

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 031 - FOLDER -011

[06/09/1998] [1]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Felipe Anova to Elena Kagan. Subject: expense (1 page)	06/09/1998	P6/b(6)
002. email	Phone No. (Partial) (1 page)	06/09/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[06/09/1998] [1]

2009-1006-F
ke739

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 19:49:00.00

SUBJECT: Final One-pager for Equal Pay event

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

TO: Amy N. Finkelstein (CN=Amy N. Finkelstein/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Audrey Choi (CN=Audrey Choi/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

**THE PRESIDENT CALLS FOR PASSAGE OF EQUAL PAY
LEGISLATION AND RELEASES COUNCIL
OF ECONOMIC ADVISERS' REPORT ON THE WAGE GAP
June 10, 1998**

Today the President will commemorate the thirty-fifth anniversary of President Kennedy's signing of the Equal Pay Act and will urge passage of legislation to strengthen the laws that prohibit wage discrimination against women. In addition, the President will release a Council of Economic Advisers' (CEA) report on the gender wage gap, and announce a Department of Labor report that provides a historical perspective of the wage gap. The President will be joined by Dr. Dorothy Height, President Emeritus of the National Council of Negro Women, who was at the signing ceremony of the Equal Pay Act in 1963.

Legislation to Improve Enforcement of Wage Discrimination Laws. The President will call on Congress to pass legislation, introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The highlights of this legislation include:

- Increased Penalties for the Equal Pay Act (EPA). The legislation adds full compensatory and punitive damages as remedies, in addition to the liquidated damages and back pay awards currently available under the EPA. This proposal would put gender-based wage discrimination on equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- Non-retaliation provision. The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Currently, employers are free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for women to evaluate whether there is wage discrimination.
- Training, Research, and Pay Equity Award. The Daschle-DeLauro bill provides for increased training for Equal Employment Opportunity Commission employees on matters involving the discrimination of wages; **research on discrimination in the payment of wages; and the establishment of the "The National Award for Pay Equity in the Workplace," which will recognize and promote the achievements of employers that have made strides to eliminate pay disparities.**

CEA Report on the Wage Gap. The President will announce a report by the CEA that shows that a significant gap between the wages of women and men remains today although it has narrowed substantially since the signing of the Equal Pay Act.

- Gender Pay Gap Has Closed: Today, Women Earn 75 Cents for Every Dollar Men Earn. In 1963, the year that the Equal Pay Act was signed, women earned 58 cents for every dollar men earned. Today, women earn about 75 cents for every dollar men earn -- a 29-percent increase over the 1963 levels. The gender gap has narrowed faster among

younger women and among married women with children. And relative to all male workers, wage gains have been faster for black and white women than for Hispanic women.

- Rise in Work Experience And Move To Higher-Paying Jobs Explain Part of Narrowing of Wage Gap. Over the past 20 years, increases in women's average work experience and movement into higher-paying occupations have played a major role in increasing women's pay relative to men's. Changes in family status, in industry structure, and unionization have also worked to narrow the wage gap, while the rising returns to skills and increased wage inequality would have, by themselves, widened the pay gap.
- Much of Gender Gap Is "Unexplained." In the 1980s, about one-third of the gender pay gap was explained by differences in the skills and experience that women bring to the labor market and about 28 percent was due to differences in industry, occupation, and union status among men and women. This leaves over one-third of the gender pay gap "unexplained" by factors such as educational attainment, work experience, and occupational choice.
- Labor Market Discrimination Persists. The evidence is that labor market discrimination against women persists. One indirect and rough measure of the extent of discrimination remaining in the labor market is the "unexplained" difference in pay. And academic studies -- whether looking at pay differences between men and women in very similar jobs or by comparing pay to specific measures of productivity -- have consistently found evidence of ongoing discrimination in the labor market.

Department of Labor Report Provides a Historical Perspective on the Wage Gap. The President also will announce a Department of Labor report that provides a thirty-five year perspective on the wage gap. This report focuses on three periods since the signing of the Equal Pay Act -- 1960-1975, 1975-1985, and 1985-1997 -- and highlights the increased participation of women in the labor force, the changing occupations of women, and the emergence of more women-owned businesses.

- Women's Labor Force Participation Has Increased. Women's labor force participation rate rose from 37.7 percent in 1960 to almost 60 percent in 1997.
- Increased Contributions by Women to Family Income. Between 1995 and 1996 alone, the number of families with two working parents increased by nearly half a million, making equal pay even more of a family issue. In these years, both parents were employed in 63.9 percent of married-couple families with children 18 and younger, while 28.2 percent of these families had an employed father and homemaker mother.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-JUN-1998 15:48:45.00

SUBJECT: food safety

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

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

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

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

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

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

TEXT:

I trust you saw yesterday's Washington Times piece quoting Republicans opposing food safety initiatives.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 17:33:13.00

SUBJECT: NEC/DPC Principals Mtg. Thursday

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

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

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

TEXT:

Have I seen this yet?

----- Forwarded by Bruce N. Reed/OPD/EOP on 06/09/98
05:32 PM -----

Laura Emmett
06/09/98 10:50:17 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: NEC/DPC Principals Mtg. Thursday

Bruce Reed and Gene Sperling will host a NEC/DPC (Internal) Principals Mtg. On Poverty Measures Friday, June 12, 1998 at 11:00 AM in room TBD. Please let me know if the following are unable to attend. Thank you.

Bruce Reed, DPC
Elena Kagan, DPC
Gene Sperling, NEC
Sally Katzen, NEC
Jack Lew, OMB
Joe Minarik, OMB
Janet Yellen, CEA
Becky Blank, CEA
John Podesta, CoS
Sylvia Matthews, CoS
Maria Echaveste, OPL
Rahm Emanuel
Paul Begala
Ron Klain, OVP
Larry Stein, Leg. Affairs
Audrey Haynes, OVP
Ann Lewis, Communications
Minyon Moore, OPL
Mickey Ibarra, IGA
Andrea Kane, DPC
Ceci Rouse, NEC
Jon Orszag, NEC

Message Sent

To:

Bruce N. Reed/OPD/EOP
Gene B. Sperling/OPD/EOP
Sally Katzen/OPD/EOP
John Podesta/WHO/EOP
Sylvia M. Mathews/WHO/EOP
Jacob J. Lew/OMB/EOP
Joseph J. Minarik/OMB/EOP
Janet L. Yellen/CEA/EOP
Rebecca M. Blank/CEA/EOP
Lawrence J. Stein/WHO/EOP
Maria Echaveste/WHO/EOP
Audrey T. Haynes/WHO/EOP
Ann F. Lewis/WHO/EOP
Rahm I. Emanuel/WHO/EOP
Paul E. Begala/WHO/EOP
Mickey Ibarra/WHO/EOP
Minyon Moore/WHO/EOP
Andrea Kane/OPD/EOP
Cecilia E. Rouse/OPD/EOP
Jonathan Orszag/OPD/EOP

Message Copied

To:

Peter A. Weissman/OPD/EOP
Melissa G. Green/OPD/EOP
Shannon Mason/OPD/EOP
Dawn L. Smalls/WHO/EOP
June G. Turner/WHO/EOP
Sandra L. Via/OMB/EOP
Ophelia D. West/OMB/EOP
Alice H. Williams/CEA/EOP
Francine P. Obermiller/CEA/EOP
Scott R. Hynes/OVP @ OVP
Jessica L. Gibson/WHO/EOP
Leslie Bernstein/WHO/EOP
Tania I. Lopez/WHO/EOP
Ruby Shamir/WHO/EOP
Michelle Crisci/WHO/EOP
Eleanor S. Parker/WHO/EOP
Maria E. Soto/PIR/EOP

Withdrawal/Redaction Marker

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OA/Box Number: 250000

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kate P. Donovan (CN=Kate P. Donovan/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME: 9-JUN-1998 20:49:57.00

