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001. email	Janet Alleyne to Elena Kagan. Subject: travel voucher (1 page)	08/25/1998	P6/b(6)

COLLECTION:

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[8/25/1998 - 8/26/1998]

2009-1006-F
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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]
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- 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: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:25-AUG-1998 11:30:20.00

SUBJECT: Re: Women's Accomps Document - Updated

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

TEXT:

Yes. I'll take a look.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-AUG-1998 18:36:54.00

SUBJECT: H-1B memo for the VP

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

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

CC: Shannon Mason (CN=Shannon Mason/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:

Gene, Sally, and Elena:

Attached is a draft of the memo for the VP in preparation for his trip to Silicon Valley and his meeting with Morty Barr and Co. David Beier had originally asked for the memo this evening, but has given us a "reprieve" until tomorrow. This memo has also been reviewed (and worked over!) by Julie and Peter J.

-- Ceci

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D23]MAIL42390373S.226 to ASCII,
The following is a HEX DUMP:

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March 29, 2010

DRAFT MEMORANDUM FOR THE VICE-PRESIDENT

FROM: GENE SPERLING
ELENA KAGAN

Automated Records Management System
Hex-Dump Conversion

SUBJECT: STATUS OF H-1B LEGISLATION

Background

H-1B visas are temporary work visas that allow “highly skilled” immigrants (with a BA or equivalent) to work in this country for up to six years. Under current law, the number of H-1B visas is capped at 65,000 per year. During the last fiscal year, this cap was reached for the first time. This fiscal year the cap was reached in early May; as a result, no more visas can be issued until October 1. The information technology (IT) industry strongly supports raising the annual cap to address what it maintains is a shortage of U.S. workers with IT skills. Others, including the Department of Labor and organized labor, challenge the industry’s conclusions about a shortage and are concerned that the current H-1B program does not target its use to employers who are experiencing skills shortages.

Until last month there were two legislative vehicles for increasing the cap on the number of H-1B visas. On May 18, the Senate passed (78-20) an industry-backed bill sponsored by Senator Abraham (R-MI) that increases the cap on H1-B visas for three years and includes an authorization for additional scholarships. This bill does not, however, require companies to recruit or retain U.S. workers prior to hiring H-1B visa holders. In the House, late last spring, the Judiciary Committee approved (23-7) a bill sponsored by Rep. Lamar Smith (R-TX). The Smith bill also increases the cap for three years but differs sharply from the Abraham bill by including meaningful protections for U.S. workers. The Smith bill, however, failed to include any training component for U.S. workers.

Soon after the House committee vote, House Majority Leader Armev told Rep. Smith that he would not bring Smith’s bill to the House floor unless Rep. Smith worked out a compromise with Sen. Abraham that pleased the high tech business community. Consequently, in mid-July Rep. Smith and Sen. Abraham produced a compromise bill (the Abraham/Smith proposal) which includes weak and limited protections for U.S. workers and a small training provision. In part due to a senior advisors veto threat, the compromise measure failed to gain sufficient support in the House prior to the August recess and Republican leaders decided to postpone House floor consideration until September.

Administration Position

The Administration has consistently supported sound and balanced legislative efforts to address shortages of skilled workers within certain sectors of our economy. Our position has been that the most important way to widen the availability of skilled workers must be to improve

the skills of U.S. workers and ensure that employers seek U.S. workers first. We have agreed that it may be necessary in the short-term to increase the number of visas for temporary foreign workers, but that this must only be done in conjunction with additional efforts to increase the skill level of U.S. workers (funded through a modest H-1B application fee paid by employers) and meaningful reforms to the H-1B program to protect U.S. workers. These reforms would require employers to attest to having attempted to recruit U.S. workers before applying for an H-1B worker and to having not laid off a U.S. worker in order to hire an H-1B worker.

This position dictated our strong opposition to the bill sponsored by Senator Abraham because his bill emphasizes providing opportunities for foreign workers rather than providing opportunities for and protecting U.S. workers. Senator Abraham's bill did not include either a recruitment or a no lay-off attestation and weakened existing enforcement authority of the Department of Labor. In contrast, the Administration stated in a letter to Rep. Hyde that it would support Rep. Lamar Smith's bill, because it included meaningful reforms to the H-1B program, if it were modified to include a significant training provision.

In response to the Abraham/Smith proposal, the Administration made a statement to the press (on August 1) that if the proposal were presented to the President his senior advisors would recommend that he veto it because the reforms are too weak to adequately protect U.S. workers (largely because far too many employers would be exempt from the attestations) and the bill, as structured, would not generate sufficient funds for increased training opportunities for U.S. workers.

Soon after the release of this statement to the press, we put forth a list of proposed changes (see attached). We made clear that if the proposal were modified consistent with these suggestions, we would support it. This list includes significant compromises on our part; *e.g.*, (1) we would agree to exempt firms that have a small percentage of H-1B workers (such as Microsoft, Intel, and HP) from having to attest to recruiting U.S. workers before hiring an H-1B worker; and (2) we would agree that the H-1B reforms will sunset with the increase in the cap. In addition, we have shown flexibility on the exact structure of a provision to protect U.S. workers from being laid-off and replaced with H-1B workers (although we have insisted that the provision be meaningful). These compromises have generated some opposition from organized labor and their Congressional supporters.

Since releasing our list of proposed changes, we have been engaged in serious discussions with members of Congress (including Senator Abraham and Representative Lofgren), and representatives from the business community (such as Jerry Jasinowski of NAM and Wade Randlett of Technet) and organized labor (such as the AFL-CIO) in an attempt to reach a compromise that would include a more substantial training provision and stronger protections for U.S. workers. We are hopeful that a compromise can be reached before the end of the Congressional session.

Industry's Position

The business community has generally not opposed the Administration's requirement that

any H-1B legislation must include a significant training provision. It has, however, argued that the reforms would generate unnecessary and intrusive federal regulations. As a result, the community supports the Abraham/Smith proposal because it increases the cap on the number of visas for five years and would exempt a large percentage of companies from the worker protections.

In addition, in response to the Administration's opposition to the Abraham/Smith proposal, some within the business community have accused us of "raising the bar" on what needs to be included in an acceptable bill and of attempting to block efforts to increase the cap. In fact, our position has not changed: in order for the President to sign a bill that increases the cap, it must also contain both a significant training provision and meaningful reform to the H-1B program. The Abraham/Smith proposal does not meet that standard.

Organized Labor's Position

Organized labor does not oppose an increase in the cap, as long as this increase is accompanied by strong worker protections and a meaningful training provision. Thus, they opposed the Abraham bill in the Senate and generally supported the Smith bill in the House (if it were modified to include a training provision). Organized labor opposes the Abraham/Smith proposal because the worker protections would only apply to a small number of companies, the training component is relatively small, and the H-1B reforms would sunset with the increase in the cap.

Talking Points -- H-1B Legislation
August 25, 1998

- The Administration has consistently supported sound and balanced legislative efforts to address shortages of skilled workers within certain sectors of our economy. Therefore, we support attempts to increase the number of H-1B visas as part of a larger package that includes both additional training for U.S. workers and meaningful reform of the H-1B program that both protects U.S. workers and respects the good faith business judgments of employers.
- I believe that the most important way to widen the availability of skilled workers must be to improve the skills of U.S. workers and ensure that employers seek U.S. workers first. While it may be necessary in the short-term to increase the number of visas for temporary foreign workers, this must only be done in conjunction with additional efforts to increase the skill level of U.S. workers and meaningful reforms to the H-1B program.
- Our goal is to help ensure that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired and that U.S. workers not lose their jobs to temporary foreign workers. A substantial training component would help U.S. workers obtain the skills needed to fill these jobs and the kinds of reforms that we have advocated (like those included in the Smith bill) would effectively target H-1B visas to industries experiencing skill shortages.
- Although the agreement reached by the Republicans last month includes a training provision and limited protections for U.S. workers, it falls short in several respects. The training provision would not generate sufficient funds and the protections included some big loopholes that would have made it difficult to tackle abuses in the program.
- We have laid out specific suggestions for ways to improve the Abraham/Smith proposal that, if made, would cause us to give this proposal our full support. We have had a series of discussions with the bill's sponsors in an attempt to reach an agreement. Our suggested changes generally increase the funding for training and strengthen the protections for U.S. workers in an attempt to achieve a reasonable, balanced bill that both protects U.S. workers and respects the good faith business judgments of employers.

Q&A -- H-1B Legislation
August 25, 1998

Q: Why has the Administration not embraced the Republican compromise on H-1B legislation?

A: Although the Republican agreement includes a training provision and limited protections for U.S. workers, it fell short in several respects. The training provision would not generate sufficient funds and the protections included some big loopholes that would have made it difficult to tackle abuses in the program.

Q: Some Republicans and hi-tech executives claim that the Administration keeps moving the bar on what it would consider an acceptable bill. What has been going on?

A: Our position on this issue is unchanged: For the President to sign a bill that increases the cap on H-1B visas, it must contain both a significant training component and meaningful reform to the H-1B program to ensure that American companies do not lay-off U.S. workers and replace them with foreign workers.

The Republican agreement that was unveiled last month fell short in several respects. It watered down the training provisions and created some big loopholes that would have made it difficult to tackle abuses in the program.

We have laid out a very specific path to how to get our support on the legislation and have had a series of discussions with the bill's sponsors in an attempt to reach an agreement. Our suggested changes generally increase the funding for training and strengthen the protections for U.S. workers in an attempt to achieve a reasonable, balanced bill that both protects U.S. workers and respects the good faith business judgments of employers.

Q: Would the President veto the Abraham/Smith compromise?

A: If the Congress passes the Abraham/Smith proposal in its current form, the President's senior advisors will recommend that he veto it. While the President is willing to sign a bill that raises the cap on H-1B visas, he also wants to make sure that we protect and provide training for U.S. workers. We want to work with the Congress to develop a balanced bill that addresses the growing demand for highly skilled workers.

July 30, 1998

Proposed Administration Revisions to H.R. 3736 (the July 29, 1998 version):

1. Require either a \$500 fee for each position for which an application is filed or a \$1,000 fee for each nonimmigrant. Fee to fund training provided under JTPA Title IV. In addition, a small portion of these revenues should fund the administration of the H-1B visa program, including the cost of arbitration.
2. Define H-1B-dependent employers as:
 - a. For employers with fewer than 51 workers, that at least 20% of their workforce is H-1B; and
 - b. For employers with more than 50 workers, that at least 10% of their workforce is H-1B.
3. The recruitment and no lay-off attestations apply to: (1) H-1B dependent employers; and (2) any employer who, within the previous 5 years, has been found to have willfully violated its obligations under this law.
4. H-1B dependent employers attest they will not place an H-1B worker with another employer, under certain employment circumstances, where the other employer has displaced or intends to displace a U.S. worker (as defined in paragraph (4)) during the period beginning 90 days before and ending 90 days after the date the placement would begin.
5. DOL would have the authority to investigate compliance either: (1) pursuant to a complaint by an aggrieved party; or (2) based on other credible evidence indicating possible violations.
6. Establish an arbitration process for disputes involving the laying-off of any U.S. worker who was replaced by an H-1B worker, even of a non-H-1B dependent employer. This arbitration process would be largely similar to that laid out in H.R. 3736 except that it would be administered by the Secretary of Labor. The arbitrator must base his or her decision on a "preponderance of the evidence."
7. Reference in the bill to "administrative remedies" includes the authority to require back pay, the hiring of an individual, or reinstatement.
8. There must be appropriate sanctions for violations of "whistleblower" protections.
9. Close loopholes in the attestations:
 - a. Strike the provision that "[n]othing in the [recruitment attestation] shall be construed to prohibit an employer from using selection standards normal or

customary to the type of job involved.”

