

**NLWJC - KAGAN**

**EMAILS RECEIVED**

**ARMS - BOX 039 - FOLDER -003**

**[10/08/1998 - 10/09/1998]**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia Dailard ( CN=Cynthia Dailard/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 11:22:31.00

SUBJECT: today's MMWR on youth smoking

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

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

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

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

TEXT:

Today's MMWR (embargoed until 5pm today) finds that more than 3000 children begin smoking regularly everyday. While the actual number is estimated to be 3359, the confidence interval is such that CDC is saying "more than" 3000 (compared to the "nearly" 3000 that they used to say). This translates to 1.2 million kids each year becoming daily smokers. What is perhaps more newsworthy is their finding that between 1988 and 1996, the number of children who became daily smokers increased by 42 percent -- if the rate of smoking had remained constant during this time, then 1.5 million fewer children would have become regular smokers by 1996.

We are doing a weekly item on this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 09:24:35.00

SUBJECT: we have a voc ed bill

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

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

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

TEXT:

See below--'ll give you a brief summary of the details as soon as I get them.

----- Forwarded by Michael Cohen/OPD/EOP on 10/08/98  
 09:23 AM -----

Jon Weintraub @ ed.gov  
 10/08/98 07:53:00 AM

Record Type: Record

To: Michael Cohen, Cecilia E. Rouse, Kathryn B. Stack, Barry White  
 cc:  
 Subject: we have a voc ed bill

more details follow --- should be voted on tonight or tomorrow

details to follow --

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.1-9 #29131)  
 id <01J2PYX3382800GKOX@PMDF.EOP.GOV>; Thu, 8 Oct 1998 08:11:34 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)  
 with ESMTP id <01J2PYX1PXDC00E2BN@PMDF.EOP.GOV>; Thu,  
 08 Oct 1998 08:11:32 -0400 (EDT)

Received: from vader.ed.gov ([165.224.216.253])  
 by STORM.EOP.GOV (PMDF V5.1-12 #29131)  
 with ESMTP id <01J2PYWCDSXE0011OC@STORM.EOP.GOV>; Thu,  
 08 Oct 1998 08:10:58 -0400 (EDT)

Received: from smtpgwyl.ed.gov (smtpgwyl.ed.gov [165.224.16.166])  
 by vader.ed.gov (8.9.0/8.8.4) with SMTP id IAA09462; Thu,  
 08 Oct 1998 08:11:01 -0400 (EDT)

Received: from ccMail by smtpgwyl.ed.gov  
 (IMA Internet Exchange 2.12 Enterprise) id 0025B9CB; Thu,  
 08 Oct 1998 08:03:03 -0400

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 18:24:27.00

SUBJECT: Interior Bill -Native Americans

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

TEXT:

There are three issues on the table. The issue of requiring IHS to pay out health benefits on a pro rata basis was resurrected today by the clerk of the Appropriations Committee. OMB was working to try to send out a letter on that issue. The other two issues from yesterday are still on the table. They are the Bureau of Indian Affairs and Indian Health Service Tribal Contract moratorium and the Enzi/Sessions Amendment on Indian Gaming. The contract moratorium would interfere with tribal self-determination by prohibiting tribes that want to contract for their own health services or other services. The gaming provision prevents Interior from promulgating gaming provisions for the tribes so that the tribes will not have recourse against states that do not negotiate "in good faith" on gaming. Apparently, two days ago at a bill signing in the Oval, the President said we should not give on these issues. I guess Jack Lew and Sylvia have been negotiating on the gaming issue today -- our position is that we should not give on this. I haven't heard how the negotiations went. As can be expected, the state governors are very interested in this issue.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 13:30:28.00

SUBJECT: Testing strategy

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

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

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

TEXT:

As Bruce and I discussed, when we negotiate the testing language, we should make the following proposals:

1. Propose the Senate language, which prohibits us from field testing, administering or implementing the test with FY 99 funds, but permits pilot testing.
2. Propose a National Academy of Science Study to examine the feasibility of including a subset of NAEP test items into state and commercial tests, in order measure how well kids measure up to NAEP standards as well as state or local standards without having to administer a separate national test. (bill language for this option will be finalized shortly)
3. Propose a restriction on using FY99 funds for 6 months, for pilot tests that would produce individual scores.
4. Propose a restriction on using FY99 funds for pilot tests that would produce individual scores. This restriction would last for a full year, and would end at the end of FY99 when the appropriations bill expired.

The language for 3 & 4 is below, though the more I think about it the less option 3 makes sense to me. If in the negotiations we explain that the pilot tests NAGB is planning for April don't involve individual scores, then they will probably think the 6 month ban on something that isn't going to happen anyway is really silly.

5. Propose reducing the appropriations for test development from \$16 to \$8 million. These funds have been requested in the Education Department's Fund for the Improvement of Education (FIE) account.

Language for steps 3 and 4.

3. 6 month Restriction on Pilot Test With Individual Scores  
Notwithstanding any other provision of Federal law, no funds provided to the Department of Education or to an applicable program in this Act or in any other Act in fiscal year 1999 may be used prior to April 1, 1999 for a pilot test that would yield individual student, school, school district, or state scores as part of the development of any federally sponsored voluntary national test in reading, mathematics, or any other subject, or to field test, implement or administer any such test; Provided, That the National Assessment Governing Board shall retain exclusive authority over

the development of voluntary national tests as described in Section 307 of the Department of Education Appropriations Act, 1998.

4. Restriction on Pilot Test With Individual Scores

Notwithstanding any other provision of Federal law, no funds provided to the Department of Education or to an applicable program in this Act or in any other Act in fiscal year 1999 may be used for a pilot test that would yield individual student, school, school district, or state scores as part of the development of any federally sponsored voluntary national test in reading, mathematics, or any other subject, or to field test, implement or administer any such test; Provided, That the National Assessment Governing Board shall retain exclusive authority over the development of voluntary national tests as described in Section 307 of the Department of Education Appropriations Act, 1998.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 17:34:25.00

SUBJECT: class size numbers

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

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

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

TEXT:

Education Department estimates that if we get \$500 million we could add almost 18,000 new teachers, and \$700 million would result in roughly 25,000 teachers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah A. Bianchi ( CN=Sarah A. Bianchi/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 23:24:54.00

SUBJECT: weekly

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

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

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

TEXT:

All of the news for the weekly for the President on health care would come from an update on the budget negotiations. Key issues that I believe that he would benefit from receiving updates are: home health fixes, skilled nursing facilities, assisted suicide, needles, race and health, Pennsylvania DSH issues, and numerous CHIP fixes requested by states. However, because all of these issues remain unresolved as of this moment and will be resolved probably by Saturday evening, it would seem ill-advised to send an status report on provisions that are likely to change within the next 48 hours and be dated when the President reads them. If you like we could slightly modify this note to you and highlight issues and cite these as examples of the numerous moving parts of the budget deliberations of issues.

sb

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Waldman ( CN=Michael Waldman/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-OCT-1998 13:30:39.00

SUBJECT: why don't my speechwriters write stuff as good as tony blair?

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

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

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

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

TO: Jeffrey A. Shesol ( CN=Jeffrey A. Shesol/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:

AS WRITTEN:

These HMOs say they are just looking after their bottom line. Well, I believe the health of our parents must be America's bottom line. I am determined to do everything in my power to protect older Americans dropped by their HMOs and to make sure this doesn't happen again. Today, we are taking three steps:

AS DELIVERED:

Now, these HMOs say they are looking after the bottom line. All of you who understand the Medicare program know that the reimbursement rates are different across regions and in different areas. We have tried very hard to alleviate that -- the problems with that system. And we recognize that there were problems; we have worked to alleviate them. But that wasn't what we were asked to do. We were asked just to give all HMOs permission to raise rates whether they needed to or not, without regard to how much money they were making or not. And I think that was wrong.