SUBJECT: OMB Legislative Report -- June 9, 1998

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

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

TO: Gary C. Reisner (CN=Gary C. Reisner/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Gina C. Mooers (CN=Gina C. Mooers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

TO: Ronald L. Silberman (CN=Ronald L. Silberman/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: BENDICK_G@A1@CD@LNGTWY (BENDICK_G@A1@CD@LNGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

TO: Wesley P. Warren (CN=Wesley P. Warren/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Melissa N. Benton (CN=Melissa N. Benton/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Mathew C. Blum (CN=Mathew C. Blum/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

TO: Francis S. Redburn (CN=Francis S. Redburn/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

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

TO: Bruce K. Sasser (CN=Bruce K. Sasser/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: David H. Morrison (CN=David H. Morrison/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Mary Jo Siclari (CN=Mary Jo Siclari/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Kate P. Donovan (CN=Kate P. Donovan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Todd Stern (CN=Todd Stern/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TO: WEINSTEIN_D@A1 (WEINSTEIN_D@A1 @ CD @ LNGTWY [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Constance J. Bowers (CN=Constance J. Bowers/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: HOLSTEIN_E@A1 (HOLSTEIN_E@A1 @ CD @ LNGTWY [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Ellen J. Balis (CN=Ellen J. Balis/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: T J. Glauthier (CN=T J. Glauthier/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: John A. Gribben (CN=John A. Gribben/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TO: Wendy R. Fink (CN=Wendy R. Fink/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: RUDMAN_M@A1@CD@VAXGTWY (RUDMAN_M@A1@CD@VAXGTWY [UNKNOWN]) (NSC)

READ:UNKNOWN

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

READ:UNKNOWN

TO: Judy Jablow (CN=Judy Jablow/OU=CEQ/O=EOP@EOP [CEQ])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Lawrence J. Haas (CN=Lawrence J. Haas/O=OVP@OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Jonathan H. Adashek (CN=Jonathan H. Adashek/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

TO: Theodore Wartell (CN=Theodore Wartell/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

TO: Sean E. O'Connor (CN=Sean E. O'Connor/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Ronald K. Peterson (CN=Ronald K. Peterson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Carol Thompson-Cole (CN=Carol Thompson-Cole/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Janie L. Jeffers (CN=Janie L. Jeffers/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Steven L. Schooner (CN=Steven L. Schooner/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

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

READ:UNKNOWN

TO: Gary L. Bennethum (CN=Gary L. Bennethum/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

TO: Justine F. Rodriguez (CN=Justine F. Rodriguez/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: OLIVER_A@A1 (OLIVER_A@A1 @ CD @ LNGTWY [UNKNOWN]) (OMB)
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Shelley N. Fidler (CN=Shelley N. Fidler/OU=CEQ/O=EOP@EOP [CEQ])
READ:UNKNOWN

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

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

TO: Philip R. Dame (CN=Philip R. Dame/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

TO: BROWN_JA@A1 (BROWN_JA@A1 @ CD @ LNGTWY [UNKNOWN]) (OMB)
READ:UNKNOWN

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

TO: Janet R. Forsgren (CN=Janet R. Forsgren/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: James C. Murr (CN=James C. Murr/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Bruce W. McConnell (CN=Bruce W. McConnell/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Alicia K. Kolaian (CN=Alicia K. Kolaian/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Richard P. Emery Jr. (CN=Richard P. Emery Jr./OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TO: Janet L. Graves (CN=Janet L. Graves/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

TEXT:

TO: ACTING DIRECTOR JACK LEW
ACTING DEP. DIRECTOR FOR MANAGEMENT
ED DESEVE
EXECUTIVE ASSOCIATE DIRECTOR JOSH GOTBAUM

FROM: OMB LEGISLATIVE AFFAIRS

DATE: JUNE 9, 1998

SUBJECT: LEGISLATIVE REPORT

Lott on tax cuts: Last month Lott secured the votes of Ashcroft and four other Senate conservatives to pass the Domenici budget resolution, by promising to move toward the House tax cut number. Yesterday Lott said that could mean a conference agreement in the range of \$60 to \$70 billion although some of the conservatives are claiming he committed to accepting the House level without change. (The Senate-passed resolution suggests \$30b of gross tax cuts, but has no net tax cuts; the House has net tax cuts of \$100 billion.)

Tax Conferences: Conferees are reportedly close to agreement on H.R. 2646, a bill to expand tax-favored education savings accounts to cover primary and secondary school expenses. The IRS Reform conference is continuing; Members will have a public meeting of the conferees tomorrow at 4pm; staff expect the IRS conference to be wrapped up by the July 4 recess.

Tobacco: Senate failed to invoke cloture today 42-56 -- 18 votes short of the required 60. The vote was party line except for Ford and Robb who voted against cloture. (Inouye and Specter didn't vote.) A second cloture vote will occur on Wednesday, and a third on Thursday. Daschle is pursuing a strategy of attempting to keep the Senate on tobacco through cloture votes and opposing any attempts to move to other legislation.

TEA-21 Corrections: Rockefeller is continuing to object to consideration of the highway corrections bill unless he is permitted to offer an amendment reversing the VA/Tobacco provisions. Lott's response has been that he will insert the corrections in another bill where (he) can touch it. This probably means a conference report, since conference reports cannot be amended. A likely candidate would be the IRS Reform conference report due to its broad support and virtual certainty of passage before the recess.

CONGRESS -- TODAY (6/9):

SENATE:

Continued consideration of S. 1415 - Tobacco legislation and took the following action:

- o Failed (42-56) to invoke cloture on the substitute amendment.
- o Adopted (52-46) Coverdell/Craig amendment on drug-free neighborhoods.
- o Rejected (45-53) the Daschle amendment to change the funding of drug programs from tobacco revenues to general revenues.

HOUSE:

Adopted (392-22) the Senate-passed version of H.R. 2709 - Iran Missile Proliferation Sanctions Act of 1997, to clear the measure for the President.

[SAP sent, 6/5: Senior advisers veto recommendation]

Suspended the rules and took the following action:

- o Adopted (415-0) H.Res. 417 - Regarding the Importance of Fathers in the Raising and Development of their Children [No SAP]
- o Adopted (415-0) H.Res. 447 - Expressing the Sense of the House of Representatives Regarding Financial Management by Federal Agencies [No SAP]
- o Adopted (voice) H.R. 3520 - Boundary Adjustments to Lake Chelan National Recreation Area and Wenatchee National Forest in the State of Washington [No SAP: Support]
- o Adopted (415-2) H.R. 1635 - National Underground Railroad Network to

Freedom Act of 1998

[No SAP: Support]

o Adopted (voice) H.R. 3662 - U.S. Holocaust Assets Commission Act of 1998
[No SAP]

o Adopted (voice) H.Res. 404 - Regarding the Relations between the People of the U.S. and the People of the Philippines
[No SAP]

o Adopted (411-0) H.Con.Res. 270 - Acknowledging the Positive Role of Taiwan in the Current Asian Financial Crisis and Affirming the Support of the American People for Peace and Stability on the Taiwan Strait and Security for Taiwan's Democracy
[No SAP]

CONGRESS -- TOMORROW (6/10)

SENATE

After the joint meeting to be addressed by the President of South Korea, the Senate will convene at 11am to resume consideration of S. 1415 - Tobacco legislation and immediately proceed to the 2nd cloture vote on the bill. Currently, marriage tax penalty relief amendments are pending.

HOUSE

Convene at 9am and recess immediately for a joint meeting to receive the President of South Korea.

H.R. 3150 - Bankruptcy Reform Act of 1998 (Subject to a rule)
[SAP under development]

H.R. 2888 - Sales Incentive Compensation Act (Subject to a rule)
[SAP sent, 6/9: Oppose]

CONGRESS -- THIS WEEK

SENATE

Thursday, June 11 & Friday, June 12:

Continue consideration of S. 1415 - Tobacco legislation. (Pending the outcome of Wednesday's cloture vote, a third cloture vote could take place on Thursday.)

