

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 024 - FOLDER -003

[02/11/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	William Kincaid to Michael Cohen & Elena Kagan re: Admissions Standards/Magnet Schools Grant Applications [partial] (1 page)	02/11/1998	P6/b(6)
002. email	Cynthia Rice to Elena Kagan & Bruce Reed re: Debra Barfield of Newsday is Doing a Welfare Story [partial] (1 page)	02/11/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/11/1998]

2009-1006-F
ch208

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:11-FEB-1998 17:43:10.00

SUBJECT: CEA redid our minimum wage/ workfare analysis

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:

FYI, you should know that CEA asked me for the backup to the analysis I did last week on the number of states that would have trouble funding workfare programs under various minimum wage increase scenarios, and then they redid the analysis. I don't know what they plan to do with it. Their version comes up worse than mine did.

I had simply updated the HHS analysis we have been using for months, but CEA went behind it and made more pessimistic food stamp assumptions. Also, they calculated the size of the problem for both 20 and 30 hours of work a week. You'll recall that we used 20 hours because, even though the work requirement grows from 20 to 30 hours over time, states can use "job training directly related to employment" for the hours over 20, and we made the somewhat aggressive assumption that they would do so to the maximum extent.

Here's the difference between my analysis and theirs (they only did families of 3):

States with Problems -- 20 hrs a week	My Analysis	CEA Analysis
Current Minimum Wage		No
states	1 state	
50 cent increase (\$5.65)		1
state	2 states	
\$1 increase (\$6.15)		2
states	7 states	
\$2 increase (\$7.15)		9
states	13	
states		

For 30 hours of work a week, the numbers are pretty bad (I didn't do this calculation):

States with Problems -- 30 hours a week	My Analysis	CEA Analysis
Current Minimum Wage		24 states
50 cent increase (\$5.65)		37 states
\$1 increase (\$6.15)		42 states
\$2 increase (\$7.15)		50 states

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 12:38:06.00

SUBJECT: Denying federal licenses for failing to pay child support

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

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

TEXT:

HHS has produced a long list of federal licenses granted by 14 agencies, but -- without going to each agency -- we haven't yet been able to find out how many people hold these licenses and whether through executive action we could deny them to those who owe child support.

Thus, I'm afraid we need to go to the agencies.

Cabinet affairs has suggested I make this pitch at the next Chief of Staffs breakfast. I would probably thank them for their federal hiring efforts too. Does that sound okay to you?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 19:28:42.00

SUBJECT: Re: Admissions standards/Magnet schools grant applications

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

FYI: This application, which we cleared, is scheduled for Federal Register publication on Friday.

-- Bill

William R. Kincaid
01/28/98 06:30:10 PM
Record Type: Record

To: Elena Kagan/OPD/EOP, Michael Cohen/OPD/EOP
cc: Julie A. Fernandes/OPD/EOP, Tanya E. Martin/OPD/EOP, Laura Emmett/WHO/EOP
bcc: Records Management
Subject: Re: Admissions standards/Magnet schools grant applications

Mike and Elena--

I spoke with Dawn about this again today. She is satisfied that the analysis of ED and DOJ that the reducing/preventing/eliminating racial isolation aspect of the program meets the compelling interests test under Adarand is consistent with the way the Administration has approached similar issues, in light of the Magnet Schools program's statutory grounding and history. Therefore, she will be clearing this notice to go forward.

The issue of how this applies in the 5th Circuit is not directly addressed by the notice and Dawn feels it isn't necessary to resolve that prior to allowing the notice to go out. She wants to let ED and DOJ sort this out some more before we weigh in.

Thanks.

-- Bill

William R. Kincaid
01/24/98 01:18:19 PM
Record Type: Record

To: Elena Kagan/OPD/EOP, Michael Cohen/OPD/EOP
cc: Julie A. Fernandes/OPD/EOP, Tanya E. Martin/OPD/EOP, Laura
Emmett/WHO/EOP
Subject: Admissions standards/Magnet schools grant applications

Art Coleman in OCR called the other night to give us a heads-up about this, which involves breaking some new legal ground. Dawn Chirwa left me a message Friday that she was reviewing the application. Do you have any gut reactions/concerns on this issue? Art's summary of the issues and status follows. Thanks.

----- Forwarded by William R. Kincaid/OPD/EOP on 01/24/98
01:11 PM -----

William R. Kincaid
01/22/98 10:12:02 PM
Record Type: Record

To: William R. Kincaid/OPD/EOP
cc:
Subject: Magnet schools grant applications

----- Forwarded by William R. Kincaid/OPD/EOP on 01/22/98
10:12 PM -----

Arthur_Coleman @ ed.gov
01/22/98 09:07:00 AM
Record Type: Record

To: William R. Kincaid
cc:
Subject: Magnet schools grant applications

Bill, it was good to talk with you last night, and as we discussed, I'm forwarding a recap of the overview of where the Department is re the magnet school application process.

WHAT'S NEW

The federal register notice announcing this cycle of grant

applications (which occurs every three years) will for the first time include a discussion of strict scrutiny (compelling interest/narrow tailoring) standards that must be satisfied in the event that race is a factor in the admissions of the proposed grantees. This requirement stems from the Adarand case. The last such notice, three years ago, pre-dated Adarand.

In addition to the remedial and diversity interests that are identified as compelling, we are setting forth the interest of "reducing, preventing, or eliminating" minority group isolation as a compelling interest. Based on desegregation law as well as specific language from the authorizing legislation, this represents a new position by the federal government.

PROCESS

We have been in conversations with the Department of Justice for months regarding these issues, and have complete agreement regarding the standards and application of those standards with Civil Rights Division, OLC, and the Associate Atty General's office. We are awaiting a final word from the SG before proceeding with the publication of the notice. Our best read at this point is that the basics outlined above will be approved, with the question of whether this comprehensive standard will apply in the Hopwood states. (Although the notice doesn't address this level of specificity, it's important that we see this the same way. Thus far, there is agreement in ED and DoJ that Hopwood, for a host of reasons, is distinguishable and would not control our analysis here.) Also, the Department has discussed this, in general terms, with legal counsel in the WH--Dawn and Rob. Dawn has a copy of the draft notice. (If you want the paper on this, let me know.)

There is real urgency in getting closure around these issues, as we need to get the notices out so that the reviews and awards can be made by mid-summer. The Department has been criticized in the past regarding delays here, and all are working earnestly to ensure that we build in enough time for the (increasingly) complex legal reviews of the applications that will be required.

At the briefing with the Secretary yesterday, he underscored his support for the positions we are taking, and urged expedition in our move forward.

