

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 039 - FOLDER -012

[10/30/1998 - 11/02/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 14:27:50.00

SUBJECT: Tobacco Price Increase

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:

I thought I'd pull together a Treasury-OMB-HHS group early next week to flesh out our options, and starting the scoring of different price increase options, including lookback. I don't think you need to come to this meeting, but I'd like to hear your current views before the meeting and then I'll try back to you more food for thought.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 12:18:26.00

SUBJECT: Weekly Report 9/30

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

READ:UNKNOWN

TEXT:

Here is the weekly- neither Mike or Julie have anything this week.=====

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

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D64]MAIL439684307.326 to ASCII,

The following is a HEX DUMP:

FF57504320100000010A0201000000020500000005F30000000020000C6849EAD6FFA659ED2C028
A97DFA3CBCD9B01FE321280A698443DD36B8765CA8F36855C9189CFAE25F38F25DFE59F867264C
A96B83D396AAE23C0BBA6D9C0693A8C008820A247AC04558B743895214E34490F79482CEC0F233
2EBE3241FB7FD10858D610348DECA663AFB3912E434DDE9086AF6F0B89A6E458FDDAF8B09185D2
4185D303256FE5612C8B2F7E88C72D7525FC8D79EA4B76F501CF8D919C6CFD1D8674353824834E
01BD722299548D6646468A2F2AEC3A0D0CC13AEFEFA56CDC64A96AAC02EF535294C9A4423BDD02

October 30, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

Health Care -- Patients' Bill of Rights Event at AFSCME: On Monday, you are scheduled to participate in a roundtable discussion with health care workers and patients on the patients' bill of rights at the Association of Federal, State, County, and Municipal Employees. We are also working with a number of candidates around the country, who have indicated interest in downlinking this event to patients' rights rallies in their districts.

At this event, you will receive a status report from the Vice President outlining how the five Federal agencies with primary jurisdiction over health care have responded to your executive order directing them to ensure that their health plans come into compliance with the patients' bill of rights. This report will underscore that while the Republican Leadership has allowed Congress to adjourn without passing a strong enforceable patients' bill of rights, you are taking every possible action to implement these protections for the 85 million Americans in Federal health plans. You can also reiterate your strong commitment that passing a patients' bill of rights that applies these protections to all health plans is a top priority for you in the next Congress.

Health Care -- Meeting With The Disability Community: This week, Justin Dart and other leaders in the disability community met with us to outline their policy priorities as we begin our preparations for the FY 2000 budget. At this meeting, they expressed their extreme appreciation for your support of the Jeffords-Kennedy work incentive proposal and indicated their commitment to working with the Administration on this and other issues of interest to the disability community. They were also pleased to have their opinions solicited so early in the budget process. DPC and NEC are in the process of exploring other work incentive and long term care initiatives that would provide the disabled with the health care services critical to achieving independence. We will be outlining these options to you in the upcoming weeks.

Health Care -- Pediatric Labeling Initiative: Last year at an event with the First Lady, you announced our intention to release an FDA regulation that would require manufacturers to conduct the necessary studies to provide pediatric labeling information for physicians treating children. This announcement was widely praised by pediatricians and the advocacy community, especially those for children with AIDS. Subsequently, FDA reform legislation was passed with the intention of complimenting this regulation by awarding short term patent extensions to offset

the costs incurred by companies undertaking these State studies. Since the enactment of the legislation, the industry has taken the inaccurate and untenable position that the legislation assumes voluntary and not mandatory compliance with these regulations. However, because of the industry's sensitivity about the regulation and their influence over the confirmation of Jane Henney as FDA Commissioner, the final regulation was not published. Now that Dr. Henney has been confirmed, the First Lady's office believes (and we agree) that we should expedite the release of the regulation. Although Dr. Henney strongly supports this regulation, we may want to release it prior to her swearing-in to assure that her first regulatory initiative is not excessively controversial.

Crime -- Brady/National Instant Criminal Background Check System: This week, the Justice Department will publish the final regulation implementing the Brady National Instant Criminal Background Check System (NICS). Under the NICS, which will go into effect on November 30th, the FBI and/or state points of contact will conduct computerized background checks of **all** prospective guns purchasers (not just handguns). Implementation of the NICS is a significant accomplishment for you and this Administration -- starting with the fight to enact the Brady Bill's passage in 1993, to securing funds to improve state criminal history records, and more recently, thwarting Congressional efforts to undermine Brady's final implementation.

Drugs -- Medical Marijuana: On Wednesday, a letter was released to the press signed by former Presidents Carter, Ford and Bush, stating their opposition to pending state medical marijuana ballot initiatives. Current polls indicate that medical marijuana initiatives will pass in Alaska, Oregon, Washington and the District of Columbia. It is unclear whether the initiative will pass in Nevada. Arizona -- which passed a broad medical marijuana initiative two years ago -- has another ballot initiative which would essentially moot the earlier vote; however, it appears likely that this second measure will fail.