Continue consideration of S. 2060 - DoD Authorization (possible)
[SAP sent, 5/14: Cites concerns]

Consider DoD Appropriations, FY 1999 (possible)
[SAP under development]

Consider S. 1882 - Higher Education Amendments of 1998 (possible Friday)
[SAP under development]

HOUSE

Thursday, June 11:

Convene at 10am for legislative business.

H.R. 3494 - Child Protection and Sexual Predator Punishment Act of 1998 (Subject to a rule)
[SAP under development: Support]

Continue consideration of H.R. 2183 - Bipartisan Campaign Integrity Act of 1997
[POTUS letter sent, 5/20: POTUS supports Shays/June/Meehan substitute]

Friday, June 12

No votes

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Tania I. Lopez (CN=Tania I. Lopez/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-JUN-1998 12:38:53.00

SUBJECT: Bankruptcy mtg

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

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

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

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

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

TEXT:

A couple of the advocates/attorneys from the women's community are coming in to meet with us to explain their assesment of the child support piece in the Senate bill for Bankruptcy Reform. The meeting will be at 4:30 PM today in OEOB 15. Please come if you are interested.

**THE PRESIDENT CALLS FOR PASSAGE OF EQUAL PAY
LEGISLATION AND RELEASES COUNCIL
OF ECONOMIC ADVISERS' REPORT ON THE WAGE GAP
June 10, 1998**

Today the President will commemorate the thirty-fifth anniversary of President Kennedy's signing of the Equal Pay Act and will urge passage of legislation to strengthen the laws that prohibit wage discrimination against women. In addition, the President will release a Council of Economic Advisers' (CEA) report on the gender wage gap, and announce a Department of Labor report that provides a historical perspective of the wage gap. The President will be joined by Dr. Dorothy Height, President Emeritus of the National Council of Negro Women, who was at the signing ceremony of the Equal Pay Act in 1963.

Legislation to Improve Enforcement of Wage Discrimination Laws. The President will call on Congress to pass legislation, introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The highlights of this legislation include:

- Increased Penalties for the Equal Pay Act (EPA). The legislation adds full compensatory and punitive damages as remedies, in addition to the liquidated damages and back pay awards currently available under the EPA. This proposal would put gender-based wage discrimination on equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.
- Non-retaliation provision. The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Currently, employers are free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for women to evaluate whether there is wage discrimination.
- Training, Research, and Pay Equity Award. The Daschle-DeLauro bill provides for increased training for Equal Employment Opportunity Commission employees on matters involving the discrimination of wages; **research on discrimination in the payment of wages; and the establishment of the "The National Award for Pay Equity in the Workplace," which will recognize and promote the achievements of employers that have made strides to eliminate pay disparities.**

CEA Report on the Wage Gap. The President will announce a report by the CEA that shows that a significant gap between the wages of women and men remains today although it has narrowed substantially since the signing of the Equal Pay Act.

- Gender Pay Gap Has Closed. In 1963, the year that the Equal Pay Act was signed, women earned 58 cents for every dollar men earned. Today women earn about 75 cents for every dollar men earn, a 29 percent increase over the 1963 levels.

- But Discrimination Still Exists. Despite these gains, there continues to be evidence of labor market discrimination and a significant gap between men's and women's wages, even after accounting for factors such as educational attainment, work experience, and occupational choice.

Department of Labor Report Provides a Historical Perspective on the Wage Gap. The President also will announce a Department of Labor report that provides a thirty-five year perspective on the wage gap. This report focuses on three periods since the signing of the Equal Pay Act -- 1960-1975, 1975-1985, and 1985-1997 -- and highlights the increased participation of women in the labor force, the changing occupations of women, and the emergence of more women-owned businesses.

- Women's Labor Force Participation Has Increased. Women's labor force participation rate rose from 37.7 percent in 1960 to almost 75 percent in 1997.
- Increased Contributions by Women to Family Income. Between 1995 and 1996 alone, the number of families with two working parents increased by nearly half a million, making equal pay even more of a family issue. In these years, both parents were employed in 63.9 percent of married-couple families with children 18 and younger, while 28.2 percent of these families had an employed father and homemaker mother.

June 9, 1998

REMARKS AT EQUAL PAY EVENT

DATE: June 10, 1998
LOCATION: Rose Garden
EVENT TIME: 2:30 pm - 3:30 pm
FROM: Bruce Reed
Gene Sperling
Audrey Tayse-Haynes

I. PURPOSE

To commemorate the 35th anniversary of President Kennedy's signing of the Equal Pay Act, to call on Congress to pass Senator Daschle's and Congresswoman DeLauro's equal pay bills, to announce a Council of Economic Advisors report on the gender wage gap, and to announce a Department of Labor report that provides a historical perspective on the wage gap.

II. BACKGROUND

You will be making remarks to approximately 150 people, including equal pay and civil rights advocates, labor leaders, business persons, legislators, and persons from Cabinet agencies. This is an opportunity to highlight women's progress since the signing of the Equal Pay Act and to call for legislative action on the remaining wage gap.

The CEA report shows that a significant gap between the wages of women and men remains today although it has narrowed substantially since the signing of the Equal Pay Act. In 1963, the year that the Equal Pay Act was signed, women earned 58 cents for every dollar men earned. Today women earn about 75 cents for every dollar men earn, a 29 percent increase over the 1963 levels. Despite these gains, there continues to be a significant gap between men's and women's wages, even after accounting for factors such as educational attainment, work experience, and occupational choice.

III. PARTICIPANTS

Briefing Participants:
Gene Sperling
Elena Kagan

Audrey Tayse-Haynes
Janet Yellen
Rebecca Blank

Automated Records Management System
Hex-Dump Conversion

Event Participants:

The Vice President
The First Lady
Mrs. Gore
Senator Barbara Boxer
Congresswoman Eleanor Holmes Norton
Dr. Dorothy Height, President Emeritus of the National Council of Negro Women
*Janet Yellen and Deputy Labor Secretary Kitty Higgins will be seated on the stage.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced onto the stage accompanied by the Vice President, the First Lady, Mrs. Gore, Senator Boxer, Congresswoman Norton, and Dr. Dorothy Height.
- The First Lady will make remarks and introduce Congresswoman Norton.
- Congresswoman Norton will make remarks and introduce Senator Boxer.
- Senator Boxer will make remarks and introduce Mrs. Gore.
- Mrs. Gore will make remarks and introduce the Dr. Height.
- Dr. Height will make remarks and introduce the Vice President.
- The Vice President will make remarks and introduce **YOU**.
- **YOU** will make remarks.
- **YOU** will then work a ropeline and depart.

VI. REMARKS

Provided by Speechwriting.

Attachments

- Background memo on Daschle Equal Pay Legislation
- Photo of Signing of Equal Pay Act Legislation in Oval Office in 1963
- Executive Summary of CEA Report

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 16:56:02.00

SUBJECT: Meeting to discuss President's book

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

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

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

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

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

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

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

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

TO: edley (edley @ law.harvard.edu @ INET @ LNGTWY [UNKNOWN])
READ:UNKNOWN

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

CC: mbyrne (mbyrne @ law.harvard.edu@INET@LNGTWY [UNKNOWN])
READ:UNKNOWN

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

CC: Cedra D. Eaton (CN=Cedra D. Eaton/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

CC: Jonathan E. Smith (CN=Jonathan E. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

READ:UNKNOWN

CC: Marjorie A. Black (CN=Marjorie A. Black/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

Helen P. Robinson (CN=Helen P. Robinson/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:

There will be a meeting on Thursday at 4pm in the Roosevelt Room to discuss the Outline for the President's book that Chris E. is doing?
Thanks.