REACTION

We can expect some critics to complain that any use of race in this context is unwarranted/uncalled for--in the post-Adarand/Hopwood world. We can certainly expect some reaction on the new point regarding the compelling interest of eliminating racial isolation. Some may also question the "new" strict scrutiny requirements.

Don't hesitate to call any of the usual suspects if you have additional questions or need more information.

Withdrawal/Redaction Marker

Clinton Library

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OPD ([Kagan])
OA/Box Number: 250000

FOLDER TITLE:

[02/11/1998]

2009-1006-F
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Thanks.

Art

P6(b)(6)

[001]

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01ISO7DYKO4W004HVE@PMDF.EOP.GOV> for Kincaid_W@al.eop.gov; Thu,
22 Jan 1998 09:07:29 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ISO7DWIQ3K00DFG3@PMDF.EOP.GOV> for
Kincaid_W@al.eop.gov; Thu, 22 Jan 1998 09:07:25 -0500 (EST)

Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01ISO7D9V28I002EDN@STORM.EOP.GOV> for Kincaid_W@al.eop.gov;
Thu, 22 Jan 1998 09:06:56 -0500 (EST)

Received: from smtpgwyl.ed.gov (smtpgwyl.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.7/8.8.4) with SMTP id JAA14536 for
<Kincaid_W@al.eop.gov>; Thu, 22 Jan 1998 09:03:11 -0500 (EST)

Received: from ccMail by smtpgwyl.ed.gov
(IMA Internet Exchange 2.12 Enterprise) id 000D103A; Thu,
22 Jan 1998 09:06:56 -0500

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Rachel E. Levinson (CN=Rachel E. Levinson/OU=OSTP/O=EOP [OSTP])

CREATION DATE/TIME:11-FEB-1998 13:07:56.00

SUBJECT: Varmus Qs and As

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

TO: Arthur Bienenstock (CN=Arthur Bienenstock/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

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

TO: Clifford J. Gabriel (CN=Clifford J. Gabriel/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

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

TO: Rachel E. Levinson (CN=Rachel E. Levinson/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: William P. Marshall (CN=William P. Marshall/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: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: gips_d (gips_d @ al.eop.gov @ inet [UNKNOWN]) (VPO)
READ:UNKNOWN

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

TEXT:

HHS has asked for our assistance in preparing answers for two questions Varmus may get at the House Commerce hearing tomorrow.

1. Why does the Administration's bill call for civil and not criminal penalties?

Bill - could you take a crack at this and e:mail me a response?

2. How does the Administration reconcile allowing the creation of embryos for research purposes in the private sector, but not using Federal funds?

One option for answering this question could be the following:

The Administration bill does not address the issue of embryo research. It prohibits the use of somatic cell nuclear transfer to create a human

being. We will not resolve the debate over embryo research in the immediate future, but we do want to move to ensure that cloning technology is not use prematurely to create a child.

However, there are scientific applications of somatic cell nuclear transfer that are worth pursuing, as described in Dr. Varmus' testimony. Depending on one's definition of an embryo, some may feel that this research would, indeed, entail the creation of embryos.

We do not have a consensus in this country on whether or not it is acceptable to create embryos for research purposes. Therefore, in 1994, the President issued a statement directing the National Institutes of Health not to fund research involving the creation of human embryos. However, the government does not have a compelling reason to prohibit such activities if they are done using private funds. Therefore, if a couple wants to pursue a novel method for treating their infertility problems, and has the means to do so, they are free to pay for such services in a private clinic[, subject to appropriate FDA regulation]. This is similar to the way we treat alcohol. Many people have a strong belief that alcohol consumption is forbidden. Those people do not buy alcohol and, out of respect for that belief, we do not use taxpayers' dollars for the purchase of alcohol. However, the beliefs of some are not cause for the government to issue a broad prohibition against the sale and consumption of alcohol by others. We do not restrict liberty without a strong compelling reason to do so. It appears that we do have a consensus against using cloning technology to create human beings and our proposed ban supports that sentiment.

The SAP speaks in support of stem cell research which might be interpreted to include creating embryos for research purposes. Also, the Bond bill does not distinguish between public and private activities. Therefore, we might ask Harold Varmus to clarify by saying that the SAP does not trump the 1994 statement and that the ban on using Federal funds to create embryos still stands.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 09:57:01.00

SUBJECT: EEOC Rule

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

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

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

TEXT:

FYI -- Danny Werfel from OMB told me that the EEOC rule regarding federal government cases has been cleared. The race initiative wanted to announce it at their meeting today. However, Ellen Vargyas objected to the Race Initiative announcing it today, and Danny Werfel said that Ellen talked to Claire Gonzalez, Judy Winston's deputy, and it has been agreed that it will not be announced today. I have paged Julie to let her know. Mary

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 10:14:32.00

SUBJECT: Update on \$3 billion welfare to work evaluation

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

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

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

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

TEXT:

We are pushing HHS to revise the evaluation plan to ensure we'll have something to report by January 1, 2001, as required by statute. Technically, OMB must approve the evaluation plan before it will apportion the \$18 million research funds. Barry White will shortly be sending a letter to HHS and the other agencies laying out our concerns with their evaluation plan, and asking for a revised plan before OMB will release the funds. We've reviewed the letter and think its fine.

It goes to the person at HHS in charge of reapportionment, but Olivia, Ray Uhalde and others are cc'd.

----- Forwarded by Cynthia A. Rice/OPD/EOP on 02/11/98
10:00 AM -----

Cynthia A. Rice
01/30/98 09:21:36 PM
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP
Subject: \$3 billion welfare to work evaluation

The statute provides 6/10 of a percent of the \$3 billion funds -- or \$18 million -- for HHS in consultation with DOL and HUD to evaluate how the welfare to work grants have been used. The statute urges the Secretary to focus on job placements, retention, earnings, and average costs per placement. The Secretary shall submit to Congress an interim report by January 1, 1999 and a final report by January 1, 2001.

HHS has proposed a plan, which neither we nor Barry White find particularly satisfying. The plan puts the bulk of the funds into a long-term, MDRC-type control group study which will add to the body of knowledge about what works for hard-to-employ welfare recipients, but will give us little to tell Congress in 1999 (it wouldn't be completed until about 2003).

We are pushing back to get them to beef up the collection of data that

will give us a more immediate indication of what happened to people who took part in the \$3 billion program and how their outcomes compare to similar long term recipients under TANF. Under the current plan, they will collect data to show what percent of people in the \$3 billion program went to work, which may appear low since the program serves long-term recipients with multiple barriers to employment, but we won't know whether those work rates are higher than they would have been in the absence of this program -- until the completely rigorous study is finished in 2003.