Welfare Reform -- New Jersey Family Cap Study: On Monday, New Jersey will release its latest evaluation of the state's family cap policy. We understand that the major findings in the report, prepared by Rutgers University researchers, are a decrease in births to families on welfare and a small early increase in abortions. Secretary Shalala sent you a memo about the draft Rutgers study in June, pointing out that both New Jersey and HHS had serious methodological concerns with the study. The Department is reviewing the latest study in more detail, but remains concerned with the methodology (in particular, the study may not have controlled sufficiently for other factors that may had an impact on abortions). A total of 23 states have chosen to adopt a family cap policy since the passage of the welfare reform law (up from 15 states that had waivers to implement this policy).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 14:24:23.00

SUBJECT: Monday's event

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

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

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

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

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

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

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

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

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

TEXT:

AFSMCE knows we are moving the event. They would like us to use their worker --who is a doctor -- DPC -- Chris/Sarah would you call Chuck Lovelace @429-1194 to make sure this testimony works ---

They will also send names for 50 workers per social office to attend --
We will include the other workers in the audience from the other unions --

thanks, karen

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 12:54:17.00

SUBJECT: Welfare and Tobacco New Ideas

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

TEXT:

Here are the new ideas memos we gave Paul last night. Since he may need to edit them down for the memo to the President, I thought you might want to see these versions.

tobacco
welfare

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D90]MAIL49762530I.326 to ASCII,
The following is a HEX DUMP:

FF5750435A040000010A02010000000205000000BB51000000020000BD0DEEA312B6F3C100789C
E34BCD42A13A5B5BF3925947D8AF40D4107E9A4CE3A1F5B53E18C670F3F9910D7A91CEFABD6CEF
F052280A3CFA69B3B549F0F2D116E7D1B3691EFD77F30B2AAE5990950DB20EE1CB75840F5C1732

WELFARE REFORM BUDGET IDEAS (October 29, 1998)

Help the Hardest to Employ Move Into Jobs

There are several ways to expand the Administration's efforts to help those who may face greater challenges to making a successful transition from welfare to work, including people with low basic skills, substance abuse problems, and disabilities. We can address these issues both by refocusing the \$3 billion Welfare-to-Work fund and increasing resources through other funding streams and agencies, as described below.

In addition, in order to target resources to the hardest to employ, we may wish to amend the \$1.5 billion Welfare-to-Work program during reauthorization to direct more funds to the highest poverty areas, increase funds for tribes, increase funding for competitive grants, and encourage assistance for two-parent families (many of whom face issues related to literacy, substance abuse and disabilities). We are also exploring whether in the TANF program we could offer additional incentives to the states to invest more of these funds in innovative, work-focused efforts to help those with substance abuse, low literacy, and disabilities make a successful transition from welfare to work.

Increase Employment Opportunities for Individuals with Low Literacy Levels

Historically, individuals with low education levels have remained on welfare longer, and there is an increasing concentration of individuals with English language barriers on the welfare rolls in some places.

- *Set aside within WTW competitive grant funds for work-based literacy projects.* (new policy, should not require legislation) Low education level is currently an eligibility criteria for WTW funds, and a few competitive grants are focusing on work-based approaches to increasing basic skills, for immigrants and other populations. To encourage additional services for individuals who need to learn English and other adults with low basic skills, we could direct DOL to set aside approximately \$100 million of the \$375 million competitive grant funds for work-based literacy projects. A high priority should be given to projects with strong employer involvement. (Cost: None).
- *Create 21st Century Workforce Education Initiative.* (new grant idea submitted by ED, not currently included in their FY 2000 budget proposal). Barriers preventing more adults from participating in Adult Education include time, the need to work, and child care and transportation. Providing access to services on or near the work site that complement work and are supported by employers would greatly assist individuals to raise their literacy levels and succeed in the workplace. Education has proposed grants to help support partnerships of business, labor, and education organizations to improve the basic literacy skills of current or newly hired workers to meet the demands of a global

economy. These should be closely linked to the One-Stop system created under the Workforce Investment Act. While Adult Ed programs are not income-targeted, many of those with the lowest literacy levels are poor and either unemployed or working in low-wage, part-time jobs. Nearly half are black or Hispanic, and one-quarter are immigrants. Adult Ed programs typically require a 25 state match -- we may want to allow this match to be met by employers and/or by WTW and TANF funds. [ED is refining and costing out the proposal for NEC's E&T meeting on 11/6.]

- *Increase funding for Adult Education, including ESL.* There is evidence of large unmet need for adult ed services, particularly for ESL in urban areas and for basic education for out-of-school youth. ED has proposed a \$15 million increase in Adult Ed Basic Grants for FY 2000, from \$385 million in FY 1999 to \$400 million. States provide a 25 percent match, and decide how much of the Adult Ed funds to use for ESL. ED also received \$7 million in FY 1999 for ESL discretionary grants, and has proposed a \$20 million expansion in FY 2000. Within the Department's proposed funding level, or with additional funds, ED could create incentives for states or communities to expand adult basic skills and ESL services to address the long-waiting lists in some areas and also to expand capacity of work-focused ESL. (Cost: Need 5 year cost from Ed)

Increase Employment Opportunities for Individuals with Substance Abuse Problems

Various estimates show at least 20 percent of welfare recipient have substance abuse issues, and this percentage rises within those remaining on the rolls. In general, programs that effectively integrate treatment and welfare to work efforts, and knowledge about how to do so, are both lacking, although a handful of states have developed innovative approaches.