- b. Clarify that job contractors can be sanctioned for placing an H-1B worker with an employer who subsequently lays off a U.S. worker within the 90 days following placement.
 - c. Do not exempt H-1B workers with at least a master's degree or the equivalent from calculations of the total number of H-1B employees.
 - d. Define lay-off based on termination for “cause or voluntary termination,” but exclude cases where there has been an offer of continuing employment.
- 10. Consolidate the LCA approval and petition processes within DOL, rather than within INS.
 - 11. Broaden the definition of U.S. workers to include aliens authorized to be employed by this act or by the Attorney General.
 - 12. Include a provision that prohibits unconscionable contracts.
 - 13. Include a “no benching” requirement that an H-1B nonimmigrant in “non-productive status” for reasons such as training, lack of license, lack of assigned work, or other such reason (not including when the employee is unavailable for work) be paid for a 40 hour week or a prorated portion of a 40 hour week during such time.
 - 14. Increase the annual cap on H-1B visas to 95,000 in FY 1998, 105,000 in FY 1999, and 115,000 in FY 2000. After FY 2000, the visa cap shall return to 65,000.
 - 15. Eliminate the 7500 cap on the number of non-physician health care workers admitted under the H-1B program to make the bill consistent with our obligations under the GATS agreement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-AUG-1998 11:05:16.00

SUBJECT: Race and Education

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

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

TEXT:

Attached is a draft of a document on race and education that (1) incorporates key data related to racial disparities in education, (2) catalogues what the Administration has already done or proposed, and (3) suggests some new ideas and next steps. In doing this, we have divided the education world into 3 areas--preschool, K-12, and postsecondary and lifelong learning. Its long--about 20 pages. This document is essentially the product of two meetings involving myself, PIR staff (including Chris at one meeting), and the few other DPC and NEC staff who happened not to be on vacation last week. At this point, the new ideas are probably more numerous than "big and bold", though I think it is probably too early in the process to discard ideas.

In some sense, the document is a response to the pressure to get something moving. And it is a good starting point for the next round of discussions that need to take place once there are more key policy people available (e.g., Barbara Chow, Jen Klein, Shireman, CC Rouse, Mike Smith).

I've sent this draft to Barry White, and asked him to respond to some issues in pieces of the draft produced by his staff. I see the next steps here as:

1. Circulating the document to the key DPC/NEC/OMB/ED policy people (Jen Klein, you and Bruce, Shireman and Rouse, Barbara Chow, Mike Smith), and asking for responses and additions.
2. I'm meeting with Chris Edley in a few minutes to review where we are, and to solicit his input. I'll give him a copy of the draft.
3. Calling a meeting later this week or early next week--depending upon when there is a critical mass of people available, to identify a more manageable set of issues and new ideas/proposals we want to send to the President in the Sept. 10 (or is it 6?) memo. I think it would be helpful if you participate in that meeting. I will also make sure that Chris and relevant PIR staff are invited.

Any reactions to substance or process would be greatly appreciated.=====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

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Draft
MCohen
8/25/98

RACE AND EDUCATION

INTRODUCTION

There two fundamental issues pertaining to race and education that must be addressed. First, racial and ethnic minorities generally have lower levels of educational attainment -- as measured by academic performance as well as high school graduation and postsecondary enrollment and graduation -- and correspondingly fewer quality educational opportunities than white Americans. This appears to be a function of both race and of poverty, in varying degrees. Low income and minority students in particular are less likely to participate in quality preschool programs [check], and are more likely to attend schools with large classes, unqualified teachers, crumbling facilities, safety and discipline problems, fewer computers, and insufficient time and resources to provide students who need it with extra help.

In the main, the Administration's approach to this issue has been through initiatives and proposals to strengthen the quality of public schools overall (with higher standards, strengthened accountability, greater choice, smaller classes, modern school buildings, 21st century technology, better prepared teachers, mentors and tutors, after-school programs, etc.) and to target these and other resources for extra help and expanded opportunities for students in high poverty communities. The Administration has also provided the resources to expand access to preschool programs and to higher education.¹

New proposals to reduce racial and ethnic disparities in educational attainment and opportunities should be consistent with this overall approach, and should significantly extend it in strategically selected areas. For example, we should propose significant new Federal initiatives as well as challenges to states and local communities designed to significantly improve the quality of teachers for low income and minority students. We should also propose new initiatives, and challenge states and local communities, to take dramatic steps to provide students and families in urban communities with a broader range of high quality educational choices.

Second, to a considerable extent, many students in the United States still attend racially identifiable schools, despite the fact that our Nation as a whole has become increasingly diverse. At the K-12 level, segregated housing patterns in metropolitan areas make racial segregation among schools prevalent. Further, as a result of Prop. 209 in California and the Hopwood

¹This draft does not yet incorporate the role of civil rights enforcement activities in our efforts to reduce disparities in education performance, or with respect to related issues. Subsequent drafts will.

decision in Texas, minority application to and enrollment in selective institutions of higher education in those states has declined. If similar laws are enacted elsewhere or if other legal challenges erode affirmative action in higher education, we can expect to see a similar pattern on a wider scale.

In the wake of the 1954 Brown decision, school desegregation was seen as an essential tool for equalizing education opportunities, in recognition of the Court's finding that separate schools could not also be equal. However, the difficulties in eliminating de facto segregation, coupled with a growing recognition that school and instructional resources are more important determinants of academic performance than the racial composition of the school, have led policymakers, parents and educators to focus on making sure that every school is a good school regardless of its student body composition, rather than on continued school desegregation.

The challenge for the Administration is to make the case for the value of diversity in schools and colleges, despite the limited evidence that such diversity will enhance educational performance as conventionally understood. Rather, we must be able to argue that diversity in our schools and colleges will enable all students to be better prepared to participate in more diverse communities and workplaces, and in a global economy.

Further, we must articulate strategies that will achieve diversity. In higher education, our discussions to date have focused on partnerships with higher education and business communities to take the lead in making the case for diversity, as well as on a range of short and long term "pipeline" initiatives (e.g., High Hopes proposal for the long term, and new support for AP courses and test preparation programs for high school juniors and seniors in the short run).

We have not yet focused on promoting the value of diversity and school integration in public elementary and secondary schools. I believe it will be important to support this goal, and to talk about how it could be achieved. We should make clear that the tools of the past--busing in particular--are not the tools of the future. But we can articulate a strategy of sorts of making more of our schools more diverse racially and ethnically.

Our approach should be to first make every school a good school, using strategies described above. If we do this in urban areas, parents will have more freedom to choose where they will live. This could lead to more desegregated housing patterns, and help keep/attract white middle class families to cities.

We should also work to expand choice in ways that can promote desegregation. For example, charter schools could accomplish this (but may not always--the Education Department's recent charter schools report seems to indicate that some may be more racially identifiable than the surrounding community). Giving urban high school students the option to take courses in community colleges also might (if urban community colleges are more diverse than urban public schools [need to check data on this]). Dade County Florida has tried another approach, by creating Satellite Learning Centers. Initially conceived of as a way of coping with

rapid enrollment growth, these SLC's are "schools" located in the facilities of large employers. The employer provides the facility, the school system provides the staff, curriculum, textbooks, etc., and the students are the children of the employees. Since work settings tend to be more integrated than neighborhoods, this can be a means of creating schools that are integrated along racial, ethnic and socioeconomic lines. Consequently, encouraging cities and employers to locate schools on employment sites and letting parents take their kids to school near where they work rather than where they live could be another approach to promoting greater racial diversity in schools.

The pages that follow are designed to stimulate a more full and detailed consideration of the education ideas the President should advance in the context of his report on the race initiative. Organized roughly by age-level (pre-school years, elementary and secondary school years, postsecondary education and lifelong learning) they briefly summarize what we know about racial disparities, what the Administration has already accomplished and proposed, and what we additional steps we might take in the future.

*Automated Records Management System
Hex-Dump Conversion*

The Pre-School Years

In the Pre-School Years: Children who do not reach school prepared to learn, quickly fall behind their peers, requiring expensive and complex remedial efforts that are not likely ever to overcome completely the initial learning gaps. Special focus is required for low-income racial and ethnic minority children who are least likely to attain this level of readiness without special help to the family and in child care and pre-school settings.

Data:

- Studies show that 89% of all children ages 3-5 are read to three or more times per week compared to 74% of black children and 62% of Hispanic children.
- Hispanics are under represented in Head Start; they comprise 29 percent of children in poverty, 23% of children in Head Start (excluding Puerto Rico).
- Low-income, minority children are more likely to receive child care in a family day care setting (which may be unlicensed and of uncertain quality). Research documents the importance of quality child care programs to school readiness. The research shows that when children are in better quality child care programs, they have stronger language, pre-mathematics, and social skills, better relationships with their teachers and stronger self-esteem.

Federal Efforts to Date:

- Head Start: (\$4,355 million in FY 1998) will serve 830,000 children in FY98, including 40,000 infants and toddlers; x% are minorities. Administration goal: serve 1 million children by 2002, including doubling the number of infants and toddlers.
- The Child Care and Development Fund (\$2,071 million in FY 1998) in subsidies to over 1 million children. President's FY99 proposal: (\$ 7,500 million over 5 years) to serve an additional 1 million children by FY 2003.
- Tax credits: \$16.5 billion (over five years) for the Child and Dependent Care Tax Credit, \$98 billion provided by the Child Credit, and \$150 billion provided by the Earned Income Tax Credit.
- Tax credits to private employers that expand or operate child care facilities. President's FY99 proposal (\$500 million over 5 years). Credits could be targeted to employers in Federally-designated empowerment zones.
- **Even Start provides educational services to low-income families. In 1998, 700 Even Start programs provided early childhood education services, adult education, and parenting education in integrated "family literacy" programs, serving over 34,000 families in high-poverty urban and rural areas across the country. Over two-thirds of the families served were minorities. Just under half of the programs emphasized an ESL as a major part of the curriculum.**
- America Reads is a new initiative to help States and communities ensure that all children can read well and independently by the end of the third grade. The original proposal

included a component aimed at helping parents help their children prepare to read.

- The President's FY99 Child Care Initiative also includes:
 - \$100 million to assist states in enforcement of state health and safety standards.
 - \$44 million in scholarships for child care providers who seek training.
 - \$30 million to fund consumer education, parent hotlines, and research activities.
 - \$3 billion over five years for an Early Learning Fund that will provide grants to communities for activities that improve early childhood education and the quality and safety of child care for children under 5 years old.
 - \$5.1 billion over five years to offer more help to families with incomes under \$59,000 through the child and dependent care tax credit.
 - \$5 million in assistance to states in developing support systems for families of children with disabilities.

Business tax credits for child care facilities.

Potential New Strategies:

1. Strengthen Families' Ability to Help the Child in the Home. Improved parenting among low-income families can significantly improve the performance of children in school and in other developmental ways. There are a variety of relatively small scale investments in providing such aid, such as Even Start. Major new investments in parenting and related training could be made through models that provide home visits by family counselors or nurses teaching basic parenting skills and outreach (PAFT, HIPPY), or through USDA's WIC program (which reaches 45 percent of infants born in this country).

2. Make quality pre-school education universally available. Head Start can be a base for this. Encourage or provide incentives to States to provide all children the opportunity for a beneficial pre-school experience, with the first goal being meeting the needs of low-income children. Title 1 can fund preschool programs, at local discretion. We should consider setting aside a portion of Title 1 funds for preschool programs, and expanding total Title 1 investment in preschool. We should also make sure that performance standards required in Head Start reauthorization adequately address school readiness knowledge and skills.

3. Provide universal access to quality center-based child care for all who want it. Dramatic increases to the Child Care and Development Fund (which includes State matching) can help more families receive child care subsidies, thereby assisting low-income families in affording the child care settings of their choice.