Of course, one could argue that we'd be better off not having too much concrete data by 1999. What do you think?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 11:37:51.00

SUBJECT: DOL booklet "About Welfare: Myths, Facts, Challenges, and Solutions"

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

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

TEXT:

As you know, as a conclusion to her cross-country welfare tour, Secretary Herman will give a speech at the National Press Club on Feb 17th (next Tuesday) and will also be preparing a report to the President. I've been promised a chance to review all these materials.

I now have a copy of the galleys for a booklet she wants to distribute to reporters on the 17th called "About Welfare: Myths, Facts, Challenges, and Solutions." It's quite good although I'd like a few changes. In some ways, it's similar to some of the materials the Partnership has produced to assure companies that many welfare recipients have high school diplomas and previous work experience. Here's what it says:

The "Welfare Myths" section cites myths and counter-facts:

"Too many people are on welfare" [I'm going to edit this myth to say "More and more people are on welfare"] -- the facts show 5.5% of population were on welfare in in Jan 1993 and 3.9 percent in Jan 1997.

"Welfare costs are out of control" -- facts show that welfare's share was about 1.2% of the federal budget in 1979, .8% in 1995. [I'm going to push to get rid of this page -- what do you think]

"People on welfare don't really need it" -- facts show the overpayment rate of 6.1% in 1993. [We should get rid of this page too]

"Welfare grants are too high" -- facts show average monthly AFDC income of \$499 with a poverty line of \$1,043 (family of three) [They should add in food stamps here]

"Most welfare parents are teenagers" -- facts show 6 percent are age 19 or under.

The "Welfare Facts" section says "welfare families are much like other families"

"Most welfare families are small" --43% have one child

"Welfare families are diverse" -- 37% African American, 36% white, 21% Hispanic

"Over one third have stayed on welfare for one year or less"

"Most welfare mothers have some work experience: 61%

The "Welfare Challenges" section says "welfare families often face greater challenges to independence"

"Most welfare mothers are single parents"

"Some of the most powerful predictors of long-term stays on welfare are marital status and education level"

"Most welfare children need reliable child care in order for the mother to work"

"Child care costs continue to rise" [I'll check to make sure this comports with other data we've released]

"Nearly half of welfare mothers have less than a high school education"

"Many welfare mothers have only worked in low-wage, low-skilled jobs"

The "Welfare Solutions" section --

Has a signed narrative from Herman lauding the \$3 billion and challenging the private and nonprofit sectors to do their part. It's a fairly "work first" message, saying getting we need to help those on welfare not only get their first job but once they're in that job, get the skills to move to their second or third job. It also has two sentence I'd like to edit as follows:

"But ending welfare as we know it is not the goal enough. It is a means to the end of assuring We must assure that every family has the opportunity to make a fair claim on our nation's prosperity."

**Q & A ON TOBACCO FOR THE VICE PRESIDENT
HEALTHY KIDS ACT PRESS CONFERENCE
FEBRUARY 11, 1998**

THE CONRAD BILL

Q. Is the Administration endorsing Senator Conrad's tobacco legislation? If the Administration is not endorsing the bill, why are you here?

A. The Administration congratulates Senator Conrad for drafting a strong bill that meets the President's five principles to reduce youth smoking and protect the public health. Senator Conrad has taken an important step toward enacting comprehensive tobacco legislation by introducing a bill that the President could sign. The President would sign this bill, or any bill that does as much to meet the President's goals and principles. We hope and expect other Democrats and Republicans to sign onto this legislation or other legislation that meets our core principles. Ultimately, any successful bill must have broad, bipartisan support. The President and I are committed to working with members of both parties to shape the best ideas and proposals into a truly bipartisan bill.

I am here to support this important step forward and to encourage other members to support comprehensive tobacco legislation and pass it this year.

Q. There have been conflicting reports in the papers that you are endorsing Senator Conrad's legislation or that you are shunning the Democrats and not endorsing the legislation because it is not bipartisan. Which is it? And are you trying to distance yourself from the Democrats?

A. As we have said, we support Senator Conrad and the other Democrats' efforts to introduce comprehensive tobacco legislation designed to reduce youth smoking that meets the President's five principles. The President would sign this bill, or any bill that does as much to meet the President's goals and principles. We hope and expect other Democrats and Republicans to sign onto this legislation or other legislation that meets our core principles. Ultimately, any successful bill must have broad, bipartisan support. The President and I are committed to working with members of both parties to shape the best ideas and proposals into a truly bipartisan bill.

Q. Are you concerned that no Republicans and only a handful of Democrats have signed on to Senator Conrad's legislation?

A. The Administration is very pleased that these Democratic leaders have come forward with a comprehensive bill designed to reduce youth smoking that meets the President's five principles. It is our hope that Senator Conrad's actions will push others in both parties to sign onto his legislation or to come forward with their own comprehensive tobacco legislation. I believe that it is very important to keep momentum going and to pass comprehensive tobacco legislation this year.

Q. What are the major differences between the President's budget and Senator Conrad's bill?

A. There are a few differences in Senator Conrad's bill and the President's budget on the allocation of tobacco money, but largely Senator Conrad's bill invests in the areas that the Administration believes is important: smoking prevention, smoking cessation, health research and other programs designed to benefit children. Further, Senator Conrad's bill meets the President's challenge to encompass his five principles and attack the problem of youth smoking in a comprehensive and long term manner.

TOBACCO AND THE BUDGET

Q. In September, the President said the focus of tobacco legislation should not be about money. In the budget the President submitted, more than 60 percent of the proposed increase in discretionary spending is paid for by tobacco legislation. Why have you and the President changed course?

The President's course has not changed -- Congress should send the President legislation that will dramatically reduce youth smoking. Experts all agree the single most important step we can take to reduce youth smoking is to raise the price of a pack of cigarettes significantly. That is why last September, and again in the State of the Union speech, the President called for Congress to pass legislation that raises cigarette prices by up to \$1.50 per pack over the next ten years as necessary to reduce youth smoking. Our budget simply scores that part of President's plan, and allocates the revenues to programs that promote public health and assist children.

Q. How can you assume revenues from tobacco legislation when it's not certain whether this legislation will pass?

It is a normal part of the budget process to account for any revenues that will be raised from proposed legislation. And we believe strongly that Congress will pass comprehensive tobacco legislation this year. If everyone who says they are committed to protecting children from tobacco rolls up their sleeves and gets to work, we will pass a significant piece of legislation.