- *Set aside within WTW competitive grants for work-focused substance abuse treatment.* (new policy, should not require legislation) Substance abuse is one of the eligibility criteria for WTW funds and several competitive grants focus specifically on this issue. We could direct DOL to set aside approximately \$100 million within the competitive grants for work-focused substance abuse services. (Cost: None).
- *Support employment-focused substance abuse treatment.* States have flexibility within the SAMHSA block grant to determine which populations to serve and what kind of treatment models to fund. Block grant funding increased significantly in FY 1999 and we believe SAMHSA is proposing another significant increase in FY 2000. In order to encourage the development of innovative programs that effectively combine treatment and work, there is a need for new models, better information about promising practices, and better information about available resources that can be tapped to expand capacity (including TANF and WTW funds). SAMHSA awards targeted capacity grants to communities who demonstrate the need to target specific substance abuse issues. We could target a certain portion of these grants to communities who propose work-focused

treatment models, with priority to joint applications from treatment providers and TANF or WTW agencies. This initiative would be accompanied by a technical assistance/best practices effort for states and communities, jointly funded and managed by DOL, SAMHSA and ACF. We are also exploring how to focus prevention efforts on children in TANF families. (Cost: grants within current funding levels, \$1 million for technical assistance).

Increase Employment Opportunities for Individuals with Disabilities

There are a significant number of things we can do to help people with disabilities who are on TANF, SSI, or SSDI go to work.

- *Set aside within WTW competitive grants for employment services for welfare recipients with disabilities.* (new policy, should not require legislation) While disability is not a specific eligibility criteria for WTW funds, there is a close correlation with other hard-to-serve factors. For example, a learning disability may contribute to a poor work history or low education level. Several non-profit competitive grantees are focusing on this population, and several states have formed good partnerships between their TANF and Vocational Rehabilitation services. To attract additional communities and providers to develop innovative approaches, we could direct DOL to set aside approximately \$100 million in competitive grants to help welfare recipients with disabilities get and keep jobs. This would be accompanied by an interagency technical assistance effort to improve coordination across agencies and programs. (Cost: None)
- *New BRIDGE grant program.* In March, you issued an Executive Order directing the federal agencies to create a coordinated and aggressive national policy to increase employment of adults with disabilities. The "Building Resources for Individuals with Disabilities to Gain Employment" ("BRIDGE") program is one of several new proposals to grow out of this effort. BRIDGE is a competitive grant program designed to increase the employment rate of adults with disabilities by fostering integration at the local level of employment-related services and support services to adults with disabilities. (Cost: \$750 million over 5 years)
- *Information and Communication Technologies for People with Disabilities.* NEC has developed draft proposals now being vetted to ensure that new technologies will be designed from the beginning to be accessible to people with disabilities. Ideas include leveraging federal government procurement, investing in R&D, funding industry consortia, training the next generation of engineers (NEC will provide a more detailed write up.)
- *Expanding the Defense Department's "CAP" program* The Defense Department's Computer Accommodations Program ("CAP") purchases equipment for DOD employees with disabilities to allow them to keep working if they become disabled, or for new employees just joining the workforce. By using a central \$2 million fund for such purchases, individual offices do not have to bear the cost within their own budgets, and are less likely to be deterred from hiring a person with a disability. Making this program available to other agencies has the strong

support of the Administration's appointees with disabilities, in particular for Tony Coelho, chair of the President's Committee on Employment of People with Disabilities. (Cost \$1025 million over five years).

- **Kennedy-Jeffords/Employment-Related Tax Credit.** In addition, the Kennedy-Jeffords legislation, described in the health section, will play a critical role increasing access to health care for people with disabilities returning to work.

Helping New Workers Succeed in the Workforce

Skill Upgrading for Entry Level Workers

As part of its FY 2000 budget request, DOL has proposed amending WTW to allow up to one-third of the WTW funds (\$500 million of the \$1.5 billion) to be used to upgrade the skills of entry level workers. Eligible individuals would include former welfare recipients and other low income individuals who qualify for the EITC, with priority given to certain non-custodial parents. This initiative would be permissive rather than mandatory -- states could opt to use a portion of their formula grant for this expanded purpose and population. Employers would be required to match the federal contribution and commit to hire former welfare recipients for the positions vacated by the upgraded employees. DOL's proposal would provide access to upgrade training to a broader range of entry level workers, not just those who have been on welfare. DOL is currently refining the proposal, but one option is to use \$250 million to help low income/entry level workers upgrade skills so they can move up the career ladder and increase their earnings, and target the other \$250 million for a broader responsible fathers initiative (see below).

Expand Access to Cars for Individuals Moving from Welfare to Work

We continue to pursue several small initiatives that would increase access to cars without having the federal government directly purchase cars for individuals. Possibilities include: 1) Donate surplus federal vehicles to welfare to work programs who could in turn lease or sell them to current and former welfare recipients for whom public transit is not a viable option, including those living in rural areas. This could be modeled after the initiative to donate federal computers to schools. 2) Identify a modest amount of seed money for a new national intermediary established to expand the number of community-based revolving loan programs for low income families to purchase cars (\$5 - \$10 million).

Welfare to Work Tax Credits

See Community Empowerment section.

Connection between TANF and Unemployment Insurance.

While there continues to be substantial interest in this issue, it is probably best considered

within the broader context of UI reform. DOL's FY 2000 budget has a placeholder for UI reform, and OMB is convening a discussion on the issue later this week.

Additional Welfare-to-Work Housing Vouchers.

See Community Empowerment section.

Full Funding for Job Access and Reverse Commute Grants.