4. Link pre-school programs with public schools. Require explicit ties between publicly-funded child care and Head Start, and the public schools, in order to ease the transition from pre-school to elementary school by: requiring updates on the child's developmental status to any problems from Head Start and child care to the school; agreements between schools and Head Start and child care centers on curriculum/developmental goals; consultations between schools, and Head Start and child care centers for children with special needs.

Elementary and Secondary School Years

In the K-12 Years: Success in elementary and secondary schooling is, among other things, heavily influenced by positive role models, family support and high quality educational services. Low-income racial and ethnic minority children often lack one or more of these critical success factors. Without meeting these requirements, many will not succeed in school, the workforce, or as citizens.

Data:

Race & Poverty

- Poverty rates for minorities remain disproportionately high: In 1996, more than one-quarter of both Hispanic and Black families lived in poverty (26.4% and 26.1%, respectively), while the poverty rate for White families was 8.6%. Moreover, this percentage increases greatly for minority families with school-age children -- approximately 33% of Hispanic and 34 of Black families with children under age 18 were poor, compared to 13% of comparable White families.
- High minority schools tend to be high poverty schools. 33.1% of schools with 0-10% minority enrollment have 0-10% poor enrollment. Contrastingly, 87.7% of schools with 90-100% minority enrollments have 50-100% poor enrollment. The correlation between percent black and Latino enrollment and percent free lunch eligible is .72 (*Deepening Segregation In American Public Schools: A Special Report From the Harvard Project on School Desegregation*, pg. 19).

Minority Enrollment

- Between 1975 and 1994, the percentage of White students declined at all school levels, while that of Black students grew from 14.5% to 16% and that of Hispanic students grew from 6.5% to 13%.

Student Achievement

- In general, data on grade retention and enrollment indicate that Hispanics are less likely than their White and black classmates to fall behind in grade level while in the *early* stages of their schooling. However, in the latter stages of their academic progress, higher percentages of Latinos than Whites are enrolled below their grade level.
- In 1994, the enrollment in gifted and talented programs was 81.4% White, 8.4% Black, and 4.7% Hispanic.

- By age nine, Hispanic American and Black students lag behind Whites in reading, math, and science proficiency. For example, in 1994, the gap between reading test scores for Whites and Hispanics was 32 points; the gap between Whites and Blacks was 33 points.
- Black and Hispanic students in 1994 continued to trail their White counterparts by 10 or more percentage points in their participation in upper level high school courses such as Algebra II, physics, chemistry and trigonometry. In addition, white 12th grade students were more likely than Hispanic and black students to take AP exams. In 1996, 133 out of every 1000 whites took AP exams while 74 out of every 1000 Hispanics took them. 32 out of every 1000 blacks took AP exams in that year. Hispanics though, were almost three times as likely (35 out of every 1000 students) to take a foreign language AP examination as Whites (12 out of every 1000 students). Overall, between 1984 and 1996, the number of students who took AP exams increased dramatically, rising from 50 to 131 students per 1000 12th grade students. Whites, Blacks and Hispanics all contributed to this significant increase (*Condition of Education 1997*, pg. 100).
- By 1996, Blacks had almost closed the high school completion gap with Whites but the gap of completion rates for Hispanics remained wide. In 1967, the gap between Whites and Blacks was 20 percentage points (approximately 75% to 55%) but by 1996, the gap had narrowed to a 7 percentage point difference (approximately 92% to 85%). Hispanics lagged far behind at approximately 60% in 1996. That slow progress is in large part explained by the increasing representation of Hispanic immigrants with less education (*Economic Report of the President 1998*, Chart 4-7).
- With regard to Internet access, in 1997, schools with 50 percent or more minority students enrolled lagged behind schools with 20 percent or few minority students.

Teachers

- Students in high-poverty and high-minority schools are more likely to be taught by teachers who do not have a major in the field in which they are teaching.
- There is a strong significant relationship between teacher scores on a basic literacy test (TECAT) and student test scores. (*Ron Ferguson, 96,97*). In Texas, Black and Latino children are far more likely to be taught by teachers who scored poorly on the TECAT. As the percentage of non-white children in a school increases, the average teacher score declines. (*John Kain & Kraig Singleton, 96*).
- Additionally, while minority students make up nearly a third of our nation's student population, only 13% of our teachers are minorities. And more than 40% of our nation's public schools do not have a single minority faculty member (*A Talented, Dedicated, and Well-Prepared Teacher in Every Classroom: U.S. Department of Education Initiative on Teaching*).

School Safety

- *Need to add data*

Federal Efforts to Date:

Since 1993, the Administration's strategy to strengthen K-12 education overall and reduce racial disparities in achievement has been to:

- Promote high standards for all students.
- Hold schools, school districts and states accountable for results and provide flexibility in how to achieve them.
- Target funds to high poverty schools and communities.
- Invest in providing critical learning opportunities, including smaller classes, modern buildings, 21st century technology, and after-school tutoring and learning opportunities.
- Expanded choice and charter schools [need to look at data on racial identification in charter schools, from latest charter school evaluation.]

These strategies have been incorporated into a number of specific program initiatives, including:

- Goals 2000 and the reauthorized ESEA, both enacted in 1994, re-oriented Federal K-12 education policy around school-wide and school system reforms, emphasizing standards-based reform and the increased use of technology in education.
- Title I -- In 1999 Title I grants to school districts will provide educational services to over 10 million students in high poverty communities.
- ED Technology --The Administration has proposed a \$2 billion federal contribution over five years to education technology to ensure that all students are able to use computers with high-quality software and have access to the Internet in their classrooms, and that teachers have the training to integrate the use of technology into effective instruction.
- School Construction -- The FY 1999 budget proposed Federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools.
- Education Opportunity Zones -- a new initiative proposed in the FY 1999 budget to assist high-poverty urban and rural local educational agencies to implement education reform strategies if they adopt tough reforms to hold schools accountable for improving quality, expanding public school choice, ending social promotion, and show real improvements in student achievement.
- Class Size -- a new initiative to help States and local school districts recruit, train, and hire 100,000 additional well-prepared teachers in order to reduce the average class size to 18 in grades 1 through 3 in public schools.

- Hispanic initiative -- the FY 1999 budget proposed increases \$XX million in increases for several existing programs that assist Hispanic students, such as Bilingual Education, Migrant Education, and TRIO.
- Comprehensive school reform demos -- a new program to help nearly 3,500 schools nationwide implement effective, research-based school improvement models.
- After School Programs (21st Century Learning Centers) -- the FY 1999 budget proposed a \$160 million to support nearly 3,000 before- and after-school programs that will focus primarily on improving student achievement and preventing juvenile violence and substance abuse. Because most of the centers will be located within schools, they can provide educational services directly linked to students' classroom needs.
- America Reads -- a presidential initiative to ensure that all children are reading well and independently by the end of the 3rd grade.
- Teacher Recruitment and Preparation -- new initiative proposed in the HEA -- \$67 million to improve the quality of teacher education and address shortages of well-trained teachers, particularly in urban and rural areas.

Potential New Strategies:

1. Make sure there are qualified teachers in high poverty schools. First, encourage and support state and local efforts to improve the preparation, certification, recruitment, selection, induction, retention, evaluation, reward and dismissal of teachers overall. Support necessary R&D on critical components of an upgraded system, such as assessing teacher competence in the classroom. Second, work to end the practice of disproportionately placing and keeping unqualified teachers in high poverty schools. Require states to require prospective teacher to pass basic skills/subject matter tests (and help them develop more demanding assessments) in order to be licensed. Prohibit school districts receiving Title 1 funds from staffing Title 1 funded classes (what about schoolwides???) with unqualified teachers, and bar those without an effective system for teacher evaluation (including removal of incompetent teachers) from receiving Federal (or just Title 1) funds. Require K-4 teachers in Title 1 schools to successfully complete training in teaching reading, and fund the training. Third, help attract and retain the best teachers for high poverty schools. Fund induction and continuing professional development programs in high poverty schools. Provide incentives for Board-certified teachers to teach in high poverty schools.
2. Recruit More Minority Teachers. Many believe that a major factor influencing children's success in education is role models. Enhance current recruitment programs with effective incentives to attract more minorities to the teaching profession. Minority teachers, administrators, and school personnel serve as role models for minority students and can provide an important link between schools and parents.

3. Make every LEP child competent in English within 3 years of obtaining services. English language competency is the key to success in schooling and the economy. ESL and similar services should be made universally available to all students who need them. Federal funding can provide matching grants to States to do this.

4. Support English Plus. In addition to ensuring that all LEP students learn English, we should promote foreign language learning, starting in the early grades, for student's whose native language is English. The objective is to dramatically increase the number of students who leave school fluent in two or more languages, regardless of their native language.

5. Report Cards. Pressure can effectively be brought to bear on State, school, and school district policies to improve educational achievement through public comparisons of achievement. Charter and "endow" (no government strings attached) a non-partisan, non-government body do fair report cards on State, school district, and school achievement.

6. Support demonstrations of, and if effective greatly expand "Newcomer High Schools" for recently arrived immigrant students. Many school districts are facing an increasing number of secondary immigrant students who have low level English or native language skills, and in many cases, have had limited formal education in their native countries. In order to prevent these students from dropping out (and these children are a significant factor in the 40% Hispanic drop-out rate), these students must learn English, take the required content courses and catch up to their U.S. peers. Some district have developed Newcomer programs -- either a separate school or a school-within-a-school. These programs typically educate students for a limited period of time (most for less than two years) before enrolling them in their home schools. Three such schools are 4-year high schools. The programs reach beyond the students themselves, providing classes to orient parents to the U.S. and 63% offer adult ESL classes. There are currently 75 such programs in 18 States and the Center for Applied Linguistics has sponsored an evaluation of their effectiveness.

7. Propose an Education Bill of Rights. The proposal would call for states and school districts to provide every child with essential education services, including (1) high standards, (2) qualified teachers, (3) curriculum and competent teaching that prepares each student for college or a good career, (4) parents right to know on an objective basis how well their children and are doing, (5) parental access to teachers and administrators to fix problems that are the fault of teachers and administrators, (5) preschool programs, (6) small classes, (7) 21st century technology, (8) after-school programs, (7) tutoring and other forms of extra help.

8. Expand Choice and Opportunity for students in Urban School Systems. Challenge states and school districts/cities to expand the range of high quality schools students and families can choose among, thereby enabling students in low performing schools to move to better ones. A variety of approaches should be encouraged, including:

- Community College Enrollment. High school students should be permitted to enroll in

community colleges, for high school level or college level courses. This step could provide inner city students with access to more qualified teachers, because most community colleges have faculty with subject matter expertise (whereas urban high schools often have teachers teaching out of field). It could also help boost minority enrollment in college. [see if this can build on existing tech-prep programs, or other articulation agreements.]

- Contract School System. Transform urban school systems from bureaucracies which operate large numbers of schools into systems in which the local governing body contracts out the operation of each school--to teachers, private operators, etc. In effect every school becomes a charter school, with a distinct mission, control over its own staffing and budget, and accountable for results. The local school board is responsible for selecting the schools, identifying new types of schools that might be needed and soliciting proposals to operate the school, monitoring the performance of each school and holding it accountable. Under this approach, all schools would eventually be schools of choice.
- Schools located at large employers. Encourage large employers to provide facilities on site for schools for children of their own employees, while the school district provides the teachers, curriculum, instructional materials, etc. Dade County's Satellite Learning Centers provide the model for this approach. Dade's experience shows that these schools can (1) be more diverse than other schools, because work sites are more diverse than residential neighborhoods (2) save the school districts the cost of new facilities (3) save employers costs associated with employee turnover and (4) increase parental involvement in the schools.