Invited:

Sylvia Mathews
Chris Edley
Minyon Moore
Maria Echaveste
Judy Winston
Andrew Mayock
Paul Begala
Ann Lewis
Michael Waldman
Sid Blumenthal
Elena Kagan
Lin Liu

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 16:25:26.00

SUBJECT: Benchmarking Meeting

TO: Steven L. Schooner (CN=Steven L. Schooner/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Charles M. Brain (CN=Charles M. Brain/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: Ann F. Lewis (CN=Ann F. Lewis/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: "Hayes, Richard L." <Richard.Hayes ("Hayes, Richard L." <Richard.Hayes @ sba.go
READ:UNKNOWN

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

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

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

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

TO: Edward W. Correia (CN=Edward W. Correia/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: Peter Rundlet (CN=Peter Rundlet/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: Sally Katzen (CN=Sally Katzen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Aimee M. Malnati (CN=Aimee M. Malnati/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

CC: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Jonathan E. Smith (CN=Jonathan E. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TEXT:

There will be a continuation of the Benchmarking Meeting tomorrow at 4:00 pm in the Roosevelt Room. If you have any questions please give me a call at 6-1960. Thanks.

Attendees:

- Sylvia Mathews
- Sally Katzen
- Rob Weiner
- Maria Echaveste
- Dawn Chirwa
- Eddie Correia
- Ann Lewis
- Elena Kagan
- Tracey Thornton/representative
- Janet Murguia
- Chuck Brain
- Susan Liss/Audrey Haynes
- Peter Rundlet
- Nancy McFadden
- Mark Gross
- Fran Allegra
- Richard Hayes
- Bill Yeomans
- Lee Price
- Minyon Moore
- Steve Schooner

*Justice/Transportation/SBA, please confirm attendance. E-mail is Turner_J@Al.eop.gov or I can be reached at 456-1960. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 16:25:26.00

SUBJECT: Benchmarking Meeting

TO: Steven L. Schooner (CN=Steven L. Schooner/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Charles M. Brain (CN=Charles M. Brain/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: Ann F. Lewis (CN=Ann F. Lewis/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: "Hayes, Richard L." <Richard.Hayes ("Hayes, Richard L." <Richard.Hayes @ sba.go
READ:UNKNOWN

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

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

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

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

TO: Edward W. Correia (CN=Edward W. Correia/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: Peter Rundlet (CN=Peter Rundlet/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: Sally Katzen (CN=Sally Katzen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Aimee M. Malnati (CN=Aimee M. Malnati/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

CC: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Dario J. Gomez (CN=Dario J. Gomez/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Jonathan E. Smith (CN=Jonathan E. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TEXT:

There will be a continuation of the Benchmarking Meeting tomorrow at 4:00 pm in the Roosevelt Room. If you have any questions please give me a call at 6-1960. Thanks.

Attendees:

Sylvia Mathews
Sally Katzen
Rob Weiner
Maria Echaveste
Dawn Chirwa
Eddie Correia
Ann Lewis
Elena Kagan
Tracey Thornton/representative
Janet Murguia
Chuck Brain
Susan Liss/Audrey Haynes
Peter Rundlet
Nancy McFadden
Mark Gross
Fran Allegra
Richard Hayes
Bill Yeomans
Lee Price
Minyon Moore
Steve Schooner

*Justice/Transportation/SBA, please confirm attendance. E-mail is Turner_J@Al.eop.gov or I can be reached at 456-1960. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 12:18:17.00

SUBJECT: Child Cust Let. Pls review ASAP

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

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

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

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

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

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

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

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

TO: Charles F. Ruff (CN=Charles F. Ruff/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:
This time I attached the letter.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D27]MAIL42386206K.126 to ASCII,
The following is a HEX DUMP:

Dear

The Administration would support properly crafted legislation that would make it illegal to transport minors across state lines for the purposes of avoiding parental involvement requirements. The Administration appreciates the concerns of the sponsors of S. 1645 about fostering parental and family involvement in a minor's decision to obtain an abortion and their concerns about overbearing and sometimes predatory adults who improperly influence minors' abortion decisions. The Administration believes, however, that changes must be made to ensure that S. 1645 is appropriately targeted at these important goals. If these changes are not made, senior advisors would recommend a veto.

First, S. 1645 must be amended to exclude close family members from criminal and civil penalty. Under the legislation, grandmothers, aunts, and adult siblings could face criminal prosecution for coming to the aid of a relative in distress. Even a mother or father could be exposed to criminal penalty if she or he resides in a state which requires the consent or notification of both parents. Imposing criminal and civil sanctions on family members for helping their relatives, however, does not further the interests of healthy family communications.

Subjecting family members to criminal or civil sanction, moreover, would also further isolate the minor by discouraging her from seeking advice and counsel from those closest to her. Finally, creating a civil action which allows family members to sue each other when a minor within that family has an abortion does not serve the goal of fostering strong families.

Second, S. 1645 must be amended to prevent punishing persons who simply provide information, counseling, referral, or medical services to the minor. The bill as written, for example, could potentially subject a telephone receptionist to civil or criminal liability merely for informing an unnamed caller about the availability of abortion services. Holding such persons criminally or civilly liable, however, does not further the interests in promoting family communication or deterring those who would inappropriately transport minors across state line to obtain abortions.

The Justice Department has also identified a number of constitutional concerns that inhere in particular aspects of the legislation. The Department will forward their concerns subsequently and would be pleased to work with the sponsors in crafting legislation that remedies those defects and the other matters noted above.

The Administration is concerned that S. 1645, as written, represents a novel intrusion into federalism and the rights of states to regulate matters within their own boundaries. The Administration believes, however, that legislation which reflects the concerns noted above, and is carefully targeted towards punishing non-relatives who transport minors across state lines for the purposes of avoiding parental involvement requirements, would serve to minimize the federalism concerns.

S/
OMB

Crime Meeting Agenda June 10, 1998

Upcoming Event

- * 6/16 signing ceremony for police bills
-- other potential announcements (e.g., smart gun challenge?)

Specific Follow Up

- * Faith-based gang grant program
- * Curios report
- * Police group outreach
- * Durbin CAP (Child Access) bill
- * School safety

Other Potential Events

- * Meth announcement (July)
 - DUF data
 - COPS grants
- * Youth Anti-Drug Media Campaign -- week of July 6

Legislative Update

- * Republican drug strategy update
- * Assaults
- * Appropriations

Miscellaneous/ Pending Items

- * Gang ordinance brief due June 18?
- * Other pending events/releases, DOJ Reports, pending Supreme Ct. decisions

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUN-1998 17:14:17.00

SUBJECT: VP/Gleitsman mtg

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

READ:UNKNOWN

TEXT:

----- Forwarded by Bruce N. Reed/OPD/EOP on 06/09/98
05:14 PM -----

Jerold R. Mande

06/09/98 04:46:21 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc:

Subject: VP/Gleitsman mtg

The meeting was uneventful. Glantz tried lobbying the VP on the Gregg amendment, and the VP was quite firm with him and stuck up for the President's position noting that the most strident opponents of tobacco legislation voted with Gregg because they believed it would kill the bill and that they may have gotten their wish.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Edward W. Correia (CN=Edward W. Correia/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 9-JUN-1998 12:09:04.00

SUBJECT: Benchmarking Summary

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

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

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

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

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

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

TO: Steven L. Schooner (CN=Steven L. Schooner/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

TEXT:

For purposes of the meeting today, here is the latest version of a summary of benchmarking. This is a draft of what would be released with the new rule.

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

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D62]MAIL48795206B.126 to ASCII,
The following is a HEX DUMP:

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95624E3DB3701A31C17DCC2CDB00B10F37617B45FFB2E7E189D19BD5DBAD453FB7E9637D1F4F52

THE PRICE EVALUATION ADJUSTMENT PROGRAM

A key component of the Clinton administration's reform of the federal government's procurement assistance programs is its new price evaluation adjustment program. This program was authorized by Congress in 1994 as part of the Federal Acquisition Streamlining Act. The first phase of the program, which is being implemented through a revision of the Federal Acquisition Regulation, goes into effect on _____.