Q. Why is it that some of the programs funded with tobacco revenues have no relation to tobacco?

A. Most of the spending is directly related to tobacco, such as health-related research and smoking cessation programs. The rest goes to programs that will assist our children. We wanted to ensure that states get a substantial share of the resources, because of the state's contribution in negotiating the original proposed settlement. It is money that goes to children's programs -- to improve child care and reduce class size -- in recognition that

these are shared federal and state goals.

Q. In your budget, how much money do you expect to raise from tobacco legislation next year? What about over five years? How did you come to this figure?

A. This budget is designed to reduce youth smoking by 30% in five years and 50% in seven years which is the President's goal. We calculate that the necessary increase in the price per pack will result in about \$10 billion in revenue next year and \$65 billion over five years.

Q. How much does your plan increase the cost of cigarettes?

A. In order to reach the President's goal of reducing youth smoking by 30% in five years and 50% in seven years, this budget projects about a \$1.10 increase in the price of cigarettes over five years.

LIABILITY

Q. Has your position on including liability protections for the tobacco industry in a comprehensive tobacco bill changed? Will you support a bill that has liability protections in it? Has your opinion changed in light of the tobacco industry documents that have been released recently?

The President will evaluate tobacco legislation as a whole to determine whether it protects the public health. As we have said before, we do not want to include liability protections in comprehensive tobacco legislation, however, if that legislation includes the President's five principles designed to reduce youth smoking, liability limits would not necessarily be a deal-breaker for us. What's important is achieving comprehensive legislation that includes a large per-pack price increase, penalties for marketing to children and broad restrictions on children's access to tobacco.

It should be noted that no one is talking about immunity from criminal prosecution: if tobacco industry officials committed perjury, lied to Congress or committed other crimes, they will be prosecuted. The limits on liability contained in the AG's proposed settlement applied only to civil suits.

LAWYERS FEES

Q. Lawyers in both Texas and Florida have asked for obscene amounts of money for their role in bringing about the state settlements with the tobacco industry. Will the President support a provision in national legislation to limit fees for lawyers?

A. The President is primarily concerned with ensuring that tobacco legislation reduces youth

smoking and protects the public health -- not with collecting and distributing money from a settlement. The lawyers who brought these suits have expended lots of time and effort and deserve to be well recompensed for their work. But everyone agrees that fees should not be wildly out of proportion to the work that was done.

STATE SHARE

Q. There are various reports about how much money from tobacco legislation will go to the states, and whether the federal government has any right to this money. What do you think the states are entitled to?

The President's first goal is to pass national tobacco legislation to reduce teen smoking. The specific allocation of monies is a secondary issue, which I will work to resolve with the states and Congress. Both the states and the Administration have worked hard to create the conditions for national legislation. I am confident we will be able to reach, and to incorporate into legislation, a mutually agreeable approach to the allocation issues that fully recognizes the states' contribution.

A "LIGHT" BILL

Q. Some Republicans have been talking about enacting tobacco legislation piecemeal, with legislation on youth smoking this year. Would the Administration go along with such a plan?

A. We believe that Congress must enact comprehensive tobacco legislation this year. We will not be able to reduce youth smoking -- let alone meet our other public health objectives -- without a comprehensive measure. To reduce youth smoking over the long term, we must not only establish a system of penalties for failing to meet youth smoking targets, but also increase the price of cigarettes, guarantee the FDA jurisdiction over tobacco, establish a licensing system, and regulate access and advertising. Those measures are also necessary to improve the health of adults. We should not abandon the effort to enact comprehensive legislation.

TALKING POINTS ON THE CONRAD BILL

2/11/98

- **The President wants to sign a comprehensive tobacco bill that meets his five principles --and most important, that includes a significant price increase to reduce youth smoking.**
- **The Conrad bill meets each of the President's five principles. The President is proud to support it and would gladly sign it.**
- **By introducing this very strong bill, Sen. Conrad has taken an important step toward the enactment of comprehensive tobacco legislation. His bill adds to the momentum for comprehensive legislation, and serves as a challenge to all other Members to work toward this goal.**
- **Of course, the President will also support other bills that meet his principles, whether introduced by Democrats or Republicans. His Administration will work with as many Members as possible on the issues involved in comprehensive legislation.**
- **The President, however, will not support piecemeal tobacco legislation. In particular, he will not support a bill without the significant price increase necessary to reduce youth smoking.**

**Q & A ON TOBACCO FOR THE VICE PRESIDENT
HEALTHY KIDS ACT PRESS CONFERENCE
FEBRUARY 11, 1998**

THE CONRAD BILL

Q. Is the Administration endorsing Senator Conrad's tobacco legislation? If the Administration is not endorsing the bill, why are you here?

A. The Conrad bill is a very strong bill; we support it; and we think it deserves broad congressional support. We'll get behind any bill that meets the President's five principles. We want to work with as many Members as we can, from both sides of the aisle, to adopt comprehensive tobacco legislation.

I am here to support this important step forward and to encourage other members to support comprehensive tobacco legislation and pass it this year.

Q. There have been conflicting reports in the papers that you are endorsing Senator Conrad's legislation or that you are shunning the Democrats and not endorsing the legislation because it is not bipartisan. Which is it? And are you trying to distance yourself from the Democrats?

A. As we have said, we support Senator Conrad and the other Democrats' efforts to introduce comprehensive tobacco legislation designed to reduce youth smoking that meets the President's five principles. The President would sign this bill, or any bill that does as much to meet the President's goals and principles. We hope and expect other Democrats and Republicans to sign onto this legislation or other legislation that meets our core principles. Ultimately, any successful bill must have broad, bipartisan support. The President and I are committed to working with members of both parties to shape the best ideas and proposals into a truly bipartisan bill.

Q. Are you concerned that no Republicans and only a handful of Democrats have signed on to Senator Conrad's legislation?

A. The Administration is very pleased that these Democratic leaders have come forward with a comprehensive bill designed to reduce youth smoking that meets the President's five principles. It is our hope that Senator Conrad's actions will push others in both parties to sign onto his legislation or to come forward with their own comprehensive tobacco legislation. I believe that it is very important to keep momentum going and to pass comprehensive tobacco legislation this year.