9. School Safety Initiative

to be developed for 10/15 school safety conference

Postsecondary Education and Lifelong Learning

Data:

- High School Completion: In 1996, 4.1% of White students, 6.7 % of Black students, and 9.0% of Hispanic students in grades 10-12, aged 15-24 who had been enrolled the previous October were no longer enrolled and had not graduated.
- College enrollment: In 1996, 45% of Whites, 35.7% of Blacks, and 33.8% of Hispanics aged 18-24 who had completed high school were enrolled in college.
 - Longitudinal NELS data indicates that even among students who score in the top one-third of a standardized test, students from low-income families were five times as likely NOT to enroll in college as those from high-income families; nearly 60 percent of this group cited financial reasons for their decision.
 - In 1993, the average SAT score for Whites was 938 out of 1600, compared to 741 for Blacks and 802 for Mexican Americans.
 - Among high school seniors interested in going to college, those whose parents read financial aid materials were much more likely to enroll (80 percent vs. 55 percent).
 - According to NELS data, 71 percent of low-income students who took geometry went to college, compared to 26 percent who did not take geometry.
- College Graduation and Persistence: Of those aged 25-34, 41.7% of Asians have a bachelor's degree, as do 26% of whites, 12.2% of blacks, 9.8% of Hispanics, and 7.5% of Native Americans.
 - In 1995-1996, 62.9% of black undergraduates received some form of financial aid, as did 59.4% of Native Americans, 54.2% of Hispanics, 42.9% of Asians, and 47.9% of Whites. For graduate and professional schools, these numbers were 62.7% for blacks, 55.8% of Hispanics, 41% of Asians, and 51.3% of Whites.
 - Of those who began their postsecondary education at a 4-year institution in 1989-90, 56.4% of whites received a bachelor's degree within 4 years, as did 52.8% of Asian/Pacific Islanders, 45.2% of blacks, 41.3% of Hispanics. Of these students, 27% of whites were no longer enrolled and had not received a degree, as were 36.8% of blacks, 36.6% of Hispanics, and 25.5% of Asians.

- **Minority-Serving Institutions:** 21% of all Black postsecondary students attend one of the Historically Black Colleges and Universities (HBCU's), nearly 50% of all Hispanic students attend an Hispanic Serving Institution (HSI), and X% of all Native American students attend one of the Tribal Colleges and Universities (TCU's).
- **Graduate School enrollment:** Whites represented 82.6% of those enrolled in graduate schools, blacks represented 7.6%, Hispanics 4.4%, Asian/Pacific Islanders 4.9%, and Native Americans 0.5%.
- **Professional School enrollment:** Whites represented 76.9% of those enrolled in professional schools (e.g., law schools, business schools, etc.), blacks represented 7.4%, Hispanics 4.8%, Asian/Pacific Islanders 10.2%, and Native Americans 0.7%.
- **Adult Literacy:** According to the 1992 National Adult Literacy Survey (NALS), there are about twice as many racial minorities (across all groups) and immigrants in the lowest tier of literacy as there are in the overall population. These adults can barely, if at all, perform basic tasks such as totaling an entry on a deposit slip, locating the time or place of a meeting on a form, and identifying a piece of information in a news article. As a result, they are more likely to be unemployed, work fewer hours, and earn less. They are also more likely to live in poverty and receive public assistance, and less likely to vote.
 - Black, Hispanic, and American Indian/Alaska Native adults lag behind Whites in average educational attainment. In particular, Hispanics adults have the lowest average educational attainment at about 10 years, and a disturbingly large share of low-literate Hispanic adults failed to correctly perform even one task in the NALS.
- **Participation in Adult Education:** Racial minorities comprise a disproportionate share of clients served by adult education programs. In 1996, 38 percent of adult education participants were Hispanic, 32 percent White, 17 percent Black, and 12 percent Asian or Pacific Islander.
 - English as a second language (ESL) clients are the largest and fastest growing part of the adult education population. They receive substantially more hours of instruction and remain in programs longer than adult basic education (ABE) and adult secondary education (ASE) clients. Strong demand has created long waiting lists for ESL programs throughout the country, while ABE and ASE programs appear to have excess capacity.

Federal Efforts to Date: The funding levels below are the FY99 Budget requested levels, unless otherwise noted.

High School Completion and Postsecondary Enrollment

- High Hopes for College: \$140 million in federal funds (\$2.2 billion over 5 years). The program aims to reach 3,000 middle schools & serve over 1 million students over 5 years. *Isn't this the same as the college-school partnership item below? Why do the per-student costs for this description come out to \$2200 per kid, while the description below is \$800 per kid?*
- College-School Partnership: \$140 million to provide early intervention services to approximately 175,000 high-poverty middle school students.
- TRIO Programs: \$243 million for Upward Bound (incl. Math/Science initiative) to increase enrollment in postsecondary education for approximately 60,000 disadvantaged students, and \$96 million for Talent Search to provide academic support to about 330,000 middle and high school youth.
- Hispanic Dropout Initiative: More than \$600 million dollars for a comprehensive action plan, including \$30 million to transform schools with high drop out rates, and increased funds for Hispanic-serving institutions as well as federal TRIO programs.
- School-to-Work (STW): \$250 million in federal funds. Over one million students participate. More than half of all partnership secondary schools, as well as 40 percent of postsecondary partners, have developed agreements that grant college credit or advanced standing for secondary school course work or dual enrollment.
- Summer Jobs: \$871 million a year to provide work experience in public and private agencies, enhance basic educational skills, encourage school completion, and expose 530,000 low-income youth to the world of work.
- Early Awareness Information: \$15 million in federal funds to publicize availability of financial aid and to encourage students and their families to prepare for higher education.
- Financial Aid: As the data above shows, minority students are heavily dependant on financial aid. The FY 1999 Budget provides a total of \$57 billion in aid, including \$39 billion from FFEL and Direct Loans (9.3 million awards) \$10.5 billion from the SFA accounts (8.8 million awards), and \$7 billion in HOPE and Lifetime Learning tax credits.
 - Work Study: \$900 million in federal funds (\$1.1 billion with employer match). Over one million participants at 3,400 institutions.
 - Pell Grants: \$7.5 billion available to 4 million students. \$3,100 maximum award, a 35% increase since FY 1994.

- Perkins Loans: \$1.1 billion in loan volume serving about 788,000 recipients.
- Suppl. Educational Opportunity Grants (SEOG): \$619 million in federal funds (\$784 million with match). About 1.05 million students receive aid at about 3,800 institutions.
- FFEL/Direct Loans: Income contingent and graduated repayment options are available. In addition, the HEA reauthorization bill should lower the interest rates on new FFEL and direct loans by 0.8%.

Minority Serving Institutions

- HBCU's: \$137.5 million to strengthen HBCU's; \$96 million for capital financing; Executive Order on HBCU's (i.e., Executive Agency Actions to Assist HBCU's).
- \$28 million to strengthen HSI's, and \$5 million to strengthen TCU's.
- National Need Graduate Fellowships (Consolidation of GAANN, Javits, etc.): \$37.5 million for X,XXX participants.

Adults, Dropouts and Others Outside the Education Mainstream

- **Adult Education State Grants** support local programs that provide ABE, ASE/GED preparation, and ESL services to adults and drop-outs with limited literacy skills. **1998 appropriation:** \$345 million. **1999 request:** \$361 million. **Participants served:** 4 million adults.
- **The Even Start Family Literacy Program** supports local school-community partnerships that provide an integrated, intergenerational program of adult education, early childhood education, and parenting education to low-income, educationally disadvantaged families. **1998 appropriation:** \$124 million. **1999 request:** \$115 million. **Participants served:** 31,500 families (36,400 adults).
- **The High School Equivalency Program** provides academic and support services to migratory and seasonal farmworkers (or children of such workers), who are 16 years of age or older and not currently enrolled in school, to obtain the equivalent of a high school diploma and subsequently to gain employment or begin postsecondary education or training. **1998 appropriation:** \$7.6 million. **1999 request:** \$10 million. **Participants served:** 3,000 students.
- **Youth Opportunity Areas** (proposed) would provide grants to support multiple education, job training, and social services for youth in EZ/EC and similar high poverty

areas. The goal of the initiative is to raise the employment rate for out-of-school youth in target communities from current levels of less than 50 percent to a level of 80 percent, or commensurate with the employment rate in non-poverty areas. **Participants to be served:** 50,000 youth.

- **Welfare to Work and TANF.** Resources to encourage and help welfare recipients to obtain needed education and good jobs.
- **Workforce Investment Act.** The reauthorized JTPA adult and youth programs.
- **One-Stop Career Centers:** \$147 million for implementation of One-Stop Career Centers and continued development of America's Labor Market Information System. These will provide streamlined access to job referrals, job search assistance, information on jobs and their skill requirements, and information on training opportunities. To date, all States have received implementation grants, and XX centers have been created across YY states.

Potential New Strategies:

High School Completion and Postsecondary Enrollment

1. Sustain and institutionalize the principles of the President's School to Work initiative as that law sunsets. The Workforce Investment Act enacted on August 7, 1998 establishes new Youth Councils that will develop the portions of the local plan relating to youth policy. With a re-constituted membership that includes local school representatives, these councils offer the based on which to build a more permanent local structure for coordination and cooperation of social services, business and schools that School to Work began. This is critical to the development, learning, and success of minority youth. *What is the action step here? Who does what?*

2. Aggressively expand early mentoring and information. The High Hopes for College initiative provides a model for all schools to provide families with early information about the cost of going to college, financial aid that is available, what courses to take (esp. math, science) to be well-prepared for college, and the mentoring many need. Backed by partnerships with area colleges, counselors would work with students in middle school to help raise expectations and goals early on. The current initiative is very small. It could be greatly expanded. *I don't think this is really a new proposal, unless we can really afford to ramp up High Hopes beyond its current trajectory--and unless the program can handle a faster growth rate. Can we, and can it?*

3. Federal Matching Funds for AP courses and for AP and SAT/ACT Preparation. The President has made universal access to two years of higher education a priority, and has created

ways to alleviate the financial hurdles. A logical next step in improving the quality of access is to make all students more competitive by closing the gaps in advanced course availability as well as SAT and ACT test scores. The Federal government could establish funding matching mechanisms to encourage states to improve access to AP courses and preparation for AP tests in low-income schools; in areas where AP courses are not available, funds could be used for partnerships with community colleges that offer similar courses. Similarly, matched funds could be used to do one of a number of things for SAT/ACT preparation: pay for low-income youth to attend prep courses (e.g., Kaplan; Princeton Review); fund poor school districts to set up their own test prep programs; as in America Reads, waive the federal match for Work Study students who help prepare disadvantaged students for the tests.

4. Encourage states to give scholarships to top of graduating class. States can create incentives by rewarding the top 5 or 10% of graduating seniors at every school with free tuition to any public institution in the state. This approach is currently being tried out in Texas. Federal matching funds could accelerate adoption in other States.

5. Aggressively Promote knowledge and use of the President's Income Contingent Repayment option: Many believe that low income, and especially minorities, will not take the risk of default seemingly inherent in borrowing money for college, and thus will not attend. The President's ICR repayment option eliminates the risk of borrowing for higher education. If a borrower fails to earn enough after schooling to repay the loans through normal repayment plans, ICL reduces payments only to what is affordable, and if not paid off in 25 years, converts the loan to a grant -- no further repayments required.

6. Frontload Pell grants: Under a frontloading scheme, rather than receiving a 4-year stream of federal grant awards, students would receive the same amount of grant aid but within the first two school years, and finance the remainder of their education entirely through loans. Frontloading has been shown to increase both the postsecondary enrollment and retention rates of disadvantaged students, with low income blacks and Hispanics realizing the largest gains.

