urban school districts. The study noted that approximately 40% of students in urban districts reached the basic level on the most recent NAEP 4th grade reading and 8th grade math and science exams in 1994 and 1996, compared to over 60% in each of these subjects in non-urban areas. The study also found discrepancies in resources, with urban districts spending about \$500 less per child annually than non-urban districts. The Education Week issue also discussed, in detail, a dozen promising reform strategies being pursued to raise achievement in districts around the nation (e.g., setting high standards; holding schools accountable for results and giving schools greater flexibility; creating small, more intimate schools or schools-within-schools; recruiting well prepared teachers and providing them with continuing training and support; training principals to be effective school leaders; and, promoting school choice). Your existing and planned initiatives (including the new Education Opportunity Zones proposal that you announced in December) match up very well to support most of these key areas.

Education -- Single Sex Schools in New York City: DPC has been meeting with the White House Counsel's office, the Education and Justice Departments, to address the OCR response to a complaint against the existence of the all girl's Women's Leadership Academy in

New York City. Both you and Secretary Riley are in complete agreement that, as a matter of policy, school districts should be (encouraged??? free???) to establish single sex schools as part of the mix of education options. The Office of Civil Rights has placed its investigation of the complaint on hold, and will take no steps in the foreseeable future to press New York City to change the status of the school. However, civil rights offices in both Education and Justice believe that such schools ultimately may be difficult to justify under Title IX or Article (relevant Constitutional reference), in part because they have discriminatory admissions policies, and partly because separate schools will inevitably become unequal and to the ultimate disadvantage of females. They believe that the strongest legal case for permitting single sex schools is an argument that they are an appropriate remedy for past discrimination, such as low academic performance of females in co-educational settings. Neither of the cognizant Civil Rights offices want to take formal action on this issue, because they believe they will be forced to oppose single-sex schools.

Late in December, Secretary Riley and Rudy Crew agreed to appoint small teams of educators from the Education Department and the NYC Schools to work collaboratively to develop the strongest case for the Women's Leadership Academy. The teams will begin to plan their work next week. This process may take some time, and during this period the Education Department's Office of Civil Rights will not take any further actions on this case.

Education -- Life-long learning card: You had asked us to respond to Bob Reich's proposal to you concerning Life-long learning cards, which would allow all federal education benefits (Pell, IRA's education tax credits and deductions as well as job-training funds) to be consolidated on one card, like a bank card, against which education expenses could be credited. DPC and NEC staff have begun to look into this issue. While we think this is an idea with some promise, we do not yet have specific recommendations. The Education Department has already initiated a feasibility study on the use of cards for student aid delivery, with the aim of initiating a pilot project with postsecondary schools to have their students receive federal aid disbursements through such cards, by October 2000, though this may be an optimistic estimate of when such a pilot program could begin. Further, while this may be an effective approach to delivery grants and loans, we believe it will be much more difficult to incorporate tax credits and deductions as well. DPC and NEC will continue to explore this issue.

[Elena--I'm sharing this one with Bob Shireman and Anne Lewis, so NEC and DPC wind up saying the same thing]