We have to do everything we can to protect Americans who have been dropped by their HMOs and to protect the health care options of all seniors in the future.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 16:43:15.00

SUBJECT:

TO: ELENA (Pager) #KAGAN ( ELENA (Pager) #KAGAN [ UNKNOWN ] )

READ:UNKNOWN

TEXT:

mary b. got call saying that senate appropriaters have heard from  
authorizers (Specter) that they can go above the caps. resist using other  
fund. call jen if you want more info 6-2599

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 18:42:17.00

SUBJECT: Numbers you asked about

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

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

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

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

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

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

TEXT:

Bruce -- the CBO score of the Medicaid works about how I described earlier. It's based on assumptions of how many states will settle suits in the next five years, and the likelihood that HCFA will actually collect the federal share. CBO keeps these assumptions quite close to the vest, and OMB doesn't know what they are. But as the table below shows, CBO expects the federal government in the next five years to recoup about 11.4% of the federal share of the 50 state settlement dollars, which means the following scenarios would be possible:

1) Assume 25% of states would settle, and HCFA would recoup 45% of federal funds:

$$.25 \times .45 = 11.3\%$$

2) Assume 15 percent of states would settle and HCFA would recoup 75% of federal funds:

$$.15 \times .75 = 11.3\%$$

	FY 99	FY 00	FY 01	FY 02	FY 03	5 YR				
McCain Bill										
State Payments	6.2		4.4	5.0	5.1	5.5				26.2
McCain Bill,										
Federal Share of State Payments (57%)					3.5	2.5	2.85	2.9	3.1	14.9
Cost of Recoupment Provision				.14	.28	.36	.45	.45	1.7	
Recoupment Cost as Percentage of Federal Share						4.0%	11.2%	12.6%	15.5%	14.5

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays ( CN=Cathy R. Mays/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 14:12:47.00

SUBJECT: DPC Staff Meeting for Tuesday, October 13

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

TO: WEINSTEIN\_P@A1@CD@VAXGTWY ( WEINSTEIN\_P@A1@CD@VAXGTWY @ VAXGTWY [ UNKNOWN ] ) (O  
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Essence P. Washington ( CN=Essence P. Washington/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

READ:UNKNOWN

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

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

TO: Chantell S. Long ( CN=Chantell S. Long/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

TO: Teresa M. Jones ( CN=Teresa M. Jones/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

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

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

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

TEXT:

The DPC Staff Meeting for Tuesday, Oct. 13, is cancelled. We will have the Team Leaders meeting on Tuesday morning at 9:15 a.m.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Steven M. Mertens ( CN=Steven M. Mertens/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME: 8-OCT-1998 18:34:54.00

SUBJECT: INS Restructuring -- Possible Bad News

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

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

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

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

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

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

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

TEXT:

Cong. Berman's staff, confirmed by Mollahan's staff, passed on a rumor that House and Senate CJS Chairmen Rogers and Gregg may have reached a compromise on INS restructuring which may then be included in the CJS conference bill. We have heard that no Dems were involved in the discussions and that Senator Abraham may have signed off on the deal. INS said that Gregg's staff said no final deal has been reached but that Rogers is dealing hard to get this in -- and that it still may be stopped but only at the highest levels.

While at this point we have no specificity on what this compromise restructuring looks like, Berman's staff has heard that it is essentially Rogers' bill with one change -- one year for implementation, rather than 6-months in Roger's original proposal.

I will keep you posted if I hear more.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Steven M. Mertens ( CN=Steven M. Mertens/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME: 8-OCT-1998 10:20:24.00

SUBJECT: INS Restructuring -- Hill Conversations as of last night

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

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

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

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

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

TEXT:

INS (Alan Erenbaum) just reported that Senator Lott told CJS Chairman Rogers last night that INS restructuring was a "no go" this year because of Senate authorizer claims to this issue.

As a follow-up, Chairman Rogers called Senator Hatch to see if he could work out a deal. Hatch's COS said Hatch would call Rogers' back and hold firm (no action until next year) it that is what the INS and Administration plans to do.

I confirmed that our position remains that this issue should be addressed next session by the authorizers. He will call back after he hears from Hatch's staff.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays ( CN=Cathy R. Mays/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 11:46:25.00

SUBJECT: Today's Health Care Strategy Meeting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CC: Rhonda Melton ( CN=Rhonda Melton/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

CC: Jocelyn A. Bucaro ( CN=Jocelyn A. Bucaro/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

TEXT:

CANCELLED

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 20:20:41.00

SUBJECT: Education updates

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

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

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

TEXT:

1. Charters: should come up for a vote in the Senate tonight and go to the House tomorrow. No problems expected in the Senate; the only House problem we are worried about is Goodling--his staff says he doesn't want us to have any more bill signings, and may force this into the omnibus bill. Hard to know whether to take his staff seriously.

2, Literacy: Goodling's staff is telling ed. groups, as well as Broderick Johnson and Scott Fleming, that they are holding the literacy bill until they get what they want on the testing language. However, Goodling himself denies this and has told Riley and the press that he has a problem with a Judd Gregg provision that requires a set funding increase for IDEA before the reading bill can be funded. He is talking about changing the provision and sending this back to the Senate; a strategy which on its face makes no sense, and lends some support to the idea that he is diddling around with the bill until he gets what he wants on testing.

I think Brod. should push back on Goodling's staff, and tell them that linking literacy and testing, or trading one for the other, is simply unacceptable to us. Kennedy's staff, Brod. Johnson, and ED staff and I think we should call Goodling's bluff, and that he will let the literacy bill go. Kennedy is ready to go to the floor and to put out a press release attacking Goodling for tying up the bipartisan bill, and for blocking efforts to help kids learn to read by opposing higher standards and tests and better teachers and tutors.

Elena--are you seeing anything in the omnibus negotiations that suggests Goodling is making this linkage?

3. Voc-Ed bill. Is reportedly coming to the floor in the House tonight, and the Senate tomorrow. No one has yet gotten their hands on the conference report and knows in any detail what is in the bill--but the Voc. Ed folks in ED are sure we like it.

4. Ed-Flex. Our preference remains to use Ed-Flex as a bargaining chip in the negotiations over block grants. Our preferred Ed-Flex bill is one sponsored by Castle and Roemer. Goodling is now also championing Castle/Romer--but has deleted a provision that requires states to have a Goals 2000 education reform plan in order to be eligible for Ed-Flex (this provision is symbolically important to us, but we can live without it if we can't get it back in the bill). Goodling is reportedly planning on adding Ed-Flex to an Assistive Technology bill--perhaps in a move to take

it out of play in the omnibus negotiations. However, like much of what Goodling is up to, this move makes no sense, since the bill has already passed the Senate and would have to go back there if Ed-Flex is added--where it would most likely die (or get added to the omnibus).

The governors, who have been working with Castle, know nothing about Goodling's move. They think Ed-Flex is already in the Labor/HHS bill (though they don't know if that's the bill that was taken up on the floor of the House, or in the omnibus bill).

Given this confusion, right now I think we simply stick to our plan--use Ed-Flex as a bargaining chip. If we get block grants out without using Ed-Flex, and if Castle/Goodling try to add it separately, we should fight to get our Goals 2000 provision back in, but not fall on our sword if we don't succeed. We can live with the provision as is, as long as we don't look to happy about it.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 21:36:53.00

SUBJECT: Q&A

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

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

TEXT:  
----- Forwarded by Jose Cerda III/OPD/EOP on 10/08/98  
09:34 PM -----

Leanne A. Shimabukuro 10/08/98 07:27:57 PM

Record Type: Record

To: Jose Cerda III/OPD/EOP  
cc:  
Subject: Q&A

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

TEXT:  
Unable to convert ARMS\_EXT:[ATTACH.D74]MAIL42087038U.226 to ASCII,  
The following is a HEX DUMP:

FF575043B2050000010A020100000002050000009428000000020000BE053B6BAC7E589271DE5F  
A7E82935F6E69F0D0E67D720F61E4CA76EB5FAD8BD10AF678530B8A1E83EB504BDB207C16E04D3  
7D296175A89D1570A425FD37C7691CFC3A0D8995A29247B066911E74242D320EC0AA0E4332719F  
4CC11ABE7D62A8EE05BE41DE04738E0E91FA3D1DBF7AC5E65E68940644A1746DBAB69921FB4A28  
0F4BA18EE222A9947F47231B9D18A6245B5B6342365F45FAD2E4943A7902AA8EA11889C2E2E260

**Top Cops Event**  
**October 9, 1998**  
**Questions and Answers**

**Q. What did the President announce today?**

A. The President announced approximately \$70 million in grants for communities to hire more police and for states to improve their criminal history records:

(1) \$27.4 million in COPS hiring grants. The Justice Department's Office of Community Oriented Policing Services (COPS) will award \$27.4 million in grants for 151 policing agencies across the country to hire 428 officers. This will bring the total number of officers funded under the President's COPS Initiative to over 88,500 -- keeping the COPS Initiative ahead of schedule and under budget.

(2) \$41 million to improve system of Brady background checks. The President will announce more than \$41 million in Justice Department grants for 46 states to improve their criminal history records and the Brady Law's National Instant Criminal Background Check System. The grants, provided through the National Criminal History Improvement Program (NCHIP), are funded through the President's 1994 Crime Bill. Including today's announcement, the Administration will have awarded more than \$200 million to all 50 states.

**Q. Is there any more detail you can give us on the COPS grants? Are there any large departments receiving funds?**

A. Today's \$27.4 million COPS grant announcement will help to fund 428 officers for 151 law enforcement agencies in 39 states and Puerto Rico. Most of the departments receiving grants are located in smaller jurisdictions. Among today's larger grantees: \$925,000 for St. Tammany Parish Sheriff's Department in Louisiana to fund 16 officers; \$3 million for Paterson, New Jersey to fund 40 officers; and \$825,000 for Oneida County Sheriff's Department, Wisconsin to fund 11 officers.