7. Strengthen Civil Rights Enforcement and Laws: Civil rights enforcement could be strengthened by integrating investigation, litigation, and remediation approaches across Federal and state agencies, and increasing funding for civil rights enforcement. In addition, civil rights laws could be strengthened by forbidding institutions of higher education that are found guilty of discrimination from receiving Federal grants and/or student aid until the problem is remediated. Another option is to suspend guilty institution's tax exempt status.

8. Provide strong incentives for Higher Education Institutions to Establish Retention and Preparation Programs: While TRIO's current structure is not be conducive to a large expansion, it has developed useful models for helping minorities prepare for, enter, and stay in higher education. The federal government could encourage institutions to establish the next-generation of TRIO-like programs for all students who need them. Higher education institutions could be required set up programs modeled on successful aspects of TRIO as a condition of continued

eligibility for Pell grants and other programs that aid low income and minority students.

9. Encourage Institutions to Provide Scholarships to Local Disadvantaged Students: In an attempt to give back to their respective communities, many institutions of higher education (e.g., Harvard) provide undergraduate scholarships to local disadvantaged students. Again, the federal role in this strategy could include financial incentives, or it could be limited to challenging institutions to establish or expand these scholarships.

Minority Serving Institutions

1. Encourage Partnerships Between Minority Serving Institutions and other Institutions: As the data above shows, a large percentage of Blacks, Hispanics, and Native Americans attend HBCU's, HSI's, and TCU's, respectively. One way to help these students is to establish "partnerships" between minority serving institutions and other institutions of higher education (there is currently such a partnership between some HBCU's, Georgia Tech, Boston University, and Rochester Institute of Technology). These partnerships could, for instance, allow students at minority serving institutions to take courses at partner institutions, transfer to partner institutions without paying more in tuition, and use labs or other facilities at partner institutions.

The federal role in this strategy could be to provide financial incentives for schools to establish these partnerships (e.g., more student financial assistance funds). Or, the federal role could be limited to challenging schools to create these partnerships, similar to how the President called for institutions to put Work Study students to work as reading tutors as part of his America Reads Challenge.

Drop-outs, Adults, and Others Outside the Educational Mainstream

1. Concentrate multiple resources in lowest income areas for maximum impact. Combine the concepts of EZ/ECs, Youth Opportunity Areas, Education Opportunity Zones, with current investments in TANF, JTPA, and Title I-Education for the Disadvantaged (and other relevant resources, including housing and criminal justice) into a massive effort to improve the quality of education, training, and economic development, to lead to dramatic reductions in unemployment and in employment rates of low income, minority youth and adults in the locations where their problems are most intractable.

2. Universal ESL for every adult who needs it. Every adult who wants to learn English should be given the chance to do so. Create and fund a separate authority for ESL programs to accommodate rapid growth and unmet demand without diminishing other Adult Education purposes. Encourage life skills training for recent immigrants. Promote parent involvement, continuing education, and civic participation.

3. Redesign the GED to make it an effective alternative to a high school degree. The current GED is not valued as a real equivalent to a high school degree, but some such device is necessary

for those who cannot or will not obtain a high school degree. The Federal Government can subsidize develop of an effective GED that is aligned with challenging State content and performance standards for high school graduates, instead of norming them against a national average of high school graduates. ***Do we want a new GED--or do we want states to provide alternative routes, and alternative ways, for adults to demonstrate that they have met the performance standards for a high school diploma?***

4. Newcomer High School. See “In the K-12 Years” for more information.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-AUG-1998 16:15:17.00

SUBJECT: Daily report on President's Council on Food Safety

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

TEXT:

Today we announced your executive order creating a President's Council on Food Safety, which will develop a comprehensive strategic plan for federal food safety activities and will ensure that federal agencies annually develop coordinated food safety budgets. In addition, as one of its first orders of business, you directed the Council to review the recent National Academy of Sciences report, which recommended legislation to establish a unified office for managing food safety programs to be headed by a single official. The story on the Council was carried in Tuesday's New York Times. Today, the three co-chairs of the Council, the Secretary of Agriculture, the Secretary of Health and Human Service, and the Director of the Office of Science and Technology Policy, held a press conference at USDA, which was attended by all three networks and CNN. The response by the consumer advocates and the industry groups has been generally positive.

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001. email	Janet Alleyne to Elena Kagan. Subject: travel voucher (1 page)	08/25/1998	P6/b(6)

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OPD ([Kagan])
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FOLDER TITLE:

[8/25/1998 - 8/26/1998]

2009-1006-F
ke754

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]

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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:25-AUG-1998 14:39:04.00

SUBJECT: Caroline Smith DeWaal

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

TEXT:

I just faxed over the statement of Caroline issued today -- which is a lot more positive. Caroline called me to say that she thinks the Council is a good thing. She basically said that she was just caught off guard yesterday because the Times called before she had heard from us.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1998 17:34:49.00

SUBJECT: Q&A

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

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

TEXT:

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

TEXT:

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School Safety Event
August 27, 1998
Questions and Answers

Early Warning Guide

Q. What is in this early warning guide?

A. In response to the tragic loss of life and injuries at Thurston High School in Springfield, Oregon, in his June 13 radio address, President Clinton directed the Secretary of Education and the Attorney General to develop a guide to help teachers, principals, and parents respond to the early warning signs of troubled youth that can lead to school violence. The guide, based on research and experience in schools around the country, gives school communities information on how to:

(1) Identify the early warning signs that relate to violence and other behaviors, including a list of specific signs to look for in troubled youth, such as: uncontrolled anger; patterns of impulsive and chronic hitting, intimidating, and bullying; detailed and specific threats to use violence; gang affiliations; feelings of persecution; and past history of violent and aggressive behaviors such as cruelty to animals or fire setting. Trained staff can use these early warning signs, together with knowledge about students and their circumstances, to determine when to seek help for individual students and to prevent violence.

(2) Take action steps to prevent violence, intervene and get help for troubled children, and respond to school violence when it is imminent or has occurred. The guide instructs schools how to develop a violence prevention and response plan and form a school-based team to oversee the plan's implementation. It provides a crisis procedure checklist, a step-by-step plan to follow once sudden violence occurs. The guide also lists actions students can take -- such as listening to troubled friends, involving trusted adults, and asking law enforcement to conduct school safety audits -- to help create safer schools

Q. How are you planning on making the guide available to schools? Can others get it as well?

A. Today, the guide will be posted on the Education Department Website that can be downloaded by anyone interested in obtaining a copy. On September 1, the Education Department will send a copy to every school in the country. In addition, the Education and Justice Departments will have extra copies available to handle additional requests.

Q. The report states that schools are very safe. But how many youths were killed in schools last year?

- A. According to the most current data from the Education Department, 30 young people and 5 adults were killed in or on school grounds in the 1997-98 school year. In 1996-97, there were 24 young people killed in schools in addition to 4 adults. While there are over 52 million young people in this country, even one of these deaths is too many.

Serious violent crime is not something that the vast majority of schools have to contend with during the school year. A recent Department of Education survey of school principals released earlier this year indicated that 90% of our schools are free of serious violent crime -- which we define as a physical attack, fight with a weapon, robbery, rape, murder, or suicide. Moreover, according to a recent Justice Department report on student victimization between 1989 and 1995, there was no change in the percentage of young people reporting any type of victimization for violent or property crimes.

- Q. The report cautions several times that it should not be used to label students. Why the concern about this guide being misused?**

- A. This guide was designed to help teachers and others identify individual youth who may be in need of services. It is a guide that supports discussion and training for all staff. We clearly do not want this manual to be used inappropriately, either to misidentify youth, or to identify young people for the wrong reasons. Unlike a checklist, this is a guide that should prompt teachers and other school staff to get additional help when they become concerned about a child.

We hope that each school system and school will provide teachers and other school staff with a straight forward procedure for consulting with qualified professionals. In most schools, as the guide states, the parent and principal will be the first to be consulted and the principal should be responsible for calling in the expert, such as a school psychologist.

- Q. What other actions will the administration be taking to address the issue of school safety?*

- A. White House Conference On School Safety
In July, the President announced a White House Conference on School Safety, and proclaimed October 15, 1998, National School Safety Day. The White House Conference will be linked by satellite to communities and schools across the country, including those communities impacted by the recent wave of school shootings. This conference is an important step in our continuing effort to provide information to communities so that we can make all of our schools safe places for learning.

First Annual Report on School Safety.

In December, the President called for the development of an Annual Report on

School Safety, which will be released on National School Safety Day, October 15. The report will include: an analysis of all existing national school crime data and an overview of state and local crime reporting; examples of schools and strategies that are successfully reducing school violence, drug use, and class disruption; actions that parents can take locally to combat school crime, including a local safety checklist; and resources available to schools and communities to help create safe, disciplined, and drug-free schools.

Police Corps

Q. What is the Police Corps?

A. The Police Corps is a police officer recruitment program, authorized in the 1994 Crime Act, that provides educational assistance to college students in exchange for their commitment to serve with a local law enforcement agency for four years after graduation.

Students accepted into the Police Corps receive up to \$7,500 per year to cover educational expenses (maximum of \$30,000 for four years). In addition, students receive a \$250 per week stipend during the 16-week Police Corps training program. If the participant does not satisfy the program requirements, the scholarship must be repaid.

Q. Are there any incentives for police departments to hire Police Corps graduates?

A. Police and sheriffs' departments that hire Police Corps participants receive \$10,000 per participants for each year of required service.

Q. How are students selected for Police Corps?

A. To be eligible for the Police Corps, a student must attend a four-year college or university. Undergraduate participants must attend school full-time. Students who attend community colleges are eligible to apply, however, they must transfer to a four-year college before they are eligible for assistance. Participants are not required to major in criminal justice or law enforcement.

Each participating state selects an agency to administer their Police Corps program. That agency determines other selection criteria for choosing student participants.

Q. Which states participate in the program?

- A. Today's announcement adds 6 new states and one territory participating in Police Corps-- bringing the total number to 23 states. The new states are: Colorado, Florida, Indiana, Massachusetts, Oklahoma, Utah, and the Virgin Islands. They join Arkansas, Connecticut, Georgia, Illinois, Kentucky, Maryland, Michigan, Missouri, Mississippi, Nevada, New Mexico, North Carolina, Ohio, Oregon, South Carolina, Texas, and Washington.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1998 20:22:16.00

SUBJECT: Revised Draft

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

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

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

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

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

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

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

TEXT:

Revised Draft 8/25/98 8:00pm
Jordan Tamagni

PRESIDENT WILLIAM J. CLINTON
REMARKS FOR SCHOOL SAFETY EVENT
MECHANICS HALL
WORCESTER, MASSACHUSETTS
August 26, 1998

Acknowledgments: Mayor Raymond Mariano; Sen. Kennedy; Rep. McGovern [for leadership crime-fighting and safe schools]; State A.G. Scott Harshbarger; Police Chief Edward Gardella; Kathleen Bisson [Burncoat Middle School teacher]; Officer Michael Jones [Police Corps graduate].

It is an honor to be here today in the city of Worcester [wuh-ster],
□&the heartbeat of Massachusetts□for 150 years... an honor to speak in
this great hall where so many great Americans have spoken, from Frederick
Douglas, to Susan B. Anthony, to Henry David Thoreau. I am also honored
to share this stage with Kathleen Bisson and Officer Michael Jones, and to
hear what they are doing to make their communities stronger and safer.

Before I begin my remarks, I want to say a few words about the
hurricane that is battering the North Carolina coast. Since Hurricane
Bonnie made landfall yesterday afternoon, it has torn houses and lives

apart. Many of the communities affected by this storm had only just rebuilt homes and businesses destroyed last year by Hurricane Fran. We know that another powerful storm -- Hurricane Danielle -- is traveling in the wake of Hurricane Bonnie, threatening to strike.