Q. What are the major differences between the President's budget and Senator Conrad's bill?

A. There are a few differences in Senator Conrad's bill and the President's budget on the allocation of tobacco money, but largely Senator Conrad's bill invests in the areas that the Administration believes is important: smoking prevention, smoking cessation, health research and other programs designed to benefit children. Further, Senator Conrad's bill meets the President's challenge to encompass his five principles and attack the problem of youth smoking in a comprehensive and long term manner.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leslie_Thornton@ed.gov@INET@LNGTWY (Leslie_Thornton@ed.gov@INET@LNGTWY [U

CREATION DATE/TIME:11-FEB-1998 18:50:20.00

SUBJECT: Single Sex Schools Case

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

READ:UNKNOWN

TO: Charles F. Ruff@eop (Charles F. Ruff@eop [WHO])

READ:UNKNOWN

TO: Michael Cohen@EOP (Michael Cohen@EOP [OPD])

READ:UNKNOWN

TEXT:

February 11, 1998

NOTE TO: CHUCK RUFF
MICHAEL COHEN
ELENA KAGAN

FROM: LESLIE T. THORNTON

RE: FEB. 10 SINGLE SEX SCHOOLS MEETING

As you know, a small group of ED officials met with representatives from Chancellor Rudy Crew's office yesterday in New York. Overall, the meeting went well and there appears to be a strong willingness on the part of Crew's office to pursue options, particularly the affirmative action/remedial option. Also, there seems to be a willingness to look at, on grounds that relate to educational need, an option of opening a "boys" school. Crew feels strongly against offering that option in response to a complaint, but Kent McGuire, our nominated assistant secretary for our research branch, helped Crew's folks to view it as an educational sound idea separate from the case. He was quite indispensable, I believe. Rudy Crew is absolutely opposed to any discussion of any option involving opening the present school to boys.

The next step is for Lynne (Crew's COS) and I to figure out the best complement of folks for the next meeting and begin discussions regarding what type of information the school board has/could get which could help make a "remedial" case. I suggested it is probably NOT the complement of folks at yesterday's meeting (while a number of educators/policy makers, still too

many lawyers). Also, I believe Crew's folks will also be exploring the "boys" option.

You should know that in the days prior to the meeting, the New York Times and Newsday each ran a very short piece (more of a paragraph) announcing "federal officials" were to be meeting with school board officials. Though Crew's COC assured us that this was not a public event for them and they would not be speaking to the press, there may be press generated from the very impatient complainants.

Let me know if you have questions or suggestions.

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ITGPD86XV4002BD9@PMDF.EOP.GOV>; Wed, 11 Feb 1998 18:44:29 -0500 (EST)
Received: from storm.eop.gov (storm.eop.gov) by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ITGPD62UO000LHZ7@PMDF.EOP.GOV>; Wed, 11 Feb 1998 18:44:25 -0500 (EST)
Received: from vader.ed.gov ([165.224.216.253]) by STORM.EOP.GOV (PMDF V5.1-7 #6879) with ESMTTP id <01ITGPCZ5K7Y0027MS@STORM.EOP.GOV>; Wed, 11 Feb 1998 18:44:15 -0500 (EST)
Received: from smtpgwyl.ed.gov (smtpgwyl.ed.gov [165.224.216.37]) by vader.ed.gov (8.8.7/8.8.4) with SMTP id SAA17651; Wed, 11 Feb 1998 18:40:21 -0500 (EST)
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===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 19:06:19.00

SUBJECT: Re: child support/booting cars

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Judge Ross checked into the car booting idea -- here's what he said. It looks like we would be able to call on Congress to pass legislation and cite Virginia as a model, but that we wouldn't be able to do it as an executive action.

----- Forwarded by Cynthia A. Rice/OPD/EOP on 02/11/98
07:03 PM -----

dross @ acf.dhhs.gov

02/11/98 06:19:00 PM

Record Type: Record

To: Cynthia A. Rice

cc:

Subject: Re: Re: Federal Licenses

We have talked about it and decided that, absent legislation - similar to what we have in the law regarding state license revocation, booting cannot be mandated by regulation. As you may know, the State of Virginia has begun a very aggressive program of booting and the State Director there tells me that it has been very successful. I have asked the editor of our Child Support Report that goes to employees across the nation, to feature the Virginia project in an article. We also do a best practices manual. If the results continue to be beneficial, we will include it in a future edition. It might be worthwhile, however, for the President to mention it in some future child support radio address. Hope this helps. David Ross.

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

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01ITGOR5FN40002BD9@PMDF.EOP.GOV> for "Cynthia A. Rice"@oa.eop.gov; Wed,
11 Feb 1998 18:26:39 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ITGOR3NCAO00IP4E@PMDF.EOP.GOV> for
Cynthia_A._Rice@oa.eop.gov; Wed, 11 Feb 1998 18:26:37 -0500 (EST)

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by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with SMTP id <01ITGOQDTFJE0027MS@STORM.EOP.GOV> for
Cynthia_A._Rice@oa.eop.gov; Wed, 11 Feb 1998 18:26:03 -0500 (EST)

Received: by smtp.acf.dhhs.gov with VINES-ISMTTP; Wed,
11 Feb 1998 18:26:02 -0500 (EST)

X-Incognito-SN: 458

From: dross@acf.dhhs.gov, "David G Ross"@STORM.eop.gov

Errors-to: dross@acf.dhhs.gov

X-Priority: 3 (Normal)

X-Incognito-Version: 4.11.23

=====
===== END ATTACHMENT 1 =====

DRAFT

Automated Records Management System
Hex-Dump Conversion

MEMORANDUM FOR THE CHIEF OF STAFF
RAHM EMANUEL
ANN LEWIS
PAUL BEGALA

FROM: BRUCE REED
GENE SPERLING
MIKE COHEN

SUBJECT: White House Conference on Strengthening Public Education and related events

We are proposing four high visibility education events, to be implemented before the end of the school year in June, that will provide a number of opportunities for the President to highlight and demonstrate broad support for his education agenda. As a package, these events will underscore the President's commitment to strengthening public education by raising standards, promoting public school choice, investing in quality and promoting accountability, and draw a contrast with the Republican agenda of promoting vouchers and abandoning public schools.

The proposed events, listed in the order in which they should occur, are:

- A roundtable discussion with business leaders showcasing employer efforts to support high standards.
- A Mayor's Conference on Public Schools, with Presidential participation.
- A "Staying in School" event focusing on effective approaches to increasing high school graduation rates, with a special emphasis on Hispanics.
- A White House Conference on Strengthening Public Schools, featuring local success stories that reflect the Administration's agenda.

These events are described in more detail below.