States with law enforcement agencies receiving grants today are: AL, AR, CA, CO, CT, DE, FL, GA, IA, ID, IL, KS, KY, LA, MA, MD, MI, MN, MO, MS, MT, NC, NE, NH, NJ, NM, NY, OH, OK, OR, PA, SD, TN, TX, UT, VA, WA, WI, WV, and Puerto Rico.

**Q. Why are only 46 states receiving NCHIP grants? What happened to the other four?**

A. Four states -- Kansas, Maryland, Minnesota, and Nevada -- either applied too late for this FY 98 NCHIP grant announcement or their applications required revisions. The

Department of Justice has reserved FY 98 NCHIP funds for these states and they will be able to receive grants once they have met their application obligations.

**Q. What is the Top Cop award?**

- A. The "Top Cop" awards are given by the National Association of Police Organizations (NAPO) and pay tribute to law enforcement officers from across the country for outstanding service to their communities during the preceding year. This year, 34 exceptional law enforcement officers will receive the award for their heroism and devotion to duty and service in their communities. The President has honored NAPO Top Cops every year since becoming President.

**Q. Can you give us more detail on the White House Conference on School Safety that you are holding next week?**

**On October 15, 1998, the President will host the White House Conference on School Safety. The Conference will be a day-long event in the East Room of the White House that will include participation by the President, Vice President, First Lady and Mrs. Gore; workshops; a morning panel discussion; and an afternoon session that will explore best practices and model safety strategies. The Conference will include communities recently affected by school shootings and will be linked by satellite to hundreds of communities and schools across the country.**

**At the Conference, the President will issue the first Annual Report on School Safety, which will include: an analysis of all existing national school crime data and an overview of state and local school crime data; 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; and resources available to schools and communities to help create safe, disciplined and drug-free schools. In addition, the President will announce a number of new initiatives to help schools and communities prevent and respond to violence.**

[NB: The President may sign the bills described below at the event if they pass the Congress Thursday evening.]

**Q. Can you explain what the DeWine/Leahy legislation will do?**

- A. The Crime Identification and Technology Act of 1998:

Creates a \$1.25 billion state grant program for crime technology. The bill authorizes \$1.25 billion in grants (\$250 million each year for five years) for states to upgrade their communications technologies and criminal justice identification systems, such as

automated fingerprint and DNA identification systems, and sex offender registries. This grant program will help in the integration of national, state and local systems so that law enforcement can share information in a timely manner.

Authorizes the Administration's National Criminal History Access and Child Protection Act. The bill also contains an Administration proposal -- which the President transmitted to Congress the day of his Child Care Conference held a year ago-- to authorize a federal-state compact for the interstate exchange of criminal history records for noncriminal purposes, such as background checks on child care and elder care workers. The Compact will help to establish a framework for the exchange of criminal history records which will help to increase the accuracy and completeness of criminal history records.

**Q. What is does the bill introduced by Rep. Maloney do?**

- A. The bipartisan bill, introduced by Rep. James Maloney (D-CT) and Senator Ben Nighthorse Campbell (R-CO), will help to ensure that school safety officers can be funded through the Justice Department COPS Program. This summer, the President challenged Congress to pass the Maloney bill to help provide more school safety officers for our nation's schools.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Marjorie Tarmey ( CN=Marjorie Tarmey/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-OCT-1998 13:30:25.00

SUBJECT: Car to the Hill

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

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

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

TEXT:

The car to the hill that Maria ordered is leaving at 1:15

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 20:54:47.00

SUBJECT: JJ Update

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

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

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

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

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

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

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

TEXT:

Esteemed Colleagues:

Just got off the telephone with Peter and DOJ about the juvie crime bill. DOJ is much more upbeat about the prospects of getting a workable bill than most others we've talked to; however, they had not spoken w/the Senate Dems.

Peter and I remarked that while the bill was not too offensive, it did not include enough of a victory for the President (juvie Brady, more on prosecutors/Boston, or other crime/drug proposal we've introduced) -- and was still likely to be offensive to key Dems. We gave them a list of things to float by the R's, and said they needed to check with the Senate Dems, too.

Afterwards, I received the attached e-mail from Leahy's office. Doesn't look the Senate Dems think we're as close as DOJ does. Still, we should remain vigilant; Hatch could throw an agreement into the mix at the last minute.

Jose'

----- Forwarded by Jose Cerda III/OPD/EOP on 10/08/98  
08:41 PM -----

Karen\_Marangi @ judiciary.senate.gov (Karen Marangi)  
10/08/98 06:59:14 PM

Record Type: Record

To: Jose Cerda III/OPD/EOP

cc:  
Subject: JJ Update

Jose --- sorry I've been so hard to reach. I thought I'd try to email b/c its late and I'm also losing my voice !

negots w/ the senate repubs broke down today b/c Hatch and Sessions can't live w/a disprop. minority confinement mandate -- even one as soft as that in hr 1818. they are double checking w/their bosses but negotiations are likely off for good.

democrats in house and senate think it is essential to keep this protection. otherwise, we were getting real close to what is acceptable to us... but unlikely we'll get a bill. K

by the way, I'm sending this at 7 pm on thurs --hope it gets to you this eve.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia Dailard ( CN=Cynthia Dailard/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 15:24:04.00

SUBJECT: REVISED -- today's MMWR on youth smoking

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

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

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

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

TEXT:

CDC discovered an error in their math -- here is the revised version:

Today's MMWR (embargoed until 5pm today) finds that more than 3000 children begin smoking regularly everyday. While the actual number is estimated to be 3359, the confidence interval is such that CDC is saying "more than" 3000 (compared to the "nearly" 3000 that they used to say). This translates to 1.2 million kids each year becoming daily smokers. What is perhaps more newsworthy is their finding that between 1988 and 1996, the number of children who became daily smokers increased by 73 percent -- if the rate of smoking had remained constant during this time, then 1.5 million fewer children would have become regular smokers by 1996.

----- Forwarded by Cynthia Dailard/OPD/EOP on 10/08/98  
03:22 PM -----

Cynthia Dailard  
10/08/98 11:21:12 AM  
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Sarah A. Bianchi/OPD/EOP, Cynthia A. Rice/OPD/EOP  
Subject: today's MMWR on youth smoking

Today's MMWR (embargoed until 5pm today) finds that more than 3000 children begin smoking regularly everyday. While the actual number is estimated to be 3359, the confidence interval is such that CDC is saying "more than" 3000 (compared to the "nearly" 3000 that they used to say). This translates to 1.2 million kids each year becoming daily smokers. What is perhaps more newsworthy is their finding that between 1988 and 1996, the number of children who became daily smokers increased by 42 percent -- if the rate of smoking had remained constant during this time, then 1.5 million fewer children would have become regular smokers by 1996.

We are doing a weekly item on this.



RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 13:30:20.00

SUBJECT: H2A meeting on the Hill tomorrow

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

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

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

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

TEXT:

According to DOL, David Blair (Wyden's staffer) just cancelled his attendance at tomorrow's meeting. Earl is going to check whether Bob Graham's staff person whether she still intends to attend.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 17:16:16.00

SUBJECT: URGENT: CONFEREES LETTER ON HR 3150

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Alice H. Williams ( CN=Alice H. Williams/OU=CEA/O=EOP@EOP [ CEA ] )

READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

NEC has asked that we clear the letter below on HR 3150 - Bankruptcy Reform Act of 1998 in order to be release early this evening. House Rules & Floor action is expected shortly. Position: Senior Advisers would recommend veto. Please provide comments/clearance as soon as possible. Thanks.

The Honorable Orrin G. Hatch  
Chairman  
Committee on the Judiciary  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I write to provide the Administration's views on the conference report to H.R. 3150, the Bankruptcy Reform Act of 1998.

The Senate worked on a bipartisan basis to produce a balanced bill that would have reduced abuses of the bankruptcy system and required debtors and creditors alike to act responsibly. Unfortunately, H.R. 3150, as agreed to by the Conference Committee, contains many flawed aspects of the House bill, and if this version of the bill is presented to the President, his senior advisors will recommend that he veto it.

On the central issue of means-testing, the Conference Report uses the Senate framework but would, like the House bill, impose a rigid rule that denies bankruptcy judges adequate discretion to decide whether the debtor has the capacity to repay successfully a portion of debts under Chapter 13. The bill would require a moderate income debtor to demonstrate that each monthly expense for housing, clothing, transportation, and food that exceeds a predetermined level is necessary due to "extraordinary circumstances" before that person could get their debts discharged under Chapter 7.

At the same time H.R. 3150 produces a rigid system to ensure moderate-income debtors repay their debts, it does not impose meaningful

limits on the homestead exemption -- the mechanism used by the wealthy to shield hundreds of thousands of dollars of wealth from their creditors.