Like all Americans, my heart goes out to the people who are struggling to survive this terrible storm. Under the leadership of Director James Lee Witt, FEMA is working with state and local emergency agencies to assess the damage. Hundreds of people and reserves of equipment stand at the ready to bring relief as soon as the hurricane is over. And we will be there every step of the way, for as long as it takes, to help communities overcome this ordeal.

Now, I'd like to talk to you about what has brought all of us here today -- and what Vice President and Mrs. Gore, and Secretary Riley, are in California to talk about: our common commitment to make our streets and our schools safe for our families and our children.

When I was running for President in 1992, a man came up to me at a rally. He told me that he was an immigrant, working hard to make a better life for his family. He said, "Where I come from, we were poor, but we were free. Here, I have more money, but we're not free." He told me that his young son couldn't walk two blocks to school without fear of being attacked or hit by a stray bullet. "So," he said to me, "if I vote for you, I want you to make my boy free."

I have never forgotten his words. Since I first took office, I have tried to live up to them -- to make his boy, and all children, free. Free from the fear of violence, free to play in parks and go to school in safety, free to live up to their God-given potential, every one of them.

For five and a half years, protecting families and making our streets and schools safe has been one of my top priorities. Working together with state and local leaders, we put in place a bold new strategy, grounded in the principles and practices law enforcement officers and local leaders told us were working to make their communities safer: community policing; anti-gang initiatives; targeted deterrence; tougher penalties; smarter, more comprehensive prevention.

I am proud to say that this comprehensive strategy is producing remarkable results. Crime rates are at 25-year low, juvenile crime has begun to decrease, and all across America, families are beginning to feel safe again -- free again -- in their homes and on their streets.

To make our schools places of learning, order, and safety, we have expanded the Safe and Drug Free schools program, and promoted anti-truancy, curfew and school uniform policies. We have strictly enforced zero tolerance for guns in schools. Last year alone, over 6,000 students with guns were disarmed and sent home, doubtless preventing many acts of violence. This year, a new report showed that the overwhelming majority of America's schools are safe. This Fall, we will hold the first-ever White House Conference on School Safety to continue our progress.

But when children in inner city schools must walk through metal detectors to protect them from the threat of violence ... when high schools in small towns like Springfield, Oregon and Jonesboro, Arkansas are torn apart by disturbed teenagers armed with deadly weapons ... when gang violence still ravages communities large and small, we know we must do more.

I want to talk to you now about two new steps we are taking to make our schools safe and protect our families: first, by offering a guide to help prevent school violence before it starts, and second, by expanding the remarkable Police Corps program.

Early Warning Guide: Earlier this year, in the aftermath of the tragedy in Springfield, I directed Secretary Riley and Attorney General Reno to develop a safe schools guide to help educators and parents recognize and respond to the early warning signs of violence. Today, I am pleased to announce that the guide is ready -- and over the next few weeks, every school in America will receive a copy, just in time for the start of the new school year.

This guide gives schools the help they need to recognize a troubled or potentially violent young person early on, and it outlines the steps they must take to intervene before it is too late. As Secretary Riley and Attorney General Reno say in their introduction, the guide should never be used to stigmatize or label young people in distress. Rather, it should be used by schools as vital part of their overall violence prevention efforts -- efforts that must include teachers, parents, and young people themselves. Because we will only meet the challenge of making our schools and our communities safe if every teacher, every parent, and every young person makes a commitment to get involved and stay involved-- sharing resources, listening to one another, and learning from one another.

Police Corps: The Police Corps program we heard about earlier embodies these same principles. I first heard about the Police Corps nearly ten years ago, when I was Governor of Arkansas. I was so impressed by this program -- and by Adam Walinsky's commitment to it -- that I became a charter member of the National Committee for the Police Corps on the spot. And I was proud to sign into law state legislation to create a Police Corps scholarship program in Arkansas.

What impressed me about the Police Corps was the way it embodies the vision of President Kennedy and Robert Kennedy, who understood that citizenship meant giving something back to the community, and that law enforcement meant more than policing a community; it meant being part of it.

When I became President, I was determined to help carry this vision forward. Thanks to the efforts of Senator Ted Kennedy, of Adam Walinsky, and of Lieutenant Governor Kathleen Kennedy Townsend, we are doing exactly that. The Police Corps program was a fundamental part of my 1994 Crime Bill. As we have already heard, much in the way of the ROTC, this remarkable program gives talented young people college scholarships in return for their service as police officers in our communities. In 17 states around the country, the Police Corps is helping to create a new generation of police officers -- young men and women, trained to stand on the front lines and to listen on front porches ... to work in distressed communities and be role models for troubled young people ... and to take their place alongside our nation's dedicated police officers.

As you know, we are joined here today by several young members of the Police Corps. They embody everything we hope for in our law enforcement officers: honor, courage, commitment to community and country. We need more police officers like these fine young men and women. That is why today, I am pleased to announce that we are expanding the Police Corps program to help 6 more states, including Massachusetts, award college scholarships to more than 300 dedicated young people who

will go on to serve on our nation's police forces.

Bobby Kennedy once said, "The fight against crime is, in the last analysis ... a fight to preserve that quality of community which is at the root of our greatness; a fight to preserve confidence in ourselves and our fellow citizens; a battle for the quality of our lives."

With these actions, we are moving one step closer to winning that battle for all Americans, and to building a stronger America for the 21st Century.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1998 09:13:17.00

SUBJECT: AIDS, gay groups support Dem's managed care proposals

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

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

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

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

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

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

TEXT:

----- Forwarded by Richard Socarides/WHO/EOP on 08/26/98
09:11 AM -----

Doug.Case @ sdsu.edu
08/22/98 10:17:00 PM

Record Type: Record

To: Stuart D. Rosenstein, Richard Socarides
cc:
Subject: AIDS, gay groups support Dem's managed care proposals

WASHINGTON BLADE
<http://www.washblade.com>
August 21, 1998

AIDS, GAY GROUPS SUPPORT DEMS' MANAGED CARE PROPOSALS:

Of four bills floating in Congress which propose reforms to group health plans, AIDS and Gay lobby groups say that the two Democratic versions offer the most security to people with HIV/AIDS and Gays.

In recent weeks, GOP leadership in both chambers introduced competing versions of the two managed care reform bills introduced in the House and Senate by Democrats in March. The House passed its GOP version by a vote of 216-210 on July 24. The Senate did act on either the House GOP bill or either Senate bill before departing for August recess on July 31. GOP leadership has said that debate on the bills will be a top priority upon returning in September.

The Democratic versions both explicitly forbid group health plans from discriminating against patients and health care providers based on sexual

orientation. Neither GOP version offers this protection. The Human Rights Campaign has sent letters to legislators in both chambers noting this and other advantages of the Democratic versions for Gays and people with AIDS.

AIDS Action is also urging legislators not to pass either GOP bill. In a July 22 letter to senators, AIDS Action head Daniel Zingale registered the group's support for the Democratic proposals and listed the ways in which the GOP proposals fail to "meet key quality standards" for people with HIV/AIDS. Among those critiques were that the bills leave the door open for plans to deny access to specialists and clinical trials, fail to provide insurance of confidentiality for medical records, and leave health plans with the authority to determine what treatments constitute medical necessities. The National Association of People with AIDS also has registered its opposition to the GOP proposals and its support for the Democratic proposals.

Among other patient protections, the Democratic proposals would prevent health plans from denying access to treatments based solely on plan administrators' deeming them "investigational," require plans to create an external appeals processes for patient grievances - including those grievances related to access to medical treatments, and require health plans to offer access to specialists.

-- Kai Wright

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

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Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131) with ESMTTP id <01J0X2NSN8EO01CLX@PMDF.EOP.GOV>; Sat, 22 Aug 1998 21:17:08 -0400 (EDT)
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X-Sender: dcase@mail.sdsu.edu
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1998 12:03:40.00

SUBJECT: Updated Welfare Reform Accomplishments

TO: susan.valaskovic (susan.valaskovic @ npr.gsa.gov@inet [UNKNOWN])
READ:UNKNOWN

TO: mkharfen (mkharfen @ acf.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

TO: edahl (edahl @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: Joseph C. Fanaroff (CN=Joseph C. Fanaroff/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: Anil Kakani (CN=Anil Kakani/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

TEXT:

Attached document includes most recent welfare caseload numbers (thru 6/98), federal welfare to work hiring numbers (thru 8/98), and updated number of businesses involved in Welfare to Work Partnership (over 6,000).

Chandler, I sent it to Kelly Skoleda yesterday to update WH web site.=====

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

TEXT:

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CLINTON-GORE ACCOMPLISHMENTS

REFORMING WELFARE

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

TRANSFORMING THE BROKEN WELFARE SYSTEM

- **Overhauling the Welfare System with the Personal Responsibility Act:** In 1996, the President signed a bipartisan welfare plan that is dramatically changing the nation's welfare system into one that requires work in exchange for time-limited assistance. The law contains strong work requirements, performance bonuses to reward states for moving welfare recipients into jobs and reducing illegitimacy, state maintenance of effort requirements, comprehensive child support enforcement, and supports for families moving from welfare to work -- including increased funding for child care. State strategies are making a real difference in the success of welfare reform, specifically in job placement, child care and transportation.
- **Law Builds on the Administration's Welfare Reform Strategy:** Even before the Personal Responsibility Act became law, many states were well on their way to changing their welfare programs to jobs programs. By granting Federal waivers, the Clinton Administration allowed 43 states -- more than all previous Administrations combined -- to require work, time-limit assistance, make work pay, improve child support enforcement, and encourage parental responsibility. The vast majority of states have chosen to continue or build on their welfare demonstration projects approved by the Clinton Administration.
- **Largest Decline in the Welfare Rolls in History:** The President has announced that we've met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. The latest caseload numbers, released in August, show that welfare caseloads fell by 5.7 million since President Clinton took office and 3.8 million since he signed the welfare reform law. The new figures, from June 1998, show 8.4 million people on welfare, a drop of more than 41 percent from January 1993. This historic decline occurred in response to the Administration's grants of Federal waivers to 43 states, the provisions of the new welfare reform law, and the strong economy.