Under this new program, owners of small disadvantaged businesses ("SDB's") bidding on competitively awarded federal contracts may qualify for a price evaluation credit of up to 10%. Credits will be available only to businesses that have been certified as SDB's by the Small Business Administration. These credits help level the playing field for minority groups who have encountered discrimination in their efforts to compete. Other than receiving these credits, SDB's must compete with all other businesses to win federal contracts. Price evaluation credits are not set-asides. They do not assure that any firm, or group of firms, will win a contract.

In order to ensure that the use of these credits is fair and meets legal requirements, they will be available only in industries in which minority-owned firms continue to suffer the effects of discrimination. "Benchmarking" provides a methodology for identifying these industries by comparing the actual federal procurement market share of minority-owned businesses with the federal procurement market share that would be expected in the absence of discrimination. Credits will be available only in industries where the actual federal procurement market share ("utilization") falls short of the expected federal procurement market share ("capacity").

Constitutional Requirements

The administration developed this benchmarking methodology to ensure that federal procurement complies with the Supreme Court's decision in Adarand Constructors, Inc. v. Peña. In Adarand, the Court held that it is constitutional to provide targeted assistance to minority-owned businesses as long as two requirements are met. The first is that the assistance must serve a "compelling interest." This requirement is satisfied if there has been discrimination that has harmed minority business owners in the particular industry where assistance is to be provided. The second requirement is that the remedy is "narrowly tailored," that is, any assistance targeted to members of a certain race or ethnic group must be necessary to remedy discrimination and must be carefully designed to address its effects.

A. Compelling Interest

Based on an extensive review of evidence, the Department of Justice has established that discrimination has harmed minority businesses. In addition to commissioning an analysis of dozens of studies of industries throughout the country, DOJ also reviewed a long history of Congressional findings of discrimination. Congress relied on these findings in enacting affirmative action and other remedial legislation. For example, there is substantial evidence that

minority-owned businesses have been prevented from obtaining access to capital, from participating in trade associations, and from gaining enough experience to become bonded. Most of the present effects of discrimination stem from discrimination in the private sector, not in the public sector. These limitations have erected substantial barriers to minority-owned firms and have hampered their ability to win contracts. For example, in FY 1996, 25 percent of firms that participated in SBA's 8(a) program were SDB's, but SDB's won only about 6 percent of federal contracting dollars. Consistent with Congress's long-standing determinations, the government has a compelling interest in providing targeted assistance to minority businesses.

B. Narrow Tailoring

The use of benchmarks helps satisfy the Supreme Court's "narrow tailoring" requirement by providing a means for determining whether the effects of discrimination still burden small businesses in a particular market. Credits will be used only in those markets where it is still necessary to offset the effects of discrimination. Based on FY 1996 data, the Department of Commerce estimates that industries representing about 74% of federal contract dollars awarded to SDB's will be eligible for price credits. The capacity and utilization of minority-owned businesses in 70 two digit SIC code major industry groups and nine Census divisions for each of the three construction major industry groups were determined by analyzing data representing all the firms in the United States that bid on federal contracts or participated in the 8(a) programs administered by the Small Business Administration. This group of firms represents those that were ready, willing and able to fulfill federal contracts in FY 1996.

The "utilization" of minority-owned firms is simply a measure of the total dollar value of the federal contracts awarded to them in FY 1996. Calculating the "capacity" of these firms is more complex. In order to estimate capacity, the benchmarks take into account various characteristics of firms that bear directly on the value of contracts that they receive, including the age and size of the firm. This approach allows Commerce Department statisticians to estimate the value of contracts a minority-owned firm would be expected to receive if its success in winning federal contracts equaled that of all other firms in the industry of equal age and size. An outside panel of statisticians and economists reviewed this methodology and concluded that it was the best approach possible.

The Scope of the Program

Three agencies, the Department of Defense, NASA, and the Coast Guard have had authorization to offer credits since FY 1994. From the inception of the program, DOD has awarded about \$172 million in contracts through this program. Under the rule announced today, all agencies will be required to implement the price evaluation credit program. Currently, data are available to allow application of price credits to SDB's that are prime contractors. This step is estimated to increase the share of price contracts awarded to SDB's from 6.9% to 7.6% (about \$1 billion). Evaluation credits will be extended to subcontractors on _____. Sometime during the next year, the Small Business Administration will also use benchmarks in administering the

8(a) program. Benchmarks will provide guidance to program administrators, for example, in determining the number and type of firms that will participate in the program. Benchmarks will not apply to the Department of Transportation's program for Disadvantaged Business Enterprises, which is administered by grantees, such as state and local governments.

The Advantages of Benchmarking

The benchmarking/price evaluation adjustment program offers several advantages in designing government affirmative action programs to assist SDB's.

Constitutionality -- The program responds to the core concerns about procurement-related affirmative action programs expressed by the Supreme Court. The Court has made clear that government may remedy discrimination by the government itself or by the private sector. However, the Court has also indicated that any affirmative action program should be designed to address the actual effects of past discrimination. Benchmarking provides a means for carefully targeting our efforts to remedy those effects.

Flexibility -- Benchmarks are not quotas. The price evaluation adjustment program includes a series of provisions designed to target assistance carefully, to ensure flexibility and to maintain vigorous competition. Price credits will not be available in all industries, only those where there is evidence of remaining effects of discrimination. Price credits will be available only when the government has concluded that race-neutral efforts are inadequate to address past discrimination. Even in cases when utilization falls short of capacity in a major industry grouping, the relevant agencies retain discretion to adjust or eliminate the credit under some circumstances.

Preserving Competition -- Price and evaluation adjustments are not set-asides. No firm or group of firms is guaranteed any contract. These credits provide a small boost for minority-owned firms when there has been a record of past discrimination. However, these firms must compete with all other firms for contracts. As a result, government can make good faith efforts to remedy prior discrimination, while preserving the incentives for firms to compete vigorously for taxpayer dollars.

Annual Review -- Federal procurement data will be reviewed annually to ensure that price credits are available only in those industries where the effects of discrimination persist.

Industries Where Credits are Available

Benchmarking estimates are based on two digit SIC code major industry groups. With the exception of construction, for which regional benchmarks have been developed, the estimates are for the nation as a whole. Based on these benchmarks, the Department of Commerce has identified the industries in which credits will be available. A table showing these industries appears in the Federal Register of June ____, 1998.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Phone No. (Partial) (1 page)	06/09/1998	P6/b(6)

COLLECTION:

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

FOLDER TITLE:

[06/09/1998] [1]

2009-1006-F
ke739

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Todd A. Summers (CN=Todd A. Summers/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 18:36:22.00

SUBJECT: NY Needle Exchange Demonstration

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

READ:UNKNOWN

TEXT:

Thought you might want to see this.

Apparently, there will be another needle exchange funding ban amendment on the Labor/H approps bill because they had so much fun passing the last one. Whoopee.

FOR IMMEDIATE RELEASE Contact: Chris Lanier,
Monday, June 8, 1998 National Coalition to Save
Lives

Now: P6/(b)(6) [002]

Jeanne

Bergman,

cell phone

during

demonstration: P6/(b)(6)

At Massive UN Demonstration for Clean Needles for Drug Users,
AIDS Protestors Blame Clinton for Thousands of New HIV Infections

(NEW YORK June 8) Over a thousand demonstrators marched down 42nd Street to the United Nations this afternoon to demand federal funding for needle exchange programs to prevent HIV among intravenous drug users. The marchers, who snarled the mid-town rush-hour traffic, charged that President Bill Clinton's refusal to lift the ban on federal funding for needle exchange programs would result in tens of thousands of new AIDS cases in the United States. Clinton was at the United Nations today to speak at a conference on International Drug Control Policy, seeking international support for his "War on Drugs."