1. Roundtable Discussion on Business Community "Transcript Project"

Background: The Business Roundtable, the U.S. Chamber of Commerce, and the National Alliance of Business have endorsed the President's proposal for voluntary national tests. They have also each endorsed a common policy statement on the importance of high standards in education--one key part of which calls on employers to review high school transcripts or other evidence of academic achievement of prospective employees in order to underscore the importance of standards. This builds on a commitment business leaders made at the 1996 National Education Summit, to implement hiring practices that will require entry-level job

applicants to demonstrate high school academic achievement, and to send a powerful message to students that performance in school counts.

More than 500 employers around the country have already begun to implement this initiative, as part of broader business/education partnerships working in collaboration with local school systems to raise standards and strengthen public schools. Nationally, IBM, Bell South, Eastman Chemical and Eastman Kodak are the leading companies implementing and promoting this idea.

BRT, NAB and the Chamber, along with ACHIEVE (led by Lou Gerstner of IBM) have asked for the President to endorse their efforts (know as the "Transcript Project") and give them additional visibility.

The Event: A roundtable discussion involving the President, key national business leaders (including Lou Gerstner), education leaders, and local employers, educators and current and former students, highlighting business efforts around the country that send kids the message that academic performance counts.

The business groups have identified a number of communities/states where this initiative is working especially well, and which could serve as ideal sites for an event. These include Orange County CA, Rochester NY, Berks County PA, and Kingsport TN.

Possible announcements: The President could announce that 500+ businesses already have signed on and challenge other employers to follow suit. The business leaders would call on Congress and states to support the national tests; and announce their support for the President's efforts to end social promotions, including, possibly, for the Education Opportunity Zones proposal.

With sufficient advanced notice, the business groups would be willing to help amplify the event by using the Chamber of Commerce's satellite capability to transmit the event to local business/education partnership events they would organize throughout the country.

Time frame: March

2. U.S. Conference of Mayors Conference on Public Education

Background: Last fall the U.S. Conference of Mayors approached us about a possible joint White House/USCM Conference on Public Education, as a vehicle to highlight the emerging leadership role of mayors in education, to encourage additional mayors to play important leadership roles in local education issues, and to give the mayors a greater voice in the national education discussion. Heightened involvement of mayors in education is good for education, and mayors are an important source of support for our education initiatives, ranging from America Reads to the national tests.

Last month when the mayors were at the White House, the President accepted the USCM invitation to speak at their conference. Staff from DPC and Intergovernmental Affairs staff have met with representatives of USCM and its chair, Mayor Daley in order to better understand the USCM objectives and proposal. Based on these discussions, we believe the approach outlined below is workable.

The Event: The President would host a 1-2 hour meeting (pool spray, then closed press) with mayors to discuss public education. This meeting would occur the morning after a day-long Mayors Conference on Public Education, organized by the U.S. Conference of Mayors. The participants will be mayors, though local education leaders, school board members and teachers' organizations will be invited to participate as well. The White House and Education Department will work closely with USCM on the development of the conference program, to ensure that the agenda reflects Administration priorities to the maximum extent possible. As appropriate, Administration officials will participate in the conference.

The conference enables us to strengthen our ties with the mayors over education issues, and will be another opportunity to build and highlight support for the President's overall education agenda, and we can help structure the conference agenda so that it features those issues in which we and the mayors and most in agreement. USCM believes this approach furthers its objective of promoting mayoral involvement in education, and Mayor Daley's office believes this would meet the Mayor's particular objective as well.

The Mayors could be asked to organize local events linked to the White House Conference on Strengthening Public Education described below.

Possible Announcements: We believe it will be possible to announce USMC endorsements for a number of our education initiatives, such as school modernization and Education Opportunity Zones.

Time frame: April - May

3. Hispanic Dropout Conference

NEC has been working closely with the Hispanic Caucus on the development of a Hispanic Education Initiative. In this context, some Members of Congress have urged that the Administration hold a White House Conference on Hispanic Dropouts, or at least on the dropout problem generally.

While this topic is probably too narrow in scope for a full White House Conference, it is important to find a way to respond positively to this request. At present, NEC is considering some Presidential and Administration involvement in a conference to share solutions to the dropout problem (Hispanic and others). The conference would highlight lessons from successful efforts to reduce dropout rates and to provide youth with alternatives to traditional high schools. The conference could also be a vehicle for

highlighting the Administration's High Hopes College/School Partnership initiative.

The event: A consortium of outside groups --such as the Ford Foundation and the Brookings Institution --would sponsor a conference on "Staying in School." It would feature presentations of research on the reasons for high dropout rates, and more important, effective approaches to reducing dropout rates. The President would help to open the conference with a roundtable discussion with school professionals who have battled the dropout problem. This would demonstrate how the Administration's approaches: high academic standards, charter schools, smaller class sizes, etc., relate to problems like high dropout rates. The message would be that there are solutions that make a difference, and the President would ask them and others participating in the conference to report back with recommendations for how to share and implement these solutions more broadly.

Possible Announcement: To be determined

Time frame: open

4. White House Conference on Strengthening Public Education

Background: Recent White House conferences on Early Learning and Child Care have been opportunities to focus public attention on critical issues and to create a common point of departure for the field and the Administration. They served as launching pads for new Administration initiatives, and became events that the Administration, the field and the press could repeatedly point to as something that galvanized action.

The President already has an ambitious agenda for public education, centered around standards, choice, accountability and investments in quality (e.g., technology, class size reductions). A White House Conference would:

- Highlight key aspects of the President's approach to strengthening public education by focusing attention on successful local and state efforts, consistent with the President's priorities and initiatives.
- Demonstrate broad support for the President's agenda by bringing together education, business and community leaders, state and local officials around agenda to strengthen public schools.
- Provide an opportunity to contrast Administration efforts to strengthen public education with Republican efforts to undermine it.
- Provide a launching pad for new Administration initiatives to be proposed to the next

Congress, when Goals 2000, Title 1, and other major elementary and secondary education programs are to be reauthorized.

In addition to previous White House conferences organized by the Clinton Administration, two earlier Education Summits provide a context that will frame public perceptions of this event. The first was the 1989 Education Summit President Bush held with the governors, which led to the National Education Goals. Gov. Clinton was the lead governor for this event. The second was the 1996 National Education Summit Lou Gerstner organized for the governors and 50 CEO's, focused on state efforts to raise standards and incorporate technology into education. President Clinton spoke at that event.

The proposed White House conference will contrast with these events by being more inclusive (involving parents, teachers, school board members, mayors and community groups in addition to governors and CEO's) and more grass roots oriented (focusing more heavily on examples of effective local practices than on state policies)

The Event: This would be a one day meeting, most likely in the East Room (though conceivably held someplace outside of Washington, such as a high school), involving the President, the Vice President, the First Lady, Mrs. Gore and Secretary Riley.