The Omnibus Budget Act appropriated \$75 million for FY 1999 (\$25 million above the FY 1999 guaranteed funding level). TEA-21 set guaranteed funding from the Highway Trust Fund at \$60 million for FY 2000. DOT has requested \$150 million in its FY 2000 budget. We may also want to pursue a legislative change to the way funds flow to tribal areas -- currently, states must select tribes as applicants.

Promote Responsible Fatherhood

Responsible Fatherhood Grants

There is growing interest at all levels of government and across a broad spectrum of society in helping fathers be responsibly involved in their children's lives through both financial and emotional support. Increasing the employment and earnings of low income fathers will increase the financial support they can provide for their children. This support is particularly critical for children whose custodial parents are moving from welfare to work. These fathers are generally motivated to work, but they tend to have intermittent, low-paying jobs. They also have high rates of involvement with the criminal justice system. Employment efforts should therefore focus on helping these fathers succeed and advance in the formal workforce through a combination of retention and rapid re-employment services, and work-based skill upgrading.

We continue to work through a number of funding and scope issues, but one option would be to designate \$250 million from the WTW funds that could be matched by TANF and child support funds. Funds could be allocated on a formula basis to states who submit a joint plan from their TANF, child support, and WTW agencies. This plan would identify a local service delivery approach that ensured involvement of appropriate local stakeholders, including community-based organizations. While the primary focus would be employment, funds could also be used to support parenting, peer support, mediation and other services for fathers who were participating in work and cooperating with child support. States could propose innovative modifications to the child support system to remove barriers preventing the system from working appropriately for this population. We might also consider expanding funding for Access and Visitation grants for fathers who are 'playing by the rules', i.e. paying their child support obligations and participating in activities to increase their employment. For equity reasons, it may be appropriate to allow some level of service to any low income father who is supporting

his children (whether living with them or not), but the primary focus could be non-custodial fathers (or parents) whose children are current or former TANF recipients.

Congressman Shaw is expected to reintroduce his Fathers Count block grant proposal next session and this grant proposal could be a basis for developing a bipartisan initiative. He proposed \$2 billion over 5 years, beginning with \$200 million in Year 1, growing \$100 million per year to \$500 million in Year 5.

Other options for expanding the federal focus on low income fathers include: requiring states to serve a certain proportion of fathers in their formula grant programs or designating a competitive grant set-aside. We could also broaden WTW eligibility criteria to include any non-custodial parent of a child on welfare who needs employment assistance in order to meet their child support responsibilities (currently, the father needs to meet the WTW hard-to-serve criteria).

Any fathers initiative should be accompanied by a strong interagency technical assistance and evaluation component since this is a relatively new field. We could direct HHS and DOL to identify existing resources, or request approximately \$5 million in FY 2000 funding, for: a how-to guidebook that compiles lessons from past programs, promising practices, and resource information; electronic clearing house with links to research, existing programs, and resources with an interactive forum for information; and an 800 number communities can call for information. It may also be appropriate for DOJ and HUD to participate.

Child Support Law Enforcement Initiative

This initiative will increase the prosecution of egregious child support violators by establishing multi-agency investigative teams to identify, analyze, and investigate cases for prosecution. This investigative effort will result in more cases being referred to the U.S. Attorney offices ready to prosecute. HHS's Office of Child Support Enforcement, Office of the Inspector General, and Office of Investigations, working with state and local law enforcement and child support agencies, have already launched a pilot project in Columbus Ohio, which will cover 5 states (Illinois, Indiana, Michigan, Minnesota, and Ohio). This proposal would put these units in place all across the nation within the next several years. Additionally, it would provide paralegals dedicated to child support cases to the 83 U.S. Attorneys offices that do not now have them. In July, you signed into law the Deadbeat Parents Punishment Act, creating two new categories of felonies for the most egregious child support evaders. (Cost: about \$10 million over 5 years).

Tobacco Budget Provisions (October 29, 1998)

Overview

Our FY 2000 budget should be part of a multi-pronged effort to reduce teen tobacco use, involving possible settlements and executive actions. In this effort, we should maintain our commitment to comprehensive tobacco legislation while moving forward incrementally when we can. We should simplify our proposal where possible and combine it with more popular initiatives (tax cuts, law enforcement, health care).

The budget could contain a tobacco price increase devoted to the following five purposes:

- 1) Anti-drug and anti-tobacco counteradvertising and public education campaigns;
- 2) Health care, including smoking cessation, drug treatment, long-term care tax credit, and Medicare;
- 3) Scientific research at the National Institutes of Health;
- 4) Law enforcement efforts to crack down on illegal drugs and underage tobacco use and to prevent smuggling and drug trafficking; and
- 5) Assistance to tobacco farmers and their families.

In addition, the budget could include a provision waiving federal Medicaid recoupment allowing states to keep their share of state settlement funds if they commit to spend the half of the proceeds on a menu of programs (child care, child welfare, the maternal and child health block grant, the substance abuse block grant, the safe and drug free schools program, Eisenhower education grants, and the state match for the children's health insurance program), perhaps requiring, as the Kerry-Bond amendment did, that half the restricted funds be used for child care.

We could also include personal responsibility provisions, requiring states that accept these funds to make minors complete an anti-smoking, anti-drug, and anti-alcohol class prior to receiving a driver's license and suspend minors' licenses if they are found possessing, purchasing, or attempting to purchase drugs, alcohol, or tobacco.