The protestors carried 33 coffins, some of them child-sized, to signify the number of HIV infections resulting every day from Clinton's policy. A giant puppet of President Clinton as the grim reaper complete with black robe and bloody hands, accompanied the marchers. Some demonstrators wore targets signs symbolizing that they are the "collateral damage" in the presidents "drug war".

Marvin Crawford, an HIV-positive veteran who said he was infected from sharing syringes and who traveled from Philadelphia today for the protest, compared the President's syringe ban to the infamous experiment conducted by the Tuskegee Institute, which allowed hundreds of African-Americans infected with syphilis to remain untreated. "Needle exchange is Clinton's Tuskegee," Crawford charged. "The President knows what he has to do to save lives, but he won't do it. Because of him, thousands of people will be infected, most of them people of color. Clinton's "War on Drugs" is really a war on poor and minority communities."

On April 20, Health and Human Services Secretary Donna Shalala informed Clinton that scientific research has proven that needle exchange programs effectively prevent the transmission of HIV and hepatitis, and do not lead to increased drug use. Her long-awaited action cleared the way for the President to lift the ban on federal funding for sterile syringe programs. Clinton accepted the findings, but stated that in spite of them he would continue to block the use of federal funds for needle exchange programs. HIV prevention advocates charge that the President's decision is politically motivated and will cause tens of thousands of new and preventable HIV infections by the year 2000.

"Clinton says he is worried about sending the wrong message to kids," said Chris Lanier of the National Coalition to Save Lives Now, which advocates for access to clean needles for IV drug users. "But the message he's sending now is that it's okay to let people who use drugs get AIDS, it's okay to let their kids be orphaned, it's okay to let their communities be devastated by HIV. Well, we're here to say it's not okay. Clean needles save lives, and those lives are precious."

Organizations participating in the protest included the National Coalition to Save Lives Now; The Harm Reduction Coalition, ACT UP/NY, ACT UP Philadelphia, ADAPT, CitiWide Harm Reduction Program, CHAI Project New Brunswick, NJ, East New York Underground, Exponents/ARRIVE, Harm Reduction Care Network of New York, Housing Works, The Lower East Side Needle Exchange, the Latino Commission on AIDS, Moving Equipment, New York City AIDS Housing Network, Nice Donut, NATAP, Positive Health Project, POZ Magazine, St. Ann's Corner of Harm Reduction, and the Streetside Health Project.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cecilia E. Rouse (CN=Cecilia E. Rouse/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 19:02:52.00

SUBJECT: Latest Draft of Poverty Memo

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

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

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

TO: Rebecca M. Blank (CN=Rebecca M. Blank/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

TEXT:

Attached is the latest draft of the poverty memo. The main change is that the first three pages have been substantially re-cast in an effort to better structure the main issues for the Principals. (We've also moved the placement of Tables 1 and 2.) This attachment does not include the Guideline appendix which will be sent under separate cover. However, you may want to know that the new appendix does include a range of estimates on potential budgetary impact of using the new poverty measures.

We would like to get this background memo to the Principals as soon as possible. Therefore, please send Ceci your comments by 3pm tomorrow; the full memo will be sent to the Principals at 5pm.

-- Ceci and Paul===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

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CLOSE HOLD. Page 1

June 9, 1998

DRAFT BACKGROUND MEMORANDUM FOR EOP PRINCIPAL'S MEETING

FROM: Income and Poverty Measurement Working Group

Subject: Meeting on Income and Poverty Measures

This cover memo outlines the main issues related to revising our income and poverty measures to be discussed at the Principals meeting, and the attached background paper explains the more technical issues. The background paper was prepared by a policy working group consisting of CEA, DPC, NEC, and OMB. (Among the agencies, only the Deputy Assistant Secretary for Human Services Policy at HHS participated because of her expertise on poverty measurement.)

Action Forcing Event and Purpose of the Meeting

In early 1999, the Census Bureau will publish alternative measures of poverty based on the proposals contained in the 1995 National Research Council (NRC) report, *Measuring Poverty: A New Approach*. Census has asked for advice from the EOP on their proposed alternative measures (because OMB, through OIRA's Statistical Policy Office, is the statutory arbiter of the "official" poverty measurement methodology). It is important to emphasize that we are only being asked to advise the Bureau of the Census; what it actually publishes is its decision.

There are four questions to be discussed at the meeting: 1) At what pace should the Administration proceed toward the adoption of a new official measure of poverty? 2) Should the Administration initially propose a preferred option or a range of alternatives? 3) Should the new measure be benchmarked to the most current poverty rate? 4) If highlighting a preferred option is selected, what are the components of that preferred option? In considering these questions, it is critical that the Principals note that, at this time, we do not have definitive analyses of the budgetary and programmatic impacts of NRC-based alternative measures of poverty. We are unlikely to have such analyses before the Census publishes its report.

Background

The current official poverty measure dates back to the 1960s. And, although this measure has been an important contributor to public debate and policymaking, the NRC report reflects a broad consensus that the measure is out-of-date and in need of revision.

Poverty measurement involves two concepts: (1) a definition of family resources, and (2) a "threshold" against which resources are compared to determine if a family is poor. Changes in these two concepts will have a direct impact on statistics used by the public for informational and analytical purposes. Changes will likely have an effect on both Federal program budgets and participant eligibility as well.

As discussed in the technical background paper, the NRC's recommended new poverty measure has two important consequences for the poverty rate. First, it would increase the poverty rates of all groups. For example, as shown in Table 1, in 1996 the poverty level was 13.7% using the current measure; it would increase to 18% using the new measure.

Second, it would substantially alter the demographic composition of the poor as set out in Table 2. For example, the NRC measure nearly doubles the poverty rate among the elderly (from 10.8% to 20.4%), raising the rate to nearly that of children. Other groups with relatively large increases are Whites and Hispanics, and married couples.

It is important to keep in mind that the NRC panel cautioned that setting the level below which a family is considered poor is more of an art than a science. They therefore suggested a range of alternatives and left it to policymakers to determine the most appropriate levels.

Issues for Consideration

1. At What Pace Should the Administration Proceed Toward the Adoption of a New Official Measure of Poverty?

The most important issue to be decided is whether the Administration should attempt to adopt a new official measure of poverty before the end of the second term. The advantage of acting during this Administration is that the second term of an Administration with a strong economy is an opportune time to make such a change. Also, the NAS made its recommendation three years ago and some might question our delay in implementation. On the other hand, by proceeding more cautiously, we would allow the community of users of poverty statistics to develop a better understanding of the pros and cons, both analytical and programmatic, of the various alternative measures. By establishing a more open process, we may also decrease the chance of a political backlash and of Congressional intervention. In addition, it will take at least another 4 years to develop fully the data needed to implement the NRC recommendations. Finally, selecting a preferred alternative measure and analyzing its programmatic and budgetary impacts is likely to be an iterative process that may take some time.

2. Should the Administration Initially Propose a Preferred Option or a Range of Alternatives?

Census' current plan is to publish a small number of alternatives. These would reflect the NAS recommendation and analytically interesting variations. (There will be extensive appendices in this report that will report a wide variety of different poverty definitions, to help demonstrate the statistical and analytical properties of the poverty measure recommended by the NRC.)

We need to determine whether we will recommend that the Census Bureau select or highlight a single alternative poverty measure, or present several equally in its forthcoming report. The advantages of highlighting a single alternative measure is that it may be less confusing than publishing multiple alternatives, and if we are correct in our choice, it may be easier for it to be

selected as the official poverty measure. In contrast, publishing a range of alternatives has many of the same advantages of proceeding cautiously in the adoption of a new official measure of poverty; that is, it would allow us more time to understand fully the analytical, programmatic, and budgetary implications of the different alternative measures, preserve the Administration's options to consider this issue further, and may be less likely to raise the ire of Congress.