The Senate bill took laudable steps to enhance consumer protections from coercive and predatory behavior by creditors. This version of H.R. 3150, however, fails to limit adequately abusive creditor practices such as coercive affirmations and violations of the automatic stay, and rolls back consumer protections. The bill would also deny consumers the most effective remedy for harm from such practices -- class action liability -- and eliminate the current authorization for punitive damages against creditors for intentional violations of borrower rights.

Finally, the bill does not include the provisions of the Senate bill that would discharge debts that could compete with child support and alimony payments after a debtor has been declared bankrupt. In addition, the bill would make nondischargeable any debt that was incurred within 90 days of bankruptcy to pay nondischargeable debt and any debt resulting from certain cash advances. This, in effect, puts some debt owed to credit card companies in competition with social priorities like child support and alimony, taxes, and educational loans. All too often pressures from an aggressive creditor trying to collect a nondischargeable debt can keep a struggling debtor from making child support and alimony payments.

The overwhelming vote on the Senate floor for the balanced legislation that body produced demonstrates that reasonable and responsible bankruptcy reform is possible. Unfortunately, H.R. 3150 as developed by the Conference Committee, does not provide such reform.

Sincerely,

Jacob J. Lew  
Director

Identical Letter Sent to The Honorable Orrin G. Hatch,  
The Honorable Charles E. Grassley, The Honorable Jeff Sessions,  
The Honorable Patrick J. Leahy, The Honorable Richard J. Durbin,  
The Honorable Henry Hyde, The Honorable John Conyers,  
The Honorable George W. Gekas, and The Honorable Jerrold Nadler

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays ( CN=Cathy R. Mays/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 13:33:58.00

SUBJECT: Today's Ed Strategy Meeting

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

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

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

TO: Vicky\_Stroud ( Vicky\_Stroud @ ed.gov@inet [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

TEXT:  
CANCELLED

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cynthia Dailard ( CN=Cynthia Dailard/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 8-OCT-1998 13:30:10.00

SUBJECT: family planning issues

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

As I am sure you know, the Treas-Postal appropriators dropped the FEHBP contraceptive coverage provision from the bill. The pro-choice groups are pleading that we insist on reinserting the language in the omnibus bill. (FYI.)

On the Title X front -- Just in case you don't know, the Rules committee is meeting later today and is likely to approve a rule that will allow Labor H to go to the House floor just for a vote on parental consent (the CATs are insisting on it, even though their language is already in the bill). Greenwood will offer his substitute amendment (emphasizing abstinence and encouraging parental involvement in teens' decisions re family planning), but then Istook will offer his second degree amendment which adds back in his parental consent language. The groups are begging us to insist that this language be dropped in omnibus negotiations as well.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 13:56:18.00

SUBJECT: School Safety Conference Planning Meeting Today (Thursday) and Tomorrow (F

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

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

TO: Charles.a.simon ( Charles.a.simon @ usdoj.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: Ricki.l.seidman ( Ricki.l.seidman @ usdoj.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: Ann\_O'Leary ( Ann\_O'Leary @ ed.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: Kevin\_sullivan ( Kevin\_sullivan @ ed.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: lisa.wetzl ( lisa.wetzl @ mail.va.gov [ UNKNOWN ] )  
READ:UNKNOWN

TO: Kelley L. O'Dell ( CN=Kelley L. O'Dell/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: WOOLLEY\_B ( WOOLLEY\_B @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (WHO)  
READ:UNKNOWN

TO: MATSUI\_D ( MATSUI\_D @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (WHO)  
READ:UNKNOWN

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

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

READ:UNKNOWN

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

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

TO: Essence P. Washington ( CN=Essence P. Washington/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Cynthia M. Jasso-Rotunno ( CN=Cynthia M. Jasso-Rotunno/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TO: gregory.king ( gregory.king @ usdoj.gov [ UNKNOWN ] )

READ:UNKNOWN

TO: Shay.Bilchik ( Shay.Bilchik @ usdoj.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: Julie\_green ( Julie\_green @ ed.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: Sara\_Strizzi ( Sara\_Strizzi @ ed.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: Bill\_Modzeleski ( Bill\_Modzeleski @ ed.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: JOHNSON\_R ( JOHNSON\_R @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (WHO)  
READ:UNKNOWN

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

Thursday: 476 OEOB

Friday: 180 OEOB

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 10:27:26.00

SUBJECT: Child Care Appropriations

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I am hearing from the advocates working on the hill that Harkin and others are willing to fight for \$1 billion if they feel that they have the support of the Administration. I've also heard from hill staff that the advocates aren't helping us at all to get our three programs funded. All I've said so far is that of course we support a big number, but that the Administration has agreed to work for the \$180 for our three programs. Can I go any farther or is it worth talking to Jack or Sylvia about the signals we can send?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-OCT-1998 09:46:30.00

SUBJECT: Minority Caseloads Memo

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

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

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

TEXT:

I've revised to delete statement that citizen children of illegal immigrant parents are increasing, and instead just listed examples of child only cases. HHS has not been able to confirm which types of child only cases are increasing. Data on type of case are not readily available, but based on what is available, they think this type of case is probably not growing significantly, at least on a national basis. If they happen to get more information by the time we send in this memo I'll revise again.

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

TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D23]MAIL43066128Q.226 to ASCII,  
The following is a HEX DUMP:

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DA6108B2A3D90F26C8D11424A6232ADC3A611DDD9C7821ECF59A25CA138F3458A31BEA4A18284A
```

October 5, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed  
Andrea Kane

Automated Records Management System  
Hex-Dump Conversion

SUBJECT: Minority Welfare Caseloads

You asked us to evaluate recent reports that African-American and Hispanic families are leaving welfare more slowly than whites, and to consider what more we could do to ensure all welfare recipients are making the successful transition from welfare to work. Here is a brief summary of the trends, along with some new ideas we are developing for consideration in your FY 2000 budget.

**I. Caseload Trends**

We have worked closely with NEC, CEA, OMB, HHS, and the Census Bureau to examine the most recent welfare caseload data (generally through 1997). As detailed in the attached tables, the data show:

1. Most of the changes in the welfare caseload can be attributed to changes in the composition of the population as a whole -- specifically, population growth explains nearly two-thirds of the difference in caseload decline between Hispanics and whites and nearly half the difference between blacks and whites.

Since 1994, the *number* of welfare cases has indeed dropped more among whites (26 percent) than among blacks (18 percent) and Hispanics (9 percent). However, when population growth is taken into account, the difference narrows dramatically. The rate of welfare dependency has dropped sharply for all populations -- by 26 percent among whites, 21 percent among blacks, and 20 percent among Hispanics. In other words, minorities are leaving or staying off welfare at nearly the same rate as whites, but make up a larger share of the welfare population because they make up a larger share of the population as a whole. [See Table 1.]

2. The difference in caseload decline is even narrower among adults. Since 1994, the adult rate of welfare dependency has declined by 30% among whites, 26% among blacks, and 24% among Hispanics.

Child-only cases -- which are decreasing more slowly, because they are not significantly affected by welfare reform efforts to move recipients from welfare to work -- are disproportionately minority. ~~(For example, The child-only caseload includes an increasing number of citizen children born to illegal immigrants, children whose parents receive SSI, and~~

children living with relatives who are not on welfare.) [See Table 2.]

Changes in welfare caseload composition have generally mirrored overall demographic changes over the last 25 years. The composition of the welfare caseload has changed gradually over time, largely driven by population changes. The composition of the adult caseload has not changed significantly since 1994; the most recent national data shows it is now 37 percent white, 37 percent black, and 21 percent Hispanic. [See Table 3.]

3. There is encouraging evidence that the employment rates of minority welfare recipients are catching up with the employment rate for whites. Between 1996 and 1998, the percentage of all prior year welfare recipients who were employed in the next year increased by 28%. The increase was highest for Hispanics (49%), followed by blacks (44%) and whites (5%). [See Table 4.]
4. Recent trends in marriage and teen illegitimacy rates could exacerbate the increasing proportion of Hispanic families on welfare. While the proportion of never-married single mothers is increasing for the entire population, the rate of increase is largest for Hispanic women. Also, the birth rate to unmarried teenagers is increasing for Hispanics while declining for whites and blacks. [See Table 5.]
5. The real challenge will be breaking the cycle of welfare for long-term recipients, who are disproportionately minority.

Minorities are more likely than whites to be on welfare in the first place, and more likely to end up as long-term recipients once they go on the rolls. Blacks and Hispanics on welfare tend to have lower educational levels, marriage rates, and larger families than whites, and are more than twice as likely to live in central cities and areas of concentrated poverty. Hispanics also have less recent work history than whites or blacks. [See Table 6.]

## II. What We Can Do

We will continue to monitor caseload trends and keep you informed. While initial press reports may have overstated disparities so far, these data underscore the importance of focusing our efforts on the hardest cases, who are disproportionately minority. Many of our existing welfare-to-work initiatives already target this population, but we also are developing some new proposals for your consideration in next year's budget.

### A. Current Initiatives

As you know, you have put forward many initiatives to help the hardest-to-serve welfare recipients and those living in concentrated areas of poverty. Many of these initiatives were implemented in 1998, too late to influence 1994-1997 trends outlined above.

- The \$3 Billion Welfare-to-Work Fund you fought for in the Balanced Budget Act

is designed specifically to help long-term welfare recipients (and non-custodial parents) in high-poverty areas obtain jobs and move up a career ladder. While it is too early to have demographic data on the individuals served by these funds, the distribution formula and individual eligibility criteria ensure that most of these funds will be spent on minorities. The first of these funds were awarded in January 1998 and are just now starting to provide individual services.

- Welfare to Work Transportation Funds enacted in the TEA-21 transportation reauthorization bill will help welfare recipients and low-income workers get to where the jobs are, often in suburban areas not served by public transportation. The law guarantees \$50 million this coming year, and we're urging the appropriators to provide a total of \$100 million.
- Welfare-to-Work Housing Vouchers we've proposed will help families in isolated urban or rural areas move closer to job opportunities. Congress has funded our request for 50,000 vouchers. The population of those who currently receive housing assistance is 38 percent black, 10 percent Hispanic, and 46 percent white.
- Community Empowerment Initiatives. The Administration's Community Empowerment initiatives -- empowerment zones, enterprise communities, Brownfields, CDFIs -- will spur economic development and job creation in distressed neighborhoods and help address the geographic isolation faced by minorities on welfare.

## **B. New Initiatives**

In preparation for next year's budget, we are developing a number of options to address the particular challenges faced by minorities in making the transition from welfare to work:

- Increasing Investments in English-Language and Literacy Training. We hope to recommend targeted new investments in two areas that directly affect minority and long-term recipients: learning English and learning to read. This could be done by expanding existing Department of Education adult education programs, or better yet, by dedicating Welfare-to-Work funds for job-related literacy and ESL programs, provided either in the workplace or by community organizations preparing individuals for employment.
- Expanding Work-Related Drug Treatment. Since many of those remaining on welfare suffer from drug or alcohol dependencies, we are exploring ways to provide drug treatment for those who agree to go to work.
- Targeting Welfare-to-Work Funds to the Toughest Areas. While the current Welfare-to-Work formula favors high-poverty areas, we are going to examine

whether the funds could be even more targeted.

- Increasing Work and Child Support Among Noncustodial Fathers. We may be able to attract bipartisan support for an effort to help states increase the employment and child support payments of noncustodial parents.

Minority Caseloads Analysis and Tables

Table 1: Population-Adjusted Change in Rate of Welfare Dependency

Since 1994, the *number* of welfare cases has dropped more among whites (26 percent) than among blacks (18 percent) and Hispanics (9 percent). However, when population growth is taken into account, the difference narrows dramatically. The *rate* of welfare dependency has dropped sharply for all populations -- by 26 percent among whites, 21 percent among blacks, and 20 percent among Hispanics. Specifically, population growth explains nearly two-thirds of the difference in caseload decline between Hispanics and whites and nearly half the difference between blacks and whites.

Table 1: Change from 1994 to 1997\*

Race/Ethnicity	Number of Welfare Cases	Population Aged 15-49**	Rate of Welfare Dependency (caseload adjusted for population)
White	-26%	-0.1%	-26%
Black	-18%	4.4%	-21%
Hispanic	-9%	13.0%	-20%

\* National data is only available through June 1997. We do not yet have more recent data, or state-specific data, that we consider accurate. In July, The New York Times reported more recent data provided by some states, but HHS believes that data, particularly for New York and California, may contain significant reporting errors due to states implementation of the new TANF data reporting system.

\*\* The trends in population aged 15-49 is used here because this is the population group most likely to be a welfare head of household, whose race/ethnicity would be counted when tallying the case demographics.

Table 2: Population-Adjusted Adult Rate of Decline

The difference in caseload decline among groups is even narrower for adults. Child-only cases are decreasing more slowly than the overall welfare caseload and are disproportionately minority; in fact, between 1994 and 1997 they increased (though they declined slightly between 1996 and 1997). Child-only cases are those in which the parent or adult is not part of the case, e.g., adult is not a citizen but the child is; child is being cared for by a relative who is not part of the case,

parent receives SSI rather than welfare. Therefore, child-only cases are not significantly affected by welfare to work efforts. After adjusting for population growth, the rate of welfare dependency for adults (percent of 15-49 year old population on welfare) has declined 30% among whites, 26% among blacks, and 24% among Hispanics.

Table 2: Population-Adjusted Rate of Decline in Adult Welfare Dependency: 1994 - 1997\*

	Rate of decline for all cases	Rate of increase for child-only cases	Rate of decline for adult-headed cases	Population-adjusted rate of welfare dependency for adult cases
White	- 26%	7%	- 30%	- 30%
Black	- 18%	3%	- 23%	- 26%
Hispanic	- 9%	9%	- 15%	- 24%

\*National data is only available through June 1997.

Table 3: Racial Breakdown of Adult Cases

The composition of the welfare caseload have changed gradually over the past 25 years, driven largely by population changes. Despite differing rates of caseload decline since 1994, the composition of the adult welfare caseload has remained relatively constant.

Table3: Racial Breakdown of Adult Cases

Race/Ethnicity	1994	1997*
White	40%	37%
Black	36%	37%
Hispanic	19%	21%

Asians, Native Americans, and those designated "Unknown" comprise the rest of the caseload.

\*National data is only available through June 1997.

Table 4: Employment Rate of Welfare Recipients

There is encouraging evidence that the employment rates of minority welfare recipients (people on welfare in one year who were working the following year) is catching up with the employment rate for whites.

Table 4: Employment Rate of Welfare Recipients

Race/Ethnicity	1996	1998	Percent Change 96-98

White	36 %	38 %	5%
Black	23 %	33 %	44%
Hispanic	19 %	29 %	49%
All Recipients	27%	34%	28%

Table 5: Trends in Marriage Rates and Births

The trends in marriage rates and births to unmarried women could exacerbate the increasing proportion of Hispanic families on welfare. While the proportion of never-married single mothers is increasing for the entire population, the rate of increase is largest for Hispanic women.

	1992	1997	% Change
% of all single mothers who were never married	30%	35%	17%
Never-married single mothers by race/ethnicity:			
White	17%	21%	24%
Black	51%	55%	8%
Hispanic	33%	42%	27%

Also, the birth rate to unmarried teenagers remains much higher for blacks and Hispanics than for whites. While the rate is decreasing for blacks and slightly for whites, it continues to increase for Hispanics. For example, between 1991 and 1996, the rate of births to unmarried teenagers decreased 18% for blacks and 4% for whites, but increased 3% for Hispanics.

Table 6: Characteristics of Minorities on the Caseload