In the process of pushing for comprehensive legislation, we should engage new groups of potential supporters, including: 1) the elderly and disabled organizations that support long-term care tax credits and Medicare solvency; 2) the pharmaceutical companies which produce smoking cessation products; 3) the American Medical Association and other health professional organizations.

Emphasizing the health aspects of the tobacco bill could help us gain public support. Polls conducted in late June found 61 percent of people said cigarette prices should be raised as a public health effort to provide billions of dollars to the public health system in return for the medical costs caused by smoking, while only 44 percent said they should be raised because this is the one of the best ways to cut down on teenage smoking.

Anti-Drug and Anti-Tobacco Counteradvertising and Public Education

We should propose to fund a national tobacco counteradvertising campaign like that currently underway for drugs that would develop new ads and purchase enough media time to reach teens several times a week. This media campaign should be coupled with coordinated state, community, and school-based anti-tobacco education and prevention efforts. (Cost: \$2.5 - \$5.0 billion over 5 years)

This effort will include HHS's plans to make tobacco industry documents more accessible, as outlined in the President's July 1998 directive (Cost: to be determined) and expand the National Survey on Drug Abuse to collect improved data on teen tobacco use, including brand-specific data, as outlined in the President's June 1998 directive. (Cost: approximately \$20 million over 5 years).

Health Care

Tobacco Cessation. Each year, 20 million smokers attempt to quit, but only 1 million, or 5 percent, succeed. More than 90 percent smokers who attempt to quit do so on their own, and the vast majority fail within 2 to 3 days. However, research shows that effective cessation methods could raise success rates to 10-20 percent (over 2 million people annually). Successful smoking cessation efforts can reduce the number of young people that take up smoking and can reduce the health effects for children, such as asthma and SIDS, of parents smoking.

A full course of one of the five cessation treatments (gum, patch, nasal spray, inhaler, or pill (Zyban)) costs around \$200-300. However, less than half of managed care organizations provide coverage of any AHCPR-approved therapies, and those that provide coverage may impose cost-sharing requirements that hinder access to treatment. In fact, a study published in September in the New England Journal of Medicine found that smokers were four times more likely to quit if their health insurance plan paid the full rather than half the cost of smoking cessation services.

Our priority should be to make smoking cessation products fully available to individuals receiving health care through federally funded health programs (Medicaid, Medicare, community health centers, FEHBP, DOD, and Veterans health):

- **New Department of Defense anti-tobacco plan.** This comprehensive anti-tobacco plan to increase military readiness will likely include covering over-the-counter nicotine replacement therapies under military health care coverage as part of a comprehensive military-wide anti-tobacco plan. (Cost: \$300 million over 5 years)
- **Veterans.** We should re-propose the plan from the President's 1999 budget which created a new discretionary program open to all veterans who began using tobacco products while in the service, regardless of their eligibility for other VA health care services (currently less than 15 percent of veterans receive their health care through the

VA system because of statutory limits --veterans must be low income or have a service-related injury.) Thirty-six percent of the 25 million veterans in this country smoke. (Cost: \$435 million over 5 years).

- **Federal Employees Health Benefit Program.** We could require enhanced coverage of smoking cessation services, either by raising coverage limits (now only \$100 for most fee for service plans) or waiving deductible and copayments. This would be done outside of the budget, but would have to occur in the spring as part of OPM's annual letter to contracting plans, establishing the terms for the following year of coverage. (Cost: None)

- *Medicare.* Any Medicare prescription drug plan (see health proposals) would provide prescription cessation products.

- *Medicaid coverage.* Currently, smoking cessation prescription and non-prescription drugs are optional state benefits under the Medicaid statute. We could propose to require states to cover cessation, as the McCain bill did. Alternatively, we could propose an enhanced 90 percent federal matching rate for smoking cessation treatments, as the Hansen-Meehan bill did. (Cost \$110-120 million over 5 years)

- *Health Clinics and Community Health Centers.* Funding should be provided to ensure cessation products and services are available to patients in community health centers, migrant health centers, and state health department clinics (Cost: XX)

And to encourage cessation for those with employer-based insurance:

- *State Health Department Capacity.* Funding should be provided for the CDC to work with states to develop comprehensive cessation programs (Cost: up to XX)

- *Provider Training and Guidelines.* Funding should be provided to the Agency for Health Care Policy and Research to update and further disseminate tobacco cessation guidelines. (Cost: up to XX)

- *Anti-tobacco workplace initiatives by DOL and OPM.* DOL could expand its drug-free workplace initiative to provide information to employers on steps they can take to reduce tobacco use among employees. OPM could disseminate a model workplace cessation program for all federal agencies. (Cost: about \$100,000)

- *Tax Treatment.* Currently, the cost of cessation treatment cannot be claimed as a deductible medical expense because the IRS does not recognize smoking or tobacco addiction as a disease. The IRS has indicated in written opinions that an official medical authority classification of smoking as a disease would allow cessation to be deducted. This would be done outside of the budget. (Cost: None)

Drug Treatment

See discussion in the crime section.

Long-Term Care Tax Credit

See discussion in health section.

Medicare

In addition to the Medicare modernization options outlined in health section, we could also propose to dedicate tobacco funds to the Medicare trust fund, something fiscal conservatives like Domenici urged us to do last year.