3. If Highlighting a Preferred Option is Selected, Should the New Measure Be Benchmarked to the Most Current Poverty Rate? (This is issue number 1 in the technical background paper.)

If we select a single measure, we will need to decide whether to recommend that Census benchmark the new poverty measure to the old poverty rate in the current year (so that the number of people classified as poor would remain the same, although the distribution would change) or publish an NRC-like measure, which would result in a higher poverty rate (e.g., 18% rather than 13.7% in 1996). Some argue that benchmarking to the current poverty rate would diminish criticisms that the change is motivated by an effort to increase the estimated number of people living in poverty, and would also focus attention on the distribution of who is poor, rather than on how many people are poor. Others argue that since benchmarking to the current poverty rate does not follow the NRC recommendation (which would result in a higher poverty rate), it will be viewed as an effort to reduce artificially the estimated size of the poor population. Also, it could be argued that benchmarking alters the composition of the poor. For example, the Black poverty rate falls with benchmarking but rises with the NRC measure.

4. If Highlighting a Preferred Option is Selected, What are the Components of that Preferred Option?

Issues relating to the choice of components are discussed in the technical background paper. They include: how the poverty rate should be updated over time; whether the poverty thresholds should be adjusted for geographic variation in the cost-of-living; and how to account for medical care expenditures. Of these, how to adjust for medical expenditures is the most controversial. At this time, the Census Bureau is prepared to account for differences in medical out-of-pocket (MOOP) expenditures among households in the way recommended by the NRC, namely, subtracting them from income before a family's poverty status is calculated. However, there is also interest in having medical expenditures added to the poverty thresholds. (Which of these methodologies should be used is a technical choice best left to Census.)

Table 1. Poverty Rates and Thresholds under Alternative Measures, 1991-96, CPS

	Official measure	Benchmarked to 1996	NRC Experimental	
Poverty Rates				
1991	14.2	14.5		18.9
1992	14.8	15.3		19.6
1993	15.1	15.7		20.2
1994	14.6	14.7		19.0
1995	13.8	13.8		18.2
1996	13.7	13.7		18.0
Thresholds for 2 adults and 2 children (in dollars)				
1991	13,812	11,891		13,891
1992	14,228	12,249		14,309
1993	14,654	12,616		14,738
1994	15,029	12,938		15,115
1995	15,455	13,305		15,543
1996	15,911	13,698		16,002

Table 2. Poverty Rates under Alternative Measures, 1996, CPS

	Official measure	BenchmarkedNRC to 1996	Experimental
All persons	13.7	13.7	18.0
Children	20.5	18.1	23.8
Nonelderly adults	11.4	11.5	15.0
Elderly	10.8	15.6	20.4
White	11.2	11.8	15.6
Black	28.4	25.2	32.0
Hispanic origin	29.4	28.5	37.7
One or more workers	9.5	10.0	13.6
Persons in family of type:			
Married couple	6.9	7.8	11.1
Female householder	35.8	32.3	40.4
Geographic regions:			
Northeast	12.7	14.3	18.8
Midwest	10.7	10.3	13.8
South	15.1	14.2	18.3
West	15.4	16.1	21.0
Metropolitan/Central City	19.6	19.2	24.7
Not Central City	9.4	10.6	14.1
Nonmetropolitan	15.9	13.5	17.5

TECHNICAL BACKGROUND ON INCOME AND POVERTY MEASURES

The Current Poverty Measure

The methodology by which current poverty thresholds are determined was developed in the early 1960s by Mollie Orshansky, a staff economist at the Social Security Administration. She developed a set of poverty thresholds that vary with the number of adults, the number of children, and the age of the family head. These thresholds represent the cost of a minimum diet multiplied by 3 to allow for nonfood expenditures. The multiplier of 3 was chosen because the average family in 1955 spent one-third of its after-tax income on food. Since the late 1960s, the thresholds have been updated annually with the CPI to adjust for price inflation. Thus, the definition of poverty has remained virtually unchanged for 35 years, despite substantial changes in family behavior and government policy.

The NRC panel identified several weaknesses in the current poverty measure:

- The current poverty measure takes no account of changes in taxes (e.g., the expansion of the EITC) or in-kind benefits (e.g., Food Stamps).
- The current measure does not distinguish between the needs of working and nonworking families. In particular, it does not reflect the cost of child care and other work expenses for working low-income families.
- The current poverty measure takes no explicit account of medical care costs, which vary significantly across families and have increased substantially since the current poverty measure was developed.

The NRC Recommendations

In order to understand the NRC panel's recommended revisions, one must understand the basics of determining poverty. A family is considered poor when its resources fall below a predetermined poverty line or threshold. Therefore, one must develop a methodology for estimating family resources and for defining the threshold resource level below which a family is considered poor.

1. Defining Family Resources

Under the current poverty calculation, the definition of family resources is cash income. The NRC recommendations would estimate family resources as:

Family resources = Cash income + Near-money in-kind benefits - Taxes - Child care costs - Work expenses - Child support payments - Out of pocket

medical care expenditures (including health insurance premiums)

The rationale for subtracting taxes, work, and medical expenses from family resources is that these expenditures are typically not discretionary and reduce the family income available to achieve a basic quality of life.

There is near consensus among researchers that adjusting for near-money in-kind benefits (primarily Food Stamps and housing subsidies) and taxes would be an improvement in how poverty is measured. There is slightly less agreement on whether child care costs, work expenses, and child support payments should also be deducted because an unknown proportion of these expenses is likely discretionary. (The NRC proposes to cap the amount of child care and work expenses that can be subtracted to deal with this problem.) As discussed below, the adjustment for out-of-pocket medical care expenditures is more controversial.

2. Defining a Poverty Threshold

A threshold must be determined against which to compare a family's resources. The NRC panel recommends basing the threshold on expenditures on "necessities" (food, shelter, and clothing) plus a little more. Specifically, the NRC panel recommends selecting the 30th to 35th percentile in the distribution of annual expenditures on food, shelter, and clothing among families of four (two adults and two children), and then multiplying this expenditure level by between 1.15 and 1.25. Thresholds for other family sizes and types would be determined by an equivalency scale calculation.

The NRC recommends adjusting these thresholds to take into account geographic variation in cost of living, based on differences in housing costs by region and by city-size. It also recommends adjusting the thresholds over time by recalculating them from expenditure data on an annual basis.

TECHNICAL ISSUES

1. **Determining the level of the poverty threshold.**

The NRC panel acknowledges that the actual level at which the poverty threshold is set (and hence the final poverty rate) is inherently arbitrary and cannot be determined on the basis of purely statistical judgements. There are two primary options:

A. The NRC alternative. As described above, the NRC panel recommends establishing a threshold based on the 30th-35th percentile in the distribution of annual expenditures for a family of four, with a small multiplier to account for additional small personal expenditures. As shown in Tables 1 and 2, column 3, this would raise the 1996 poverty rate from 13.7% to 18%, and increase poverty among all subgroups. In addition, (as described further in Option B) this

change will alter the composition of poverty by changing the poverty rate among subgroups.

B. Benchmarking. The NRC panel also considered poverty estimates that benchmark the alternative poverty rate to equal the old poverty rate in a given year. The Census Bureau has done a number of such benchmarked calculations for 1996, as shown in Tables 1 and 2, column 2. (The report issued early next year could benchmark to 1997.) Benchmarking would assure that the aggregate poverty rate is identical for the official and the alternative measure in the benchmark year. But the distribution of poverty among subgroups within each measure would differ (see Table 2). In general, working families and families with large out-of-pocket medical expenses become poorer and nonworking families with substantial in-kind benefits become less poor. This has geographic as well as subgroup poverty rate implications. Similarly, both historical and future trends would differ. For instance, the alternative measure is identical in 1996 but higher in 1991. (The faster fall using the alternative measure is largely due to the expansion in the EITC.)