Participants would include a broad range of national, state and local leaders in education, including parents, teachers and administrators, local school boards, mayors, business leaders, governors and state education officials. The conference would be organized into 4-5 panel discussions, each featuring a different set of issues that highlighted effective local practices tied to the President's agenda.

For example, we could organize the panels around ways of achieving key goals (helping 8 year olds to read, 12 year olds to log on to the Internet and learn math, preparing kids for college), or around successful approaches to reform (e.g., promising urban reform efforts such as Chicago's; successful college-school partnerships that provide mentoring; cutting-edge uses of technology in schools). For each panel, we would have a mix of local educators, parents and community leaders, mayors and governors, and business leaders. The discussions would focus on what works, how it can be spread to other places, and how the Administration initiatives are, or could better, help.

Possible Announcements: To be determined

Time Frame: Late Spring, or possible for Back-to-School (August-October).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 19:20:12.00

SUBJECT: education stuff

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

READ:UNKNOWN

TEXT:

1. Leslie Thornton and team were in NYC today meeting on single-sex schools. Both she and Norma Cantu report that the meeting went well--Leslie says there is genuine openness to both an all boys school (apparently Crew has been thinking about this for some time, just doesn't want to do it in response to OCR) and to a remedial justification. Leslie says the atmospherics were quite good, though the NYC lawyers are at least as much of a problem as ours, if not more so.

Norma says the the ACLU is po'd at ED because it isn't proceeding on the complaint. I take this to be a good sign.

There were some small items in the NYTimes and the NYPost indicating that a federal team was coming up, and there may be some press tomorrow as well.

I've asked Leslie to e-mail you, Chuck and me a summary of what happened.

2. Pauline Abernathy is setting up a briefing for a few ED staff on tobacco with Josh Gottbaum; the impetus is to make sure they can brief Riley before the NGA meeting on general tobacco issues. He will be dealing with gov's all weekend and wants to be prepared. Do you think you, Bruce or Tom need to be a part of that in any way?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 18:11:08.00

SUBJECT: Tobacco Legis. and Drug Strategy

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:

Maximum Leaders:

Staff Secretary is trying to clear a letter from POTUS to include at the front of the Drug Strategy. I've edited it some, per Rahm, and don't think you need to worry about it (EK: I cc'd my edits to you). However, OMB is trying add a line about the need to enact tobacco legislation, and I want to make sure that one or both of you are okay w/that.

Jose'

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 09:12:38.00

SUBJECT: New Conrad Bill

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

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

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

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

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

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

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

TEXT:

We have the new version of Conrad's bill which we will circulate this morning. Also, we have their proposed handout, which still includes the side by side Bruce wanted out, (the Senator supposedly wants in), but Mahr is raising it with him again this morning.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 16:10:07.00

SUBJECT: Report on meeting with states on high performance bonus

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

READ:UNKNOWN

CC: Andrea Kane (CN=Andrea Kane/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:

FYI, I sat in on HHS's meeting with state groups, chaired by Howard Rolston, to unveil the high performance bonus guidance. It went pretty well. Howard stuck pretty closely to what we would have wanted him to say. The states had no strong reaction, but definitely seemed to view it as being credible and reasonable. Howard made it clear that we've made up our minds on the specific measures and the distribution of the pot, so we don't want them to re-litigate that.

One problem was that we asked them to give us their comments quickly (next Tuesday) and they balked at that. They complained that we've taken months on this, that comments on the big TANF reg are due next Wednesday, and that NGA has its big meeting coming up. They said maybe they'd have a read by Thursday. We pushed them, but it wasn't too easy since we have no firm deadline (and I couldn't say we want it in our hip pocket for a possible presidential announcement).

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Cynthia Rice to Elena Kagan & Bruce Reed re: Debra Barfield of Newsday is Doing a Welfare Story [partial] (1 page)	02/11/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[02/11/1998]

2009-1006-F
eh208

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]

CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

Automated Records Management System

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On August 22, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act, fulfilling his longtime commitment to 'end welfare as we know it.' As the President said upon signing, "... this legislation provides an historic opportunity to end welfare as we know it and transform our broken welfare system by promoting the fundamental values of work, responsibility, and family."

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care and guaranteed medical coverage. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History: The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. New caseload numbers show that welfare caseloads fell by 4.3 million since President Clinton took office and 2.4 million in the first 13 months of the new law. The new figures, from September 1997, show 9.8 million Americans on welfare, a drop of more than 30 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.**

MOVING PEOPLE FROM WELFARE TO WORK

- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership now has nearly 3,000 members. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number (1-888-USAJOB1), the Partnership's Web site (www.welfaretowork.org) and a "Blueprint for Business" manual.

... **and Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition will focus on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, **the federal government has hired 2,400 welfare recipients.** As a part of this effort, the White House pledged, and has already hired, six welfare recipients.
- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities 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 and other critical post-employment support services. The Department of Labor will provide oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects.
- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits for an additional year.

- **Welfare to Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare to Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. **Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes.** To help those on welfare get to their jobs, President Clinton has proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. This competitive grant program would assist states and localities in developing flexible transportation alternatives, such as van services.

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 63% Increase in Collections:** The Clinton Administration collected a record \$13 billion in child support in 1997 through tougher enforcement, an increase of \$5 billion, or 63% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. And paternity establishment, often the first crucial step in child support cases, has dramatically increased. In 1997, the number of paternities established or acknowledged rose to 1.1 million from 512,000 in 1992, an increase of 115%.

Making Deadbeat Parents Pay: The President's unprecedented and sustained campaign to make deadbeat parents pay is working. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries; taking steps to Federal deny loans to any delinquent parents; issuing an executive order making the Federal government a model employer in the area of child support enforcement. The President also directed the Attorney General to submit legislation that strengthens the Child Support Recovery Act by prosecuting more parents who take egregious actions to avoid paying child support. And most significantly, the welfare reform law contains tough child support measures that President Clinton has long supported including: a national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies; HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. And now, with his 1999 budget, he's continuing the fight.