Scientific Research

As noted in the health care section, your FY 1999 budget includes historic increases in the NIH and Congress funded the NIH at even higher levels (an historic \$2 billion increase this year). You could either continue to fund this research at historic levels or you may wish to propose less to make room for other priorities (Cost: \$300 million to \$1 billion).

Law Enforcement

Tobacco

Our budget should include funding for federal, state, and local law enforcement to enforce tobacco sales restrictions and prevent smuggling. (Cost: \$1.7 - \$3.5 billion over five years)

Drugs

See the crime section.

Tobacco Farmers

The budget should include a placeholder equal to the amount of the Ford proposal (\$28.5 billion over 25 years). (Cost: \$7-\$11 billion over five years).

Price Increase

We have several types of price increases we could propose:

1) Lump sum assessment, imposed on companies according to market share, combined with

industry-wide and company-specific lookbacks (McCain bill).

- 2) A per pack tax coupled with industry-wide and company-specific lookbacks.
- 3) A tax levied on each company based on the number of children that smoke their product.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 17:21:11.00

SUBJECT: Post-radio Stump Draft

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

Draft 10/30/98 5:00pm
Jordan Tamagni

PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR GLEN FOREST ELEMENTARY SCHOOL

OVERFLOW EVENT
FALLS CHURCH, VIRGINIA
October 31, 1998

Acknowledgments: Principal Susan Fitz; Teacher (TK).

I want to start by wishing all of you a Happy Halloween! I know that most of you haven't put on your costumes yet ... but the scariest thing I've seen so far this week isn't a costume -- it's the plan some Republicans in Congress have hatched to fire the 100,000 teachers they committed to hire last week!

You just heard my weekly radio address, but I wanted to talk to you for just a few more minutes about what I believe we have to do to keep those teachers in the classroom, and keep America on the right track.

This is not an ordinary time -- and this is not an ordinary election. This Tuesday, the American people will elect the first Congress of the 21st Century. The result of that choice will shape the way we live for years to come.

For nearly six years I have worked to bring this country together, to move it forward, and to be a force for peace and freedom throughout the world. Today, because of the hard work of the American people and the policies we put in place, we have nearly 17 million new jobs ... the lowest unemployment in 28 years ... the highest homeownership in history ... the smallest percentage of our people on welfare in 29 years ... the lowest crime rate in more than five years. And because we have held fast to fiscal responsibility, we have the first balanced budget since Neil Armstrong walked on the moon, and the smallest federal government since John Glenn first orbited the earth.

But this past year, extreme partisanship in Congress threatened the progress we have worked so hard together to make. As I said in my radio address -- we don't need two more years of partisanship -- we need two more years of progress.

We need a Congress that prepares our children for the future by putting 100,000 teachers in the classroom, modernizing our schools, and insisting on high academic standards -- not a Congress that wants teachers to do their job in trailers. The last Congress tried to slash our investment in education by more than \$2 billion dollars -- we stopped them this year, but next year we need a Congress that strengthens education.

We need a Congress that ensures 75 million Baby Boomers can retire in dignity without burdening our children by saving Social Security first -- not a Congress that wants to squander our hard-won budget surplus on a risky multi-billion dollar tax scheme. And we need a Congress that helps older Americans live longer and healthier lives by passing my plan to let 55 to 65 year olds buy into Medicare.

We need a Congress that gives American families the security they deserve by passing a Patients' Bill of Rights that protects your right to see a specialist, to be treated in the nearest emergency room, to have the same doctor throughout a course of treatment, and to keep medical records private -- not a Congress that thinks accountants should make medical decisions.

We need a Congress that protects our children from the deadly harm of tobacco by passing comprehensive legislation that prevents big tobacco

companies from targeting their multi-million dollar marketing schemes at teenagers -- not a Congress that would stand by while 3,000 children start smoking every day.

We need a Congress that restores the American people's faith in government by passing meaningful campaign finance reform -- not a Congress in debt to special interests.

To prepare America for the 21st Century, we need a Congress that puts progress ahead of partisanship. This Tuesday, you have the power to elect that Congress -- but only if you go out and vote.

Thank you, Happy Halloween, and remember to vote!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 14:09:33.00

SUBJECT: revised weekly w/ a public charge update

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.D49]MAIL48169530N.326 to ASCII,
The following is a HEX DUMP:

FF57504320100000010A02010000000205000000BB370000000200009E0F7DB51444C37C7A88AC
5E13DB2A3D454118275852381946E3426EFC2C3605ECEE194FEA8BB1303EC0AA59413C4B169CB9
EF1906EBBA8121EB1072713524022B811B02D376EDB1F0B242B6494483034D7CF037873F5F2FA4
0F2CDDA99A19C4A7EC497D86E3ECC901F21441EBC337E207F57F74AB5CC147ED857C1E79EB85F5

October 30, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

Immigration/Welfare -- Public Charge: Last week, we anticipated that by November 1st we would have the guidance completed that instructs INS inspectors and State Department consular officers to disregard prior or current receipt of Medicaid, CHIP, and/or Food Stamps when determining whether an immigrant is likely to become a public charge (unless an alien has received institutionalized care funded by Medicaid). However, the Justice Department has identified a legal question regarding the intersection of the new binding affidavit of support and rules for deportation as a public charge that should be resolved before issuing comprehensive guidance. We considered issuing a general policy statement in advance of the guidance announcing our decision with regard to Medicaid/CHIP and Food Stamps, but immigration advocates urged us not to make any statements until we are prepared to respond to detailed questions on all of the particulars of the guidance (to minimize confusion in the immigrant communities). We expect to have all of the issues resolved shortly.