Pros of using the NRC measure:

- Incorporates the recommendations of the NRC panel, based on their professional judgement from the best available evidence.
- Generates dollar threshold levels that are quite similar to the current dollar thresholds (although the resources to which the thresholds would be compared are quite different).

Cons of using the NRC Measure:

- Results in a higher poverty rate (although the trends over time are similar.)

Pros of Benchmarking:

- May provide an easier transition to the new methodology because there will not be a change in the overall level of poverty. Critics, of course, will still charge that this level is arbitrary.
- Focuses the arguments on the relative distribution of who is poor rather than how many people are poor.

Cons of Benchmarking:

- Violates the NRC recommendation that the threshold should be based on the 30th-35th percentile in the expenditure distribution. In order to benchmark, the threshold falls to (about) the 25th percentile of expenditures on food, shelter, and clothing.

2. Updating the thresholds over time

Currently the poverty threshold is updated annually using the CPI_U. This, however, does not

allow for adjustments that reflect changes in underlying consumption patterns that might affect the revised thresholds. For instance, food prices have decreased relative to other goods over time, while housing prices have increased. There are two options:

(A) Recalculate the thresholds annually as a share of consumption on food, shelter, and clothing. (This is recommended by the NRC panel.)

(B) Update the thresholds on a year-to-year basis using a price index (preferably one based only on food, shelter and clothing). Implement a regular process (every 5-10 years) of reviewing the poverty measure and recalculating the thresholds.

Pros of Re-calculating the Thresholds:

- Regular recalculation will allow the poverty thresholds to reflect more accurately changes in consumption patterns and standards of living.
- Without an expectation that the thresholds will be re-calculated regularly, it may be hard to update them at all.

Cons of Re-calculating the Thresholds:

- Under certain data circumstances, recalculation could move the threshold a large amount or in an unexpected direction. This might raise substantive and political concerns.

Pros of Updating Using the CPI:

- Using the NRC methodology, the poverty thresholds are somewhat relative (i.e., they are affected by changes in the distribution of household expenditures.) As a result, they are a moving target and do not provide an absolute standard of need. A CPI adjustment would make it easier to compare poverty from year-to-year against a constant standard.
- Because consumption patterns and standards of living change slowly, it may be better to take them into account periodically rather than annually.
- An update with a CPI for necessities only (food, clothing, and shelter) may capture most of the relevant changes and would make it easier in the short run to understand the updating procedure.
- The data may not be good enough for an annual re-calculation of the thresholds.

Cons of Updating Using the CPI:

- Does not follow the NRC recommendations.
- Needs to be supplemented by a periodic updating and recalculation process that could prove difficult to implement.

NOTE: The EOP Policy Working Group recommends Option (B).

3. Should thresholds be adjusted for geographic variation.

The NRC panel recommended adjusting the poverty thresholds for cost-of-living differences across regions and by city size. Following the NRC recommendation, the Census Bureau proposes to make such adjustments based on housing cost differences (which have much greater regional/city size variation than food or clothing.)

Pros of Adjusting for Geographic Variation in Cost of Living:

- Most statisticians and economists agree that such adjustments should be made if data are available.
- The Administrative poverty guidelines that currently exist are already adjusted for Alaska and Hawaii.

Cons of Adjusting for Geographic Variation in Cost of Living:

- There is no one “right” way to make such adjustments and the issue could be highly politicized.
- The data available to make such adjustments are limited and may not be entirely reliable.
- Implementing such an adjustment in the poverty line threshold could lead to pressure to provide regional cost adjustments in a wide variety of other government programs, from Social Security benefits to tax payments.

NOTE: The EOP Policy Working Group recommends against geographic price adjustments.

4. How to account for medical care expenditures.

Since the mid-1970s, analysts have been concerned that the official poverty rate overstates the extent of poverty among beneficiaries of Medicare, Medicaid, and private health insurance. At the same time, the official poverty rate may understate the extent of poverty among populations with large medical expenditures. Most analysts agree that, in principle, medical care “needs” should be incorporated into the calculations of the threshold and family resources (i.e., families with higher medical needs should have higher thresholds; those with more generous medical benefits should be considered to have more resources; and those who must spend more to achieve “good health” should have those expenses subtracted from their resources). However we cannot observe a family’s medical need. In addition, it is not clear that one can simply

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impute the cash value of insurance benefits and add this to income; the "extra" benefits received from insurance to cover expensive medical services do not provide income that can be used for any other purpose.

To understand the difficulties, consider including medical benefits into the income calculations. Adding medical benefits to income, without also adjusting the poverty threshold, has the perverse effect of making sicker individuals appear better off. Other proposals to adjust the poverty threshold (without also adjusting resources) run into similar problems.

In the end, the NRC panel recommended subtracting all medical out-of-pocket (MOOP) expenses (including health insurance premiums) from income, without trying to value health insurance as a part of income or medical need as a part of the thresholds. Hence, family resources are measured net of MOOP. Those individuals with good insurance will have few out-of-pocket medical expenses; those without insurance who face health problems will have lower measured incomes as they pay more for medical care.

This adjustment accounts for the larger poverty rates using the NRC methodology. For example, in 1996 the poverty rate was 13.7% using the current methodology; it would have been 18% using the NRC methodology, but only 13.2% using the NRC methodology without the medical expenses adjustment. This adjustment nearly doubles the poverty rate for the elderly, raising it almost to the rate for children. This adjustment is one of the most controversial of the NRC recommendations.

There is general agreement that ignoring medical care and medical expenses entirely is not a good idea, particularly given the rapid increase in medical costs in the past 30 years, the extent of uninsurance among the low-income population, and this Administration's concern with it. In addition, if we do not adjust for medical care (in some way) now, it may be much harder to do so in a few years when we will have better data (because the change will be so dramatic it will be viewed as another big methodology change).

There are three approaches to incorporating medical care and expenses:

(A) Follow the NRC recommendation and subtract MOOP from family resources. This makes families with unreimbursed medical expenses less well-off than other families.

(B) MOOP could be added to the thresholds rather than subtracted from resources. (The choice between options (A) and (B) is a technical decision that Census should address.)

(C) Try to impute the value of health insurance to resources, so those with insurance have higher resources. Health insurance should then also be imputed into the thresholds.

Pros of Adjusting for MOOP (either options (A) or (B)):

- While not perfect, under the NRC recommended adjustment families with higher

unreimbursed medical expenditures will be “poorer.” The NRC recommended adjustment would also be sensitive to changes in health care financing that would decrease MOOP and thereby increase disposable income and reduce poverty.

Cons of Adjusting for MOOP (either options (A) or (B)):

- The data that are currently available are out-of-date (but we should have updated information available in a more timely fashion within another year.)
- The NRC recommended approach relies on the controversial assumption that all medical care expenditures are nondiscretionary. (This concern could be mitigated to some extent by imposing a cap on the amount of medical expenses.)

Pros of Imputing the Value of Health Insurance into Resources and Thresholds:

- Provides a more complete accounting of all medical resources available to a family.

Cons of Imputing the Value of Health Insurance into Resources and Thresholds:

- There is no accepted “correct” way to do this. The data here are probably more unreliable than the data needed to impute the value of MOOP to families.
- Many analysts agree with the NRC panel that the value of health insurance is quite different from (say) the value of food stamps, which are far more fungible. Mixing in health insurance coverage with economic need causes interpretational and conceptual problems to a measure of economic need.
- To date, Census has been following the NRC recommendation. If we asked them to switch to this approach, it might require substantial additional work and seriously delay their report.

NOTE: The EOP Policy Working Group recommends that Census incorporate medical care in some way and recognizes that the Census Bureau of prepared for option (A). However, the group strongly recommends that Census thoroughly investigate the impact of option (B), and continue work on other approaches to incorporating medical care and expenditures, such as by valuing medical health insurance (option (C)).