MOVING PEOPLE FROM WELFARE TO WORK

- **Two Years Later, Millions of Welfare Recipients are Working:** In August 1998, the President released the First Annual Report to Congress on the Temporary Assistance for Needy Families program showing a dramatic increase in the number of welfare recipients who have gone to work since he signed the welfare law in August 1996. Data from the Census Bureau's Current Population Survey show that the rate of employment of individuals on welfare in one year who were working in the following year increased by nearly 30 percent between 1996 and 1997. As a result, 1.7 million adults on welfare in 1996 were working in March 1997.
- **Mobilizing the Business Community:** At the President's urging, the Welfare to Work Partnership was launched in May 1997 to lead the national business effort to hire people from the welfare rolls. Founded with 105 participating businesses, the Partnership grew to 5,000 within one year, and now includes over 6,000 businesses. In 1997 these businesses hired 135,000 welfare recipients and the President has challenged them to double their efforts to 270,000 in 1998. The Partnership provides technical assistance and support to businesses around the country, including: a toll-free number, a web site, a "Blueprint for Business" manual, and a new report called The Road to Retention on businesses whose retention rates for former welfare recipients are higher than the retention rates for other new hires.
- **Connecting Small Businesses with New Workers:** The Small Business Administration is reaching out to small businesses throughout the country to help them connect with job-ready welfare recipients. In addition, SBA assists welfare recipients who wish to start their own businesses.
- **Mobilizing Civic, Religious and Non-profit Groups:** The Vice President created the Welfare to Work Coalition to Sustain Success, a coalition of civic groups committed to helping former welfare recipients stay in the workforce and succeed. Tailoring their services to meet welfare recipients needs and the organizations' strengths, the Coalition focuses on providing mentoring and other support services. Charter members of the Coalition include: the Boys and Girls Clubs of America, the Baptist Joint Committee, the United Way, the YMCA, and other civic and faith-based groups.
- **Doing Our Fair Share with the Federal Government's Hiring Initiative:** Under the Clinton Administration, the Federal workforce is the smallest it has been in thirty years. Yet, this Administration also believes that the Federal government, as the nation's largest employer, must lead by example. The President asked the Vice President to oversee the Federal government's hiring initiative in which Federal agencies have committed to directly hire at least 10,000 welfare recipients in the next four years. Already, **the federal government has hired nearly 6,200 welfare recipients, 58 percent of its planned hires.** As a part of this effort, the White House pledged to hire six welfare recipients and has already exceeded this goal.
- **\$3 Billion to Help Move More People from Welfare to Work:** Because of the

President's leadership, the 1997 Balanced Budget Act included the total funding requested by the President for the creation of his \$3 billion welfare to work fund. This program will help states and local communities move long-term welfare recipients, and certain non-custodial parents, into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and job retention efforts, including wage subsidies to private employers and other critical post-employment support services. The Department of Labor provides oversight but most of the dollars will be placed, through the Private Industry Councils, in the hands of the localities who are on the front lines of the welfare reform effort. In addition, 25 percent of the funds will be awarded by the Department of Labor on a competitive basis to support innovative welfare to work projects. The President announced the first round of 49 innovative competitive grants on May 27th.

- **Tax Credits for Employers:** The Welfare to Work Tax Credit, enacted in the 1997 Balanced Budget Act, provides a credit equal to 35 percent of the first \$10,000 in wages in the first year of employment, and 50 percent of the first \$10,000 in wages in the second year, to encourage the hiring and retention of long term welfare recipients. This credit complements the Work Opportunity Tax Credit, which provides a credit of up to \$2,400 for the first year of wages for eight groups of job seekers. The President's FY 1999 budget extends these two important tax credits through April 2000.
- **Welfare-to-Work Housing Vouchers:** In his FY 1999 budget, the President proposes \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place.
- **Welfare-to-Work Transportation:** One of the biggest barriers facing people who move from welfare to work -- in cities and in rural areas -- is finding transportation to get to jobs, training programs and child care centers. **Few welfare recipients own cars. Existing mass transit does not provide adequate links to many suburban jobs at all, or within a reasonable commute time. In addition, many entry level jobs require evening or weekend hours that are poorly served by existing transit routes.** To help those on welfare get to work, President Clinton proposed a \$100 million a year welfare to work transportation plan as part of his ISTEA reauthorization bill. The Transportation Equity Act for the 21st Century (TEA-21), which the President signed on June 9th, authorizes \$750 million over five years for the President's initiative and reverse commute grants. Of this amount, \$50 million is guaranteed funding in FY 1999, rising to \$150 million in 2003. The Job Access competitive grants will assist states and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low income workers.
- **Eliminating Anti-Work and Anti-Family Rules that Denied Families Health Coverage:** In August 1998, the President eliminated a vestige of the old welfare system by announcing that the Department of Health and Human Services will revise its

regulations to allow all states to provide Medicaid coverage to working, two-parent families who meet State income eligibility. Under the old welfare regulations, adults in two-parent families who worked more than 100 hours per month could not receive Medicaid regardless of income level, while there were no such restrictions on single-parent families. Because these regulations provided disincentives to marriage and full-time work, the Administration allowed a number of states to waive this rule. The new regulation eliminates this rule for all States, providing health coverage for more than 130,000 working families to help them stay employed and off welfare.

PROMOTING PERSONAL RESPONSIBILITY

- **Enforcing Child Support -- 68% Increase in Collections:** The Clinton Administration collected a record \$13.4 billion in child support in 1997 through tougher enforcement, an increase of \$5.4 billion, or 68% since 1992. Not only are collections up, but the number of families that are actually receiving child support has also increased. In 1997, the number of child support cases with collections rose to 4.2 million, an increase of 48% from 2.8 million in 1992. In addition, a new collection system proposed by the President in 1994 and enacted as part of the 1996 welfare reform law located one million delinquent parents in its first nine months of operation. This National Directory of New Hires helps track parents across state lines by enabling child support officials to match records of delinquent parents with wage records from throughout the nation. Approximately one-third of all child support cases involve parents living in different states. In June 1998, the President signed the Deadbeat Parents Punishment Act, a law based on his 1996 proposal for tougher penalties for parents who repeatedly fail to support children living in another state or who flee across state lines to avoid supporting them. This new law creates two new felonies, with penalties of up to two years in prison, for egregious child support evaders who travel across state or country lines to evade child support obligations, or who have an unpaid obligation to a child living in another state that is more than \$10,000 or has remained unpaid for more than two years.

Increasing Parental Responsibility: The President's unprecedented and sustained campaign to ensure parents financially support their children is working. Paternity establishment, often the crucial first step in child support cases, has dramatically increased, due in large part to the in-hospital voluntary paternity establishment program begun in 1994 by the Clinton Administration. In 1997, the number of paternities established or acknowledged rose to a record 1.3 million, two and a half times the 1992 figure of 512,000. In addition to tougher enforcement including a strong partnership with states, President Clinton has taken executive action including: directing the Treasury Department to collect past-due child support from Federal payments including Federal income tax refunds and employee salaries, and taking steps to deny Federal loans to any delinquent parents. The welfare reform law contains tough child support measures that President Clinton has long supported including: the national new hire reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized state-wide collections; and tough new penalties. These five measures are projected to increase child support collections by an additional \$24 billion over the next ten years.

- **Breaking the Cycle of Dependency -- Preventing Teen Pregnancy:** Significant components of the President's comprehensive effort to reduce teen pregnancy became law when the President signed the 1996 Personal Responsibility Act. The law requires unmarried minor parents to stay in school and live at home or in a supervised setting; encourages "second chance homes" to provide teen parents with the skills and support they need; and provides \$50 million a year in new funding for state abstinence education activities. Since 1993, the Clinton Administration has supported innovative and promising teen pregnancy prevention strategies, including working with boys and young men on pregnancy prevention strategies. In 1997, the President announced the National Strategy to Prevent Teen Pregnancy, mandated in the welfare reform law. It reported that HHS-supported programs already reach about 30 percent or 1,410 communities in the United States. As part of this effort, the National Campaign to Prevent Teen Pregnancy, a private nonprofit organization, was formed in response to the President's 1995 State of the Union. Notably, data shows we are making progress in reducing teen pregnancy -- teen births have fallen five years in a row, by 12 percent from 1991 to 1996. And, teen pregnancy rates have decreased significantly from 1992-1995 in each of the 42 states that report data to Centers for Disease Control.

RESTORING FAIRNESS AND PROTECTING THE MOST VULNERABLE

The President made a commitment to fix several provisions in the welfare reform law that had nothing to do with moving people from welfare to work. In 1997, the President fought for and ultimately was successful in ensuring that the Balanced Budget Act protects the most vulnerable. In 1998, the President continues to reverse unfair cuts in benefits to legal immigrants.

- **Restoring Food Stamp Benefits for Legal Immigrants:** In June 1998, the President signed the Agricultural Research Act into law, which restores food stamp benefits to 250,000 elderly, disabled, and other needy legal immigrants, including 75,000 children, who lawfully resided in the U.S. as of August 22, 1996 and lost assistance as a result of cuts in the 1996 welfare law that had nothing to do with welfare reform. It restores benefits to Hmong immigrants from Laos who aided our country during the Vietnam War and extends the period during which refugees and asylees may qualify for Food Stamps while they await citizenship. This law funds a significant part of the President's 1999 budget proposal to restore food stamp benefits to 730,000 legal immigrants, but the President's budget proposal would go further by covering families with children regardless of the date they entered the U.S. This restoration builds on the President's success last year in restoring SSI and Medicaid to 420,000 legal immigrants whose benefits were also terminated in welfare reform (see below).
- **Protects Legal Immigrants Who Become Disabled and Those Currently Receiving Benefits:** The Balanced Budget Act of 1997 restored \$11.5 billion in SSI and Medicaid benefits for legal immigrants whose benefits were also terminated in welfare reform. This law protects those immigrants now receiving assistance, ensuring that they will not be turned out of their apartments or nursing homes or otherwise left destitute. And for immigrants already here but not receiving benefits, the BBA does not change the rules retroactively. Immigrants in the country as of August 22, 1996 but not receiving benefits at that time who subsequently become disabled will also be fully eligible for SSI and Medicaid benefits.
- **Protects Children by Keeping the Medicaid Guarantee:** The BBA preserved the Federal guarantee of Medicaid coverage for the vulnerable populations who depend on it, and contains additional investments to extend coverage to uninsured children. It also ensures that 30,000 disabled children losing SSI because of the new tighter eligibility criteria keep their Medicaid coverage.
- **Helps People Who Want to Work but Can't Find a Job:** The Balanced Budget Act (BBA), as amended by the Agricultural Research Act, also restored \$1.3 billion in food stamp cuts. The welfare reform law restricted food stamps for able-bodied childless adults to only 3 out of every 36 months, unless they were working. This move ignored the fact that finding a job often takes time. The BBA provided funds for work slots and food stamp benefits to help those who are willing to work but, through no fault of their own, have not yet found employment. In addition, the BBA allows states to exempt up to 15 percent of the food stamp recipients (70,000 individuals monthly) who would otherwise be denied benefits as a result of the "3 in 36" limit.

8/25/98

**Automated Records Management System
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1998 17:26:00.00

SUBJECT: H-1B memo for VP

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Elena,

Here's the most recent draft of the H-1B memo for the VP. Most of the changes are in the section on the "Administration's Position" per Gene's comments. We're trying to get it to the VP asap.

Thanks.

-- Ceci

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D40]MAIL41093873M.226 to ASCII,
The following is a HEX DUMP:

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August 26, 1998

DRAFT MEMORANDUM FOR THE VICE-PRESIDENT

FROM: GENE SPERLING
BRUCE REED

Automated Records Management System
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SUBJECT: STATUS OF H-1B LEGISLATION

Background

H-1B visas are temporary work visas that allow “highly skilled” immigrants (with a BA or equivalent) to work in this country for up to six years. Under current law, the number of H-1B visas is capped at 65,000 per year. During the last fiscal year, this cap was reached for the first time. This fiscal year the cap was reached in early May; as a result, no more visas can be issued until October 1. The information technology (IT) industry strongly supports raising the annual cap to address what it maintains is a shortage of U.S. workers with IT skills. Others, including the Department of Labor and organized labor, challenge the industry’s conclusions about a shortage and are concerned that the current H-1B program does not target its use to employers who are experiencing skills shortages.

Until last month there were two legislative vehicles for increasing the cap on the number of H-1B visas. On May 18, the Senate passed (78-20) an industry-backed bill sponsored by Senator Abraham (R-MI) that increases the cap on H1-B visas for three years and includes an authorization for additional scholarships. This bill does not, however, require companies to recruit or retain U.S. workers prior to hiring H-1B visa holders. In the House, late last spring, the Judiciary Committee approved (23-7) a bill sponsored by Representative Lamar Smith (R-TX). The Smith bill also increases the cap for three years but differs sharply from the Abraham bill by including meaningful protections for U.S. workers. The Smith bill, however, failed to include any training component for U.S. workers.