- **Protects Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants. The new law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act also restored \$1.5 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The Balanced Budget Act provided funds for an estimated 235,000 work slots over 5 years and food stamp benefits to those who are willing to work but, through no fault of their own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.
- **Food Stamps for Legal Immigrants:** The President's 1999 budget proposes to restore Food Stamp benefits for vulnerable groups of legal immigrants. **The President's proposals would provide Food Stamp benefits to 730,000 legal immigrants in 1999 at a cost of \$2.5 billion over 5 years. Specifically, benefits would be restored for: all families with children; immigrants with disabilities and elderly immigrants age 65 and older who entered the U.S. before welfare reform was enacted, on the same basis as the SSI and Medicaid restorations in the 1997 Balanced Budget Act; refugees and asylees, whose eligibility would be extended from 5 to 7 years; Hmong immigrants who came to the U.S. after the Vietnam war; and certain Native Americans living along the Canadian and Mexican borders.**
- **Protects Children by Keeping the Medicaid Guarantee:** The Balanced Budget Act preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage. The President's 1999 budget proposes to provide States the option to provide health care coverage through Medicaid and the Children's Health Insurance Program (CHIP) for legal immigrant children, regardless of when they entered the U.S.

2/9/98

**Automated Records Management System
Hex-Dump Conversion**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1998 12:43:27.00

SUBJECT: VP Conrad remarks.

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

----- Forwarded by Thomas L. Freedman/OPD/EOP on 02/11/98
12:42 PM -----

Toby Donenfeld @ OVP
02/11/98 12:44:40 PM
Record Type: Record

To: Thomas L. Freedman/OPD/EOP, Jerold R. Mande/OSTP/EOP

cc:

Subject: FYI: the final FINAL remarks.

----- Forwarded by Toby Donenfeld/OVP on 02/11/98 12:46
PM -----

Eli G. Attie
02/11/98 12:35 PM
To: Toby Donenfeld/OVP
cc:
Subject: Re: the remarks

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D11]MAIL448984140.026 to ASCII,
The following is a HEX DUMP:

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**STATEMENT BY VICE PRESIDENT AL GORE
ANNOUNCEMENT OF "THE HEALTHY KIDS ACT"
WEDNESDAY, FEBRUARY 11, 1998**

I want to thank Senator Daschle for his outstanding leadership of the Senate Democratic Caucus -- and for helping to make this issue such a priority for our party;

And I want to offer a special word of praise and gratitude to Senator Conrad, whose dedicated and extremely hard-working task force has brought us here today. Senator -- a job well-done.

[other acknowledgments to be provided by advance]

Today, we take a crucial step forward in the fight against teen smoking -- and the next big step toward writing tough anti-tobacco measures into law.

For years, America's parents and families have been outmatched -- by multi-million dollar ad campaigns targeted at our children. By secret strategies to hide the deadly effects of smoking. By nicotine addiction that captures 3,000 of our children every day -- and costs 1,000 of them their lives.

Over the past five years, President Clinton and I have been determined to change all that -- to protect our children from the number-one preventable cause of death in this country. We enacted the toughest-ever measures to cut-off children's access to tobacco, and the tobacco companies came to the bargaining table -- because they knew we meant business.

Now we have an opportunity to build on the landmark tobacco settlement that was reached last June. We have a chance to pass bipartisan, comprehensive legislation that dramatically reduces teen smoking -- and changes the way tobacco companies do business forever.

The President has made clear that there are five core principles that must be met for any bill to receive his signature: One, it must raise the price of cigarettes by up to \$1.50 a pack over the next 10 years, including penalties on the tobacco industry if it keeps marketing to children. Two, it must give the FDA full authority to regulate nicotine as a drug. Three, it must require tobacco companies to disclose information on the dangers of their products. Four, it must advance other crucial health goals, like reducing second-hand smoke. And five, it must protect the economic welfare of tobacco farmers and their communities.

The President asked me to take the lead in rallying Congressional and public support behind these principles, and in the past five months, I have held bipartisan tobacco forums all across this country. This much is certain: support for tough anti-tobacco measures crosses all lines of party and politics. There is no such thing as Democratic or Republican nicotine addiction.

Today, just two weeks after Congress has come back to work, Senator Conrad and his colleagues have come forward with legislation that meets all five of the President's principles -- and therefore meets America's challenge of reducing teen smoking. I can say that the President would be proud to sign this bill, as he would be proud to sign any bill that does as much to meet his goals and principles.

And while I stand here today with dedicated Democrats who are fighting to reduce teen smoking, I know there is strong commitment to this issue on both sides of the aisle. In the coming days and weeks, I hope and expect that many Republicans will join us -- on this or other bills that meet our core principles. Ultimately, any successful bill must have broad, bipartisan support. The President and I are committed to working with members of both parties to shape the best ideas and proposals into a truly bipartisan bill.

And like Senator Conrad's bill, any successful bill must meet all five of the President's principles. Teen smoking is a comprehensive problem, and it demands a comprehensive solution. The President and I cannot get behind a watered-down, piecemeal bill -- one that ducks the problem of teen smoking, instead of dealing with it. That is why we are insisting that Congress meet all five principles -- including a substantial price increase on a pack of cigarettes, and other measures to cut teen smoking in half.

Our call for a price increase is not about money; it's about our children's health. Without a substantial increase in the price of a pack of cigarettes, we simply will not achieve our goal of dramatically reducing teen smoking. And that has always been our sole and central goal.

I ask every member of Congress, of both parties: follow the example of these Senators. Support this legislation, or come forward with your own bill that meets our five principles. We've got to seize this historic opportunity, and build on this growing coalition. This can be the Congress that finally protects our children from nicotine addiction and disease -- and gives America the healthy kids and families we deserve.

Question: **Won't raising the minimum wage hurt welfare-to-work efforts in the states?**

Answer: No. An increase in the minimum wage will support the goals of welfare reform by ensuring that wages keep up with the cost of living and people leaving welfare for work can support their families and break the cycle of dependency.

This increase will not make it substantially more difficult for states to meet the welfare law's work participation rates (30 percent in FY 1998, rising to 40 percent in 2000 and 50 percent by 2002). While states that put welfare recipients in workfare programs will of course have to pay them the new minimum wage, in reality such workfare programs are only a small part of most states' welfare-to-work efforts, which focus primarily on getting welfare recipients private sector jobs but can also include work-related activities like job search, vocational education, and high school (for teenagers).

After all, the purpose of welfare reform is to move welfare recipients into real, unsubsidized jobs. The President did not, by signing the legislation, intend to encourage States to establish large workfare programs. **For states that do chose to create workfare programs, we have helped them pay the minimum wage by allowing them to count** not only cash assistance, but also food stamps, toward the wage.

And finally, state receive fixed block grants regardless of welfare caseloads, which have fallen dramatically -- by 20 percent or 2.4 million people since the new law took effect. This means that states that chose to invest in workfare programs should have the funds to do so.