Minorities on welfare are more likely to have characteristics associated with long-term welfare recipiency. Blacks and Hispanics on welfare tend to have lower educational levels, marriage rates, and larger families than whites, and are more than twice as likely to live in central cities and areas of concentrated poverty. Hispanics also have less recent work history than whites or blacks.

Table 6: Characteristics of AFDC/TANF Recipients by Race/Ethnicity\*

	TOTAL	WHITE	BLACK	HISPANIC

% without HS diploma	43%	30%	43%	64%
% never married	47%	33%	69%	43%
> 2 children	29%	20%	33%	39%
Worked during the year	45%	49%	48%	33%
Live in area w/ poverty rate > 20%	48%	29%	67%	58%
Live in central city	49%	29%	68%	60%

\*These data are from the March 1998 Current Population Survey, showing characteristics of recipients in 1997.

Minorities are more likely to be long-term welfare recipients. For example, in 1997 20 percent of blacks on welfare had been on the rolls for at least five continuous years, compared to 19 percent for Hispanics and 14 percent for whites (data are for the first nine months of 1997).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 09:40:16.00

SUBJECT: Charters is on House calander today

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

and the Voc Ed bill already passed the House.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 16:23:51.00

SUBJECT: shalala

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

TEXT:

Her call was just a heads up that they're sending over the TANF rule, and she'd like to come brief us on it in the next 2 weeks, in hopes that we can agree on our objectives before our staffs start fighting over the details. That's fine by me, since our objective is to have them capitulate to us on the details.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Waldman ( CN=Michael Waldman/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 9-OCT-1998 10:43:05.00

SUBJECT: 2:30 pm remarks -- draft

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

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

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

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

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

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

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

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

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

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

TO: Melissa G. Green ( CN=Melissa G. Green/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

TO: Kathleen A. McGinty ( CN=Kathleen A. McGinty/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

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

TO: Ron Klain ( CN=Ron Klain/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: markpenn ( markpenn @ ps-b.com @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TEXT:

Draft 10/9/98 10:40am  
Waldman/Siewert/Weiss

PRESIDENT WILLIAM J. CLINTON  
STATEMENT ON THE BUDGET  
THE WHITE HOUSE  
October 9, 1998

Good afternoon. I have just had the opportunity to meet with Senator Daschle, Representative Gephardt and their colleagues. We have been discussing the course of the budget on Capitol Hill. And we stand united in insisting that Congress act immediately to pass a budget that honors our values and meets America's priorities.

This is a year when we should be able to make real, bipartisan progress. We have created the first balanced budget and surplus in 29 years. Our economy continues to be strong, creating jobs and broadening prosperity, despite economic turmoil abroad. We have an opportunity to maintain our fiscal discipline while making the investments we need. We can sustain this American economic renaissance.

This budget is a test of whether we will act together to advance the national interest -- whether we will invest in the education of our children, the security of our parents, the strength of our economy. Let

me make clear my priorities.

First, as I made clear in my State of the Union Address, our central budget challenge is to maintain our fiscal discipline. I have insisted that we set aside every penny of any surplus until we save Social Security first. All year long, the majority party in Congress challenged that principle, first with a \$700 billion tax plan, then with a \$80 billion plan, all draining the budget surplus. I said no. It now appears that common sense has prevailed, the surplus is secure, and America is now well-positioned to craft a bipartisan plan to save Social Security for the next generation.

Second, we must widen opportunity by investing in our children and in their schools. This budget should reduce class size by hiring new teachers ... bring discipline and learning into the lives of all our young people by fully funding after-school programs ... bring cutting edge technology to the classroom, with teachers trained to use it ... and expand Head Start. It must also teach our children to read, and support our new mentoring drive to encourage young people to go to college.

Unfortunately, when the education investment bill was finally brought to the House floor yesterday, eight days into the fiscal year, it met none of these challenges. I have instructed my budget team to return to Capitol Hill, make the case for our educational priorities, and fight for our children's future. I am confident we will prevail.

Let me add that in these closing days, it is clear that Congress will not take necessary action to modernize and build 5000 new schools. More teachers and smaller classes also demand more schoolrooms. If we do not succeed this year, we will be back next year to fight for this priority.

Third, we must strengthen our economy at a time of economic turmoil abroad by meeting our obligations to the International Monetary Fund. Every day of delay is another day of putting our prosperity at risk. I am confident Congress will do the right thing.

Fourth, we must strengthen, not weaken, environmental protections. I simply will not allow a budget that is stuffed with unrelated, controversial provisions that would cause unacceptable harm to our environment and hamstring our protection of the public health.

Fifth, we must act decisively to help America's farmers and ranchers. This year, drought, disease and international economic turmoil have hit America's farm families hard. I vetoed a farm bill that did not do enough to help America's farm families during this difficult time. And I have instructed my budget negotiators to insist on stronger emergency measures to help America's farmers and ranchers.

Sixth, we must make child care more affordable and ensure the quality and safety of care for millions of American children. Parents have a hard enough time meeting their responsibilities at home and at work -- and we must take responsibility for helping them do it.

Seventh, we must continue our successful drive to move people from welfare to work. Just yesterday, Congress passed my innovative initiative to help 50,000 families move closer to good jobs. That's a strong step in the right direction. In the coming days, we can do more to help people move from the dependency of a welfare check to the dignity of a paycheck.

Eighth, I will continue to resist extraneous and controversial provisions

that simply make it harder to meet our obligation to fund the government and invest in our people. This is no time for debate over social issue measures, such as those on family planning, that will mire this necessary bill in needless controversy.

We stand together for these priorities. They are the right priorities for the American people. And I believe that if Congress puts progress over partisanship, we can come to an agreement on a budget that maintains fiscal discipline, honors our values, and invests in our people.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Waldman ( CN=Michael Waldman/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 9-OCT-1998 10:48:28.00

SUBJECT: NOTE: REVISED CHILD CARE LANGUAGE FROM STATEMENT

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

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

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

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

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

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

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

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

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

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

TO: Melissa G. Green ( CN=Melissa G. Green/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

TO: Kathleen A. McGinty ( CN=Kathleen A. McGinty/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

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

TO: Ron Klain ( CN=Ron Klain/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: markpenn ( markpenn @ ps-b.com @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TEXT:

Sixth, we must take new steps and make new investments to make child care more accessible, safer and higher quality for millions of American children . Parents have a hard enough time meeting their responsibilities at home and at work -- and we must take new steps to must take responsibility for helping them do it.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah A. Bianchi ( CN=Sarah A. Bianchi/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 9-OCT-1998 17:20:56.00

SUBJECT: weekly

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:

Unable to convert ARMS\_EXT:[ATTACH.D93]MAIL46020348L.226 to ASCII,  
The following is a HEX DUMP:

FF5750438C040000010A020100000002050000008B09000000020000024B971A6365E218A0B536  
0782347A761165220EFE372687F551637B1971D79946E0A176F07BDAAEAE21636D3B184BEE3DD70  
FC290D4D149D3E8FB2C0092BA5DDD1903F066C6FB08E07472F435C5D994F1910C43C46B973C789  
5BC9AB9F19A9B38E86BE4C9B3034CE5FF97C06F0D0B0298AD0364882A4ACA44CECBD89A4C8A6CE  
615996FF2046805684305779AA2FFCF6DF1E3481F994581F88C02547FC94D08D0322CB1713B995  
C04C0AA4285D253A71A4626779C22305732C662C8AE758CDF60EED4B591B1162CDAF54831450EA  
6C5CAAE07240C87FA678EBD6BBF9D44EA4B8F4826CE5EE6D1DD45B761501A6B78C18033B025BAE

**Health Care -- Appropriations Update.** As of this writing, there are a number of controversial health issues left to be resolved in our appropriations discussions on the Hill. High visibility issues related to Medicare include, potential responses to reimbursement issues for home health care and skilled nursing facilities, as well as Pennsylvania disproportionate share hospital payments. On these issues, we are viewed by supporters as being helpful. Outstanding Medicaid and Children's Health Insurance Program (CHIP) issues include a controversial Medicaid cost savings proposal and CHIP fixes for Washington, Puerto Rico and Wisconsin. Public health issues of interest include organ allocation, needle exchange, assisted suicide, and your race and health initiative. We will keep you apprised of final outcomes of these issues when they are resolved.

Automated Records Management System  
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 08:50:10.00

SUBJECT: Charter Schools passed

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

in the Senate late last night, and should come to the House today.

The Voc. Ed. bill also passed in the Senate last night and is headed to the House.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Fred DuVal ( CN=Fred DuVal/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 9-OCT-1998 17:50:54.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Gov Chiles was very encouraged after talking to Erskine on tobacco  
recoupment. Sounds more optimistic than you were in the mess.....??

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 17:27:33.00

SUBJECT: Goals 2000 and Ed-Flex

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

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

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

TEXT:

After hearing Barbara's description of the Republican idea of paring down the block grant proposal to specifying new ways in which Goals 2000 funds could be used, I think the Republican strategy may be shifting away from advocating block grants and towards a new assault on Goals 2000, in order to have something to take away from the table. I believe we should resist, in a number of ways:

1. Oppose the idea of further specifying the purposes for which Goals \$ can be used. This seems innocuous, especially since Goals funds are designed to be flexible enough to be used for virtually any purpose consistent with a school, district or state plan for education reform. However, the last time we went down this road with the Republicans, we got burned. In '95 we agreed to a provisions that "clarified" that schools could bu computers with Goals 2000 funds; we agreed because it had no practical effect-schools already could do that. As a result, the amendment sponsor (Ishtook) claimed that he gutted the program, and David Broder wrote a column claiming that POTUS caved on his flagship program.