Soon after the House committee vote, House Majority Leader Armev told Rep. Smith that he would not bring Smith’s bill to the House floor unless Rep. Smith worked out a compromise with Sen. Abraham that pleased the high tech business community. Consequently, in mid-July Rep. Smith and Sen. Abraham produced a compromise bill (the Abraham/Smith proposal) which includes weak and limited protections for U.S. workers and a small training provision. In part due to a senior advisors veto threat, the compromise measure failed to gain sufficient support in the House prior to the August recess and Republican leaders decided to postpone House floor consideration until September.

Administration Position

We agree that it may be necessary in the short-term to increase the number of visas for temporary foreign workers, but this must only be done in conjunction with additional efforts to increase the skill level of U.S. workers (funded through a modest H-1B application fee paid by

employers) and meaningful reforms to the H-1B program to protect U.S. workers. This is because it has been a core Clinton/Gore priority that the most important way to widen the availability of skilled workers must be to improve the skills of U.S. workers. We are also committed to ensuring that employers seek U.S. workers first. The reforms to the H-1B program that we have advocated would help target usage of the H-1B program to employers facing genuine skills shortages by requiring employers to attest to having attempted to recruit U.S. workers before applying for an H-1B worker and to having not laid off a U.S. worker in order to hire an H-1B worker.

Despite our efforts to work with members of the business community and Congress to craft a bill consistent with our principles, and in the face of our strong opposition, the Senate passed the bill sponsored by Senator Abraham that did not include either a recruitment or a no lay-off attestation and that weakened existing enforcement authority of the Department of Labor. In contrast, the Administration stated in a letter to Rep. Hyde that it would support Rep. Lamar Smith's bill, because it included meaningful reforms to the H-1B program, if it were modified to include a significant training provision.

While we met with both Sen. Abraham and Rep. Smith independently on several occasions early this summer, they finalized their compromise proposal without incorporating most of our suggestions. The Abraham/Smith proposal is better than the Abraham bill because it includes a small application fee to fund training and requires firms that have a high percentage of H-1B workers (typically "job shops" that contract workers to other firms) to attest to having attempted to recruit U.S. workers before hiring an H-1B worker and to having not laid off a U.S. worker in order to hire an H-1B worker. Unfortunately, the reforms are too weak to adequately protect U.S. workers (largely because far too many employers would be exempt from both attestations) and the bill, as structured, would not generate sufficient funds for increased training opportunities for U.S. workers.

We received a copy of the final Abraham/Smith proposal less than 24 hours prior to when we were told it was to be introduced on the House floor. Given the problems with the proposal and the lack of opportunity to negotiate further, we made a statement to the press that if the proposal were presented to the President his senior advisors would recommend that he veto it. In an effort to show our willingness to continue to work to improve the bill, that same day we put forth a list of proposed changes (see attached) and made clear that if the proposal were modified consistent with these changes, we would support it. This list included significant compromises on our part: e.g., (1) we would agree to apply the recruitment attestation only to firms that have a high percentage of H-1B workers (this would exempt companies such as Microsoft, Intel, and HP from this attestation); and (2) we would agree that the H-1B reforms sunset with the increase in the cap. These compromises have generated some opposition from organized labor and their Congressional supporters.

Since releasing our list of proposed changes, we have been engaged in serious discussions with members of Congress (including Sen. Abraham and Rep. Lofgren), and representatives from the business community (such as Jerry Jasinowski of NAM and Wade Randlett of Technet) and organized labor (such as the AFL-CIO) in an attempt to reach a compromise that would include a

more substantial training provision and stronger protections for U.S. workers. In these discussions, we have shown flexibility on the exact structure of a provision to protect U.S. workers from being laid-off and replaced with H-1B workers, but we continue to push for a meaningful provision that would protect all U.S. workers. We are hopeful that a compromise can be reached before the end of the Congressional session.

Industry's Position

The business community has generally not opposed the Administration's requirement that any H-1B legislation must include a significant training provision. It has, however, argued that the reforms would generate unnecessary and intrusive federal regulations. As a result, the community supports the Abraham/Smith proposal because it increases the cap on the number of visas for five years and would exempt a large percentage of companies from the worker protections.

In addition, while some within the business community described our list of changes to the Abraham/Smith proposal as "good faith and reasonable," others accused us of "raising the bar" on what needs to be included in an acceptable bill and of attempting to block efforts to increase the cap. In fact, our position has not changed: in order for the President to sign a bill that increases the cap, it must also contain both a significant training provision and meaningful reform to the H-1B program. The Abraham/Smith proposal does not meet that standard.

Organized Labor's Position

Organized labor does not oppose an increase in the cap, as long as this increase is accompanied by strong worker protections and a meaningful training provision. Thus, it opposes the Abraham bill in the Senate and generally supports the Smith bill in the House (if it were modified to include a training provision). Organized labor opposes the Abraham/Smith proposal because the worker protections would only apply to a small number of companies, the training component is relatively small, and the H-1B reforms would sunset with the increase in the cap. Not surprisingly, its main concerns with our list of changes to the Abraham/Smith proposal are that (1) we would agree to apply the recruitment attestation only to firms that have a high percentage of H-1B workers (the concern is that this would exempt an unknown, and potentially large, number of firms from this worker protection); and (2) we would agree that the H-1B reforms sunset with the increase in the cap.

Talking Points -- H-1B Legislation
August 26, 1998

- We support attempts to increase the number of H-1B visas as part of a larger package that includes both additional training for U.S. workers and meaningful reform of the H-1B program that both protects U.S. workers and respects the good faith business judgments of employers.
- We want to pass a bill to increase the cap. At the same time, our goal is to help ensure that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired and that U.S. workers not lose their jobs to temporary foreign workers. A substantial training component would help U.S. workers obtain the skills needed to fill these jobs and the kinds of reforms that we have advocated (like those included in the Smith bill) would effectively target H-1B visas to industries experiencing skill shortages.
- We agree that the reforms should be targeted at companies that are dependent on H-1B workers (primarily the “job shops”), but we also believe that all U.S. workers should have some additional level of protection against being laid-off so that the employer can hire an H-1B worker. We believe that these reforms should not be overly intrusive for employers.
- Although the agreement reached by the Republicans last month includes a training provision and limited protections for U.S. workers, it falls short in several respects. The training provision would not generate sufficient funds and the protections included some big loopholes that would make it difficult to tackle abuses in the program.
- We have laid out specific suggestions for ways to improve the Abraham/Smith proposal that, if made, would cause us to give this proposal our full support. We have had a series of discussions with the bill’s sponsors in an attempt to reach an agreement. Our suggested changes generally increase the funding for training and strengthen the protections for U.S. workers in an attempt to achieve a reasonable, balanced bill that both protects U.S. workers and respects the good faith business judgments of employers.

Q&A -- H-1B Legislation
August 26, 1998

Q: Why has the Administration not embraced the Republican compromise on H-1B legislation?

A: Although the Republican agreement includes a training provision and limited protections for U.S. workers, it fell short in several respects. The training provision would not generate sufficient funds and the protections included some big loopholes that would have made it difficult to tackle abuses in the program.

Q: Some Republicans and hi-tech executives claim that the Administration keeps moving the bar on what it would consider an acceptable bill. What has been going on?

A: Our position on this issue is unchanged: For the President to sign a bill that increases the cap on H-1B visas, it must contain both a significant training component and meaningful reform to the H-1B program to ensure that American companies do not lay-off U.S. workers and replace them with foreign workers.

The Republican agreement that was unveiled last month fell short in several respects. It watered down the training provisions and created some big loopholes that would have made it difficult to tackle abuses in the program.

We have laid out a very specific path to how to get our support on the legislation and have had a series of discussions with the bill's sponsors in an attempt to reach an agreement. Our suggested changes generally increase the funding for training and strengthen the protections for U.S. workers in an attempt to achieve a reasonable, balanced bill that both protects U.S. workers and respects the good faith business judgments of employers.

Q: Would the President veto the Abraham/Smith compromise?

A: If the Congress passes the Abraham/Smith proposal in its current form, the President's senior advisors will recommend that he veto it. While the President is willing to sign a bill that raises the cap on H-1B visas, he also wants to make sure that we protect and provide training for U.S. workers. We want to work with the Congress to develop a balanced bill that addresses the growing demand for highly skilled workers.

July 30, 1998

Proposed Administration Revisions to H.R. 3736 (the July 29, 1998 version):

1. Require either a \$500 fee for each position for which an application is filed or a \$1,000 fee for each nonimmigrant. Fee to fund training provided under JTPA Title IV. In addition, a small portion of these revenues should fund the administration of the H-1B visa program, including the cost of arbitration.
2. Define H-1B-dependent employers as:
 - a. For employers with fewer than 51 workers, that at least 20% of their workforce is H-1B; and
 - b. For employers with more than 50 workers, that at least 10% of their workforce is H-1B.
3. The recruitment and no lay-off attestations apply to: (1) H-1B dependent employers; and (2) any employer who, within the previous 5 years, has been found to have willfully violated its obligations under this law.
4. H-1B dependent employers attest they will not place an H-1B worker with another employer, under certain employment circumstances, where the other employer has displaced or intends to displace a U.S. worker (as defined in paragraph (4)) during the period beginning 90 days before and ending 90 days after the date the placement would begin.
5. DOL would have the authority to investigate compliance either: (1) pursuant to a complaint by an aggrieved party; or (2) based on other credible evidence indicating possible violations.
6. Establish an arbitration process for disputes involving the laying-off of any U.S. worker who was replaced by an H-1B worker, even of a non-H-1B dependent employer. This arbitration process would be largely similar to that laid out in H.R. 3736 except that it would be administered by the Secretary of Labor. The arbitrator must base his or her decision on a "preponderance of the evidence."
7. Reference in the bill to "administrative remedies" includes the authority to require back pay, the hiring of an individual, or reinstatement.
8. There must be appropriate sanctions for violations of "whistleblower" protections.
9. Close loopholes in the attestations:
 - a. Strike the provision that "[n]othing in the [recruitment attestation] shall be construed to prohibit an employer from using selection standards normal or

customary to the type of job involved.”

- b. Clarify that job contractors can be sanctioned for placing an H-1B worker with an employer who subsequently lays off a U.S. worker within the 90 days following placement.
 - c. Do not exempt H-1B workers with at least a master’s degree or the equivalent from calculations of the total number of H-1B employees.
 - d. Define lay-off based on termination for “cause or voluntary termination,” but exclude cases where there has been an offer of continuing employment.
- 10. Consolidate the LCA approval and petition processes within DOL, rather than within INS.
 - 11. Broaden the definition of U.S. workers to include aliens authorized to be employed by this act or by the Attorney General.
 - 12. Include a provision that prohibits unconscionable contracts.
 - 13. Include a “no benching” requirement that an H-1B nonimmigrant in “non-productive status” for reasons such as training, lack of license, lack of assigned work, or other such reason (not including when the employee is unavailable for work) be paid for a 40 hour week or a prorated portion of a 40 hour week during such time.
 - 14. Increase the annual cap on H-1B visas to 95,000 in FY 1998, 105,000 in FY 1999, and 115,000 in FY 2000. After FY 2000, the visa cap shall return to 65,000.
 - 15. Eliminate the 7500 cap on the number of non-physician health care workers admitted under the H-1B program to make the bill consistent with our obligations under the GATS agreement.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1998 10:59:30.00

SUBJECT: Food Stories

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

The food council got mentions on CBS and CNN. The stories in USA Today, WP, and WT were ok, they got our headline out. I was disappointed, though, by Caroline Smith Dewall's quotes in the papers today. FYI. I called her and made several points: that this is not consistent with what she has said (she had sent me an email saying "thank you, thank you, thank you, thank you"), and that it hurts the issue internally. She said: she was unhappy with the way she was quoted and was writing a letter to WT, but doesn't feel confident about OSTP.