Health Care -- Patients' Bill of Rights Event at AFSCME: On Monday, you are scheduled to participate in a roundtable discussion with health care workers and patients on the patients' bill of rights at the Association of Federal, State, County, and Municipal Employees. We are also working with a number of candidates around the country, who have indicated interest in downlinking this event to patients' rights rallies in their districts.

At this event, you will receive a status report from the Vice President outlining how the five Federal agencies with primary jurisdiction over health care have responded to your executive order directing them to ensure that their health plans come into compliance with the patients' bill of rights. This report will underscore that while the Republican Leadership has allowed Congress to adjourn without passing a strong enforceable patients' bill of rights, you are taking every possible action to implement these protections for the 85 million Americans in Federal health plans. You can also reiterate your strong commitment that passing a patients' bill of rights that applies these protections to all health plans is a top priority for you in the next Congress.

Health Care -- Meeting With The Disability Community: This week, Justin Dart and other leaders in the disability community met with us to outline their policy priorities as we begin

our preparations for the FY 2000 budget. At this meeting, they expressed their extreme appreciation for your support of the Jeffords-Kennedy work incentive proposal and indicated their commitment to working with the Administration on this and other issues of interest to the disability community. They were also pleased to have their opinions solicited so early in the budget process. DPC and NEC are in the process of exploring other work incentive and long term care initiatives that would provide the disabled with the health care services critical to achieving independence. We will be outlining these options to you in the upcoming weeks.

Health Care -- Pediatric Labeling Initiative: Last year at an event with the First Lady, you announced our intention to release an FDA regulation that would require manufacturers to conduct the necessary studies to provide pediatric labeling information for physicians treating children. This announcement was widely praised by pediatricians and the advocacy community, especially those for children with AIDS. Subsequently, FDA reform legislation was passed with the intention of complimenting this regulation by awarding short term patent extensions to offset the costs incurred by companies undertaking these State studies. Since the enactment of the legislation, the industry has taken the inaccurate and untenable position that the legislation assumes voluntary and not mandatory compliance with these regulations. However, because of the industry's sensitivity about the regulation and their influence over the confirmation of Jane Henney as FDA Commissioner, the final regulation was not published. Now that Dr. Henney has been confirmed, the First Lady's office believes (and we agree) that we should expedite the release of the regulation. Although Dr. Henney strongly supports this regulation, we may want to release it prior to her swearing-in to assure that her first regulatory initiative is not excessively controversial.

Crime -- Brady/National Instant Criminal Background Check System: This week, the Justice Department will publish the final regulation implementing the Brady National Instant Criminal Background Check System (NICS). Under the NICS, which will go into effect on November 30th, the FBI and/or state points of contact will conduct computerized background checks of **all** prospective guns purchasers (not just handguns). Implementation of the NICS is a significant accomplishment for you and this Administration -- starting with the fight to enact the Brady Bill's passage in 1993, to securing funds to improve state criminal history records, and more recently, thwarting Congressional efforts to undermine Brady's final implementation.

Drugs -- Medical Marijuana: On Wednesday, a letter was released to the press signed by former Presidents Carter, Ford and Bush, stating their opposition to pending state medical marijuana ballot initiatives. Current polls indicate that medical marijuana initiatives will pass in Alaska, Oregon, Washington and the District of Columbia. It is unclear whether the initiative will pass in Nevada. Arizona -- which passed a broad medical marijuana initiative two years ago -- has another ballot initiative which would essentially moot the earlier vote; however, it appears likely that this second measure will fail.

Welfare Reform -- New Jersey Family Cap Study: On Monday, New Jersey will release its latest evaluation of the state's family cap policy. We understand that the major

findings in the report, prepared by Rutgers University researchers, are a decrease in births to families on welfare and a small early increase in abortions. Secretary Shalala sent you a memo about the draft Rutgers study in June, pointing out that both New Jersey and HHS had serious methodological concerns with the study. The Department is reviewing the latest study in more detail, but remains concerned with the methodology (in particular, the study may not have controlled sufficiently for other factors that may had an impact on abortions). A total of 23 states have chosen to adopt a family cap policy since the passage of the welfare reform law (up from 15 states that had waivers to implement this policy).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 17:00:42.00

SUBJECT: Background for Shalala briefing on TANF Rule

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:

Here's a helpful side-by-side HHS prepared on key issues in the rule.

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D2]MAIL45158730M.326 to ASCII,

The following is a HEX DUMP:

FF575043410E0000010A020100000002050000000B087000000020000719DEE7976D2AD697CFF0A
2A549DDFAC009D297E34336430680004B5D9A2772D121CFD7A5507AF9323D6A1C049E3607E6FB1
13A6EE8E6077234F7E24D6E1FA5BD2FF90E0CA7C5B4194795122C348B4E57631A55B5E4ED6BD15
AC4C3CBDC6DE789E6435AF1F06B30522AAA95CE0BA27F799118B63B434EC6F043E6184618EA973