We shouldn't open ourselves to that again. If the R's want to enumerate some of the uses of federal program funds, they should clarify how their Title VI funds can be used.

2. Stiffen our resolve on the requirement that states have a Goals 2000 plan in order to participate in Ed-Flex. This is the provision that Goodling removed from the Castle/Roemer Ed-Flex bill (with the agreement of Castle, Roemer and the Dem. gov's.) Our position has been to take Ed-Flex as an alternative to block grants, and not fight too hard over the G2k provision. I now think we should dig in much harder, especially since the R's appear to be already giving so much ground on their block grant proposal. At this point, giving ground on the Goals 2000 provision is a gift to the R's, and to the gov's--who need ed-flex much more than we do, and who haven't done much to help us on the rest of our education agenda.

The rationale for requiring a Goals 2000 plan in the first place is sound--we will give added flexibility to a state only in the context of an overall, cohesive approach to reforming education so kids can meet high standards (and to accountability provisions that are not in dispute). Without such a plan, how could the state tell if a particular federal requirement was in fact interfering with its own approach to education reform?

Clearly we should still be use Ed-Flex if needed as an alternative to block grants. We should also be willing to take Ed-Flex if Castle/Roemer want to push it on the omnibus bill--as long as it contains the Goals provision.

Hope this makes sense to you; track me down if you need anything.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 17:48:22.00

SUBJECT: complete weekly report 10/9/98

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:

Unable to convert ARMS\_EXT:[ATTACH.D96]MAIL418223487.226 to ASCII,  
The following is a HEX DUMP:

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42E11D558742EA848933EB261040FB80FFFE2A45EC65B1BFF3A7ED9988FD8B0AA247A9F7135CE2  
BBCE92478DE973F49BD83F1698EBD453F2911BB42F0553E1B4C444EA80D9B019F2A0BABD297112  
487EA12625CBECD9885F7D1AEE2FC4041DFEED6EAA705DDE5B1DF8303DD0801E4D9577E9051F7

October 10, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed  
Elena Kagan

RE: DPC Weekly Report

**School Safety -- White House Conference on School Safety:** On Thursday, October 15 you will host the White House Conference on School Safety in the East Room. You will be joined at this event by the Vice President, the First Lady, Mrs Gore and 120 participants including experts in education and youth violence, practitioners, local leaders, teachers, parents and students. You will make remarks and host a panel discussion that will be satellite downlinked to almost 600 locations -- including Jonesboro, Paducah, Pearl and Springfield. The conference will also be cybercast over the Internet.

At the conference you will release of the first Annual Report on School Safety, and announce: (1) a plan to create a federal School Crisis Response team, which will assist local communities in much the same way that FEMA assists in response to natural disaster; (2) \$60 million to provide schools with serious crime problems with 2,000 school safety officers; (3) a commitment to trace all firearms recovered in schools; (4) a plan to overhaul the Safe and Drug-Free Schools program so that it better targets funds to communities with greatest needs, requires schools to provide school safety report cards to parents and the public, and helps keep schools safe and drug free through proven practices; (5) a demonstration program, with coordinated funding from programs in Education, Justice, and HHS, to help schools, law enforcement agencies, mental health agencies, general government and community-based groups such as Boys and Girls clubs develop and implement coordinated, community-based efforts to address school safety and youth violence problems; (6) a commitment by four retailers (K-Mart, Walmart, Dockers/Levi Strauss and JC Penney) to give back a percentage of the profit from the sale of school uniforms to schools for the development of comprehensive school safety plans and to encourage the adoption of school uniforms; and, (7) a year-long public awareness campaign by MTV focusing on the problems of and solutions to school and youth violence.

**Health Care -- Appropriations Update:** As of this writing, there are a number of controversial health issues left to be resolved in our appropriations discussions on the Hill. High visibility issues related to Medicare include, potential responses to reimbursement issues for home health care and skilled nursing facilities, as well as Pennsylvania disproportionate share hospital payments. On these issues, we are viewed by supporters as being helpful. Outstanding

Medicaid and Children's Health Insurance Program (CHIP) issues include a controversial Medicaid cost savings proposal and CHIP fixes for Washington, Puerto Rico and Wisconsin. Public health issues of interest include organ allocation, needle exchange, assisted suicide, and your race and health initiative. We will keep you apprised of final outcomes of these issues when they are resolved.

**Education -- Charter School Bill:** The bipartisan "Charter School Expansion Act of 1998" was approved by the Senate Thursday evening on a voice vote, debated on the House floor Friday afternoon, and is expected to pass in the House on a recorded vote late on Friday. As you know, the bill would amend the federal charter school grant program to strengthen accountability and flexibility in charter schools, ensure that charter schools receive their commensurate share of funding from a range of federal education programs, and provide new support to help high-performing charter schools revitalize other public schools.

**Education -- Vocational Education bill:** The Carl D. Perkins Vocational and Technical Education Act of 1998 was passed by the Senate and the House Thursday night. The legislation promotes accountability for results and flexibility, professional development for teachers, and will help students achieve challenging academic and technical standards through improved preparation for college and careers. It provides the third and final bill -- following the workforce investment act and the adult education act -- carrying out your "G.I. Bill for Workers" proposal. Specific provisions in the bill include making it possible for vocational education funds to support the continuation of School-to-Work and "Tech-Prep" activities and requirements that states develop performance plans that include indicators related to academic achievement, technical skills achievement, and entry into post-secondary institutions and employment. Coupled with the workforce investment act, the bill also provides financial incentives for states that meet or exceed ambitious performance goals.

**Tobacco --CDC Report:** The Center for Disease Control's Morbidity and Mortality Weekly Report released Thursday confirmed that more than 3000 children begin smoking regularly every day. In 1996, 1.8 million Americans became regular smokers, of whom 66 percent, or 1.2 million, were under the age of 18. Between 1988 and 1996, the number of children who become regular smokers increased by 73 percent, and this increase resulted in 1.5 million more children becoming regular smokers over the eight year period. Finally, the report restated previously released data which found that young people who smoke regularly vastly underestimate the addictiveness of nicotine -- of those who think that they will not smoke in five years, 75 percent are still smoking five to six years later, and 70 percent of adolescent smokers wish they had never started in the first place.

**Housing/Welfare Reform-- Welfare-to-Work Housing Vouchers:** Congress has approved your full request for 50,000 welfare-to-work housing vouchers. This is the first significant, real increase in housing vouchers in four years, and the first time vouchers have been directly linked to welfare reform. This connection presents an exciting opportunity to improve how local welfare, employment, and housing agencies work together. We are working with

HUD to develop some ideas for an event at which you can announce the availability of these new vouchers.

**Welfare Reform -- Welfare to Work Partnership Survey:** The Partnership's second survey of businesses shows success in employment of welfare recipients as well as remaining challenges. The survey, conducted by the independent Wirthlin research group, **polled 300 Partnership member companies and 300 similar companies who are not members.** Most Partnership companies are hiring welfare recipients for full-time positions (76%), at an average starting wage of \$7.20 per hour, both of which are comparable to other entry level hires. These companies also provide health benefits to former welfare recipients similar to other entry-level hires: 73% offer full coverage after 3-6 months, 61% cover at least half the premium and 28% cover the entire premium. Three-quarters of the Partnership companies promoted former welfare recipients over the past year, at a significantly higher rate than non-welfare hires in other companies. Partnership companies are more likely to provide mentors for their welfare hires, and find this improves jobs performance. Only about one-third of the companies offer help with child care, but those who do find it improves performance and retention. The companies continue to report transportation and child care as significant barriers, but there is a large gap between acknowledging the problem and providing these services for reasons related to cost and fairness. The survey found that while Partnership members were more successful in hiring former welfare recipients, other companies are also actively hiring -- one-quarter had hired someone off welfare in 1997 and one-third expected to hire in 1998.

**Children and Families -- Appropriations:** This week Congress passed the Coats Human Services Reauthorization Act of 1998. This bill includes Head Start, LIHEAP, the Community Services Block Grant, and individual development accounts (IDAs). We hope to have a signing ceremony that would highlight improvements in Head Start as well as the first authorization for IDAs.

Automated Records Management System  
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 09:05:26.00

SUBJECT: Any news on Medicaid recoupment?

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

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

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

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 10:33:40.00

SUBJECT: Irish

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:

The Walsh bill passed the Senate last night (unanimous consent).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Nicole R. Rabner ( CN=Nicole R. Rabner/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 9-OCT-1998 12:04:38.00

SUBJECT: Child care victory

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

READ:UNKNOWN

TEXT:

Remember the compact to facilitate background checks? It passed! And the President mentioned it in today's event, see excerpt below:

Last night Congress passed a bill by a large bipartisan margin that will build on our progress -- a bill I'll sign into law later today. It will provide states with more than \$1 billion over the next five years to modernize not only their criminal records systems, but also to upgrade their communications and criminal identification systems. It will include legislation I proposed last year at the White House Conference on Child Care the First Lady and I sponsored, to help us build a new electronic information sharing partnership with state and local law enforcement to keep our child care and our child care and our elder care systems safe.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Waldman ( CN=Michael Waldman/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 9-OCT-1998 19:11:31.00

SUBJECT: COMMENTS TO LOWELL WEISS ASAP

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

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

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

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

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

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

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

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

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

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

TO: Melissa G. Green ( CN=Melissa G. Green/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

TO: Kathleen A. McGinty ( CN=Kathleen A. McGinty/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

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

TO: Ron Klain ( CN=Ron Klain/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: markpenn ( markpenn @ ps-b.com @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TEXT:

Draft 10/9/98 7pm

PRESIDENT WILLIAM J. CLINTON  
RADIO ADDRESS ON THE BUDGET  
THE WHITE HOUSE  
October 10, 1998

Good morning. In the next few days, Congress can make enormous progress to renew and strengthen our schools, as it completes work on the budget. There is no more critical task for our nation.

Ten days ago, we closed the books on our fiscal year -- and yet Congress still has not opened the books for the fiscal year at hand. Last night, for the second time in two weeks, I signed stop-gap legislation to keep our government running. But I cannot keep granting extensions indefinitely. For Members of Congress, school is almost out.

And frankly, the American people deserve better. This is a year when we should be able to make real, bipartisan progress. We have created the first balanced budget and surplus in 29 years. Our economy continues to create jobs and broaden prosperity, despite economic turmoil abroad. We must use this moment of good fortune to make an historic investment in the quality of our public schools.

In recent days Congress has chosen progress over partisanship by passing a higher education bill that will help millions of Americans afford college. For the first time in our history, because of tax cuts, expanded scholarships, and lower student loan rates we have enacted over the past six years, every American can afford to go to college.

We know our colleges are the best in the world. Now we must work with the same resolve to make our elementary and secondary schools the best in the world.

This budget should help our children learn in smaller classes. It should make a strong down payment on our drive to hire 100,000 new highly qualified teachers to reduce class size in early grades.

It should modernize our schools so that every child has a chance to learn in classrooms that are modern, safe, and wired for the 21st Century. This budget should include targeted tax cuts to help communities build or modernize 5,000 schools. And it should bring cutting-edge technology to the classroom, and make sure that teachers are trained to use it.

It should fund innovative charter schools, so that parents and teachers can bring the benefits of choice and competition to our public schools.

It should fully fund after-school programs, so young people learn their lessons in the classroom, not the streets ... expand Head Start for the early years ... and insist on high standards in the basics. It fund our childhood literacy programs so that every child will be able to read independently by the 3rd grade. And it should support our new mentoring drive to encourage young people to go to college.

Small classes, trained teachers, modern schools, high standards, public school choice and more. This is the plan that can revolutionize education in America. But the Republican majority in Congress hasn't even brought the education investment bill to a vote. When it comes to education, Congress can't get an "+incomplete.", I ask the Republicans in Congress to put progress over partisanship and send me a full education investment bill.

Remember: this is the last complete budget of the 20th century. We cannot pass up this golden opportunity to invest wisely for our children and for the next the American century -- the century that will be theirs. Thanks for listening.

# # #

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Waldman ( CN=Michael Waldman/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 9-OCT-1998 12:48:46.00

SUBJECT: NEW STATEMENT FOR 2:30 -- NOTE THAT IT IS NOW ABOUT EDUCATION ONLY

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

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

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

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

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

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

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

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

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

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

TO: Melissa G. Green ( CN=Melissa G. Green/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

TO: Kathleen A. McGinty ( CN=Kathleen A. McGinty/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

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

TO: Ron Klain ( CN=Ron Klain/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: markpenn ( markpenn @ ps-b.com @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TEXT:

NOTE: The other topics can be dealt with, if appropriate, in tomorrow's radio address, so get any comments on those matters to Lowell Weiss.

THANKS

Draft 10/9/98 12:45pm

PRESIDENT WILLIAM J. CLINTON  
STATEMENT ON THE EDUCATION  
THE WHITE HOUSE  
October 9, 1998

Good afternoon. I have just had the opportunity to meet with Senator Daschle, Representative Gephardt and their colleagues. We have been discussing the course of the budget on Capitol Hill. And we stand united in insisting that Congress act immediately to pass a budget that honors our values and meets America's priorities by investing in the education of our children.

This is a year when we should be able to make real, bipartisan progress. We have created the first balanced budget and surplus in 29 years. Our economy continues to be strong, creating jobs and broadening prosperity, despite economic turmoil abroad. We have an opportunity to maintain our fiscal discipline while making the investments we need. We can sustain this American economic renaissance.

This budget is a test of whether we will act together, putting progress over partisanship to advance the national interest. Above all, it will test whether we will widen the circle of opportunity and invest in our children by strengthening our schools for the 21st Century.

I am determined that our budget will make a strong down payment on our drive to reduce class size by hiring 100,000 new, highly trained teachers. Today, there are a record number of children in our schools, and studies confirm what every parent knows: smaller classes and better trained teachers makes all the difference. We have a duty to act.

Smaller classes and more teachers demands more classrooms. All across America, children are being forced to learn in school buildings that are crowded or even crumbling, and are not wired for the 21st Century. I have asked the Republican majority to act on an innovative plan to help communities modernize or build 5000 schools. We can do this without a big new spending program; we can do it with targeted tax cuts -- and I can't think of a better tax cut for our country's future.

This balanced budget should meet many other educational priorities as well.

It should fully fund after-school programs, to bring discipline and learning into the lives of our young people. Most youth crime takes place between the hours of three and six PM. We can give young people some place to go beside the streets.

This budget should press forward to bring cutting edge technology to the classroom, with teachers trained to use it.

This budget should expand Head Start so that more of our children can reap the benefits of learning in the earliest years.

This budget should teach our children to read through childhood literacy, and support our new mentoring drive to encourage young people to go to college.

And I believe we should move forward with voluntary national standards in the basics. We certainly shouldn't move backwards from the standards we already have. So this budget should fully support Goals 2000, to help communities meet high standards.

In all these ways, and more, we can act for our children. Unfortunately, when the education investment bill was finally brought to the House floor yesterday, eight days into the fiscal year, it met none of these challenges. I have instructed my budget team to return to Capitol Hill, make the case for our educational priorities, and fight for our children's future. I am confident we will prevail.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeff B. Liebman ( CN=Jeff B. Liebman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 9-OCT-1998 21:32:05.00

SUBJECT: pls call Jeff Liebman 6-5358

TO: ELENA (Pager) #KAGAN ( ELENA (Pager) #KAGAN [ UNKNOWN ] )  
READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 15:46:26.00

SUBJECT: Nutrition signing

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

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

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

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

TEXT:

FYI: USDA has put in a request for a bill signing.

Nutrition Bill Passes House

By EUN-KYUNG KIM Associated Press Writer

WASHINGTON (AP) -- A bill that would expand and  
renew  
various nutrition programs aimed at poor women  
and children  
was approved Friday by the House and now heads  
to the White  
House.

The measure, supported by the Clinton  
administration, was  
approved by a 422-1 vote. The Senate passed it  
by voice vote  
Sept. 17.

Under the bill, an after-school program that  
serves free snacks  
to children up to age 13 would be expanded to  
teens as old as  
18 in hopes of keeping unsupervised teen-agers  
out of trouble.

The legislation also would authorize a 3-year  
pilot breakfast  
program to evaluate the effect of free  
breakfasts on a child's  
academic achievement, attendance and tardiness.

The current school breakfast program is  
available only to poor  
children, but some of them don't take advantage  
of it due to the  
stigma attached. Under the pilot program,  
certain states could

regardless of  
House Education  
``go a long  
programs, freeing  
children are  
Infants and  
provides  
million needy women  
measures, including a  
certification.  
WIC  
ranging from \$10,000  
Rep. Ron Paul,  
government  
said Paul's  
of intentions ...  
go in and simply

get money to provide breakfast to all students,  
income.  
Rep. William Goodling, R-Pa., who chairs the  
and the Workforce Committee, said the bill would  
way toward improving the operations of these  
them from fraud and abuse and ensuring that  
provided with nutritious meals.''  
Goodling's bill also would renew the Women,  
Children program through 2003. The program  
vouchers for cereal and milk for some 7.4  
and children up to age 5.  
The measure includes several anti-fraud  
requirement that applicants apply in person for  
Other measures are aimed at stores accepting the  
coupons, including fines for embezzlement  
to \$25,000.  
The one vote against the measure was cast by  
R-Texas.  
``He questions the wisdom behind the federal  
getting involved in these kinds of programs,''  
spokesman, Michael Sullivan. ``It has the best  
but the federal government can't believe it can  
make people not hungry anymore.''

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-OCT-1998 17:04:16.00

SUBJECT: H2A -- phone calls

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

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

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

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

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

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

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

TEXT:

FYI. I have received calls today from the AFL-CIO, Farmworker's Union, and the National Association of Hispanic Priests and Deacons, urging us to reject any compromise on H-2A. Also, according to the AFL, Delores Huerta (co-founder of United Farm Workers of America) is apoplectic about how Wyden and Graham misrepresented her in their op-ed today. She intends to respond.

I have also, in the last day or so, received letters opposing any compromise on H-2A from the Farmworker Justice Fund and the National Hispanic Leadership Agenda (that has members on its board from LULAC, PRLDEF, MALDEF, and NCLR among many others). The sense that I have gotten from these letters and messages (and conversations with DOJ legislative affairs) is that a compromise by us on this would be nuclear.

julie