Statutory Provision	NPRM	Comments	Final Rule
<p>SEPARATE STATE PROGRAMS</p> <p>For MOE purposes, qualified State expenditures include expenditures in non-TANF programs that are not subject to TANF rules (e.g., child support and work requirements)</p>	<p>States that create SSPs with the effect of avoiding work requirements or diverting child support collections lose eligibility for penalty relief (4 penalties for either action).</p> <p>States that create SSPs for the purpose of avoiding work lose eligibility for reductions in work penalty amounts.</p> <p>States must report the same data on cases in SSPs as required in TANF to get caseload reduction credits, high performance bonuses, and work penalty relief.</p>	<p>Widespread consensus that NPRM shows distrust, presumes guilt when there is no evidence.</p> <p>Policies violate intent, if not the letter, of the law.</p> <p>SSPs serve valid policy interests—such as providing supports to working families and enabling states to better meet the needs of their most vulnerable families.</p> <p>Threats and data reporting requirements will have a chilling effect on innovation.</p> <p>It is unclear what the criteria are and how they would be applied.</p> <p>SSPs will not necessarily be the same as TANF; requiring comparable data collection would be unreasonable in some cases (e.g., an EITC program).</p>	<p>Remove threats about penalty denial.</p> <p>Require “TANF” reporting on SSPs that address basic needs; remove reporting barriers that might preclude states from providing different kinds of supports and working with alternative delivery systems under SSPs.</p> <p>Tie access to caseload reduction and high performance bonus to SSP reporting ; remove tie to penalty relief .</p> <p>See “Separate State Programs” in Preamble</p>
<p>CHILD-ONLY CASES</p> <p>Unlike prior law, statute does not specify which individuals must be in the filing unit.</p>	<p>States may define “families”. However, they may not exclude individuals for the purpose of avoiding work reqts or time limits. If they do, we may add those cases back into the calculations.</p> <p>Also, states must file annual reports on the number of child-only cases, by type.</p>	<p>Widespread objection -- from Hill, states, advocates</p> <p>ACF threats will have a chilling effect on state attempts to serve needy families. and keep children with relatives.</p> <p>ACF cannot judge purposes.</p> <p>Child-only cases exist for valid reasons; have been common under prior law.</p> <p>Proposed rule violates Congressional intent re state flexibility.</p>	<p>Remove threat to add families back in; monitor instead.</p> <p>Use regular TANF data collection system to evaluate nature of child-only cases and monitor changes.</p> <p>See “Child-Only Cases” in Preamble</p>

<p>WAIVERS</p> <p>Under section 415, states may continue waivers to the extent inconsistent with TANF provisions</p> <p style="text-align: center;">Automated Records Management System Hex-Dump Conversion</p>	<p>For this purpose, waivers include specific waivers granted and other provisions of prior law integral to the purpose of the waiver.</p> <p>Inconsistent means complying with TANF would require a change in policy reflected in an approved waiver.</p> <p>Re work reqts, states with waivers could count different activities, and hours of work in some cases, but not exemptions (i.e., change the denominator). States had to have time limits that resulted in case closures or individual termination to claim a time-limit inconsistency.</p> <p>For research purposes, states can carry over provisions of prior law more broadly.</p> <p>For states that continue waivers, the Governor must certify the specific inconsistencies and provide other information. If the state is found penalty-liable for a work participation or time-limit penalty, it is not eligible for reasonable cause, must consider modifying its waivers under corrective action, and loses eligibility for certain penalty reductions.</p> <p>We will publish work participation and time-limit exception rates achieved under waiver and normal TANF rules.</p>	<p>Reporting is onerous.</p> <p>NPRM is not consistent with statute or Congressional intent. HHS does not have the authority to regulate this provision of the statute.</p> <p>Statute indicates we should encourage states to continue their waivers and evaluations -- NPRM violates that provision. Retroactive interpretation of waiver inconsistencies could cause states to abandon their waivers.</p> <p>HHS is presupposing what the purpose of a state's waiver is; that is matter for states to determine.</p> <p>HHS does not have the right to require that continuation of waivers be balanced against the objectives of the Act.</p> <p>Commenters have general perspective (somewhat implied) that authority to continue waivers is authority to continue whole program in the demonstration.</p>	<p>States have authority to continue waivers "to the extent" inconsistent with TANF statute; rules address implications re work and time-limit penalty determinations.</p> <p>States may not avoid data collection requirements, child support requirements, or work participation penalties under this provision. States may not expand geographic scope of waiver or scope of families covered.</p> <p>"Waiver" of a work provision would encompass all prior law related to the policies in section 407 (i.e., re allowable activities, hours, exemptions from the denominator, and sanctions). To claim time-limit inconsistency, State would have needed a waiver to reduce or terminate assistance based on passage of time (i.e., have a waiver that created an inconsistency with section 408(a)(7)).</p> <p>HHS will compute and publish information from TANF data collection on participation rates that waiver states would have achieved under TANF rules.</p> <p>HHS will require specific certification by state of its inconsistencies and the applicable alternative work or time-limit policies in effect.</p> <p>States will not be disqualified from penalty relief or expected to abandon waivers as part of corrective action.</p> <p>See "Waivers" section of Preamble and subpart C of Part 260.</p>
<p>ADMINISTRATIVE COSTS</p> <p>For both federal and state monies,</p>	<p>15 cap applies to the post-transfer amount.</p>	<p>States say cap should apply to the pre-transfer amount.</p>	<p>Cap applies to post-transfer amount. [NOTE: For consistency's sake, we would also use post-transfer amounts in determining the base for</p>

<p>no more than 15 of expenditures may go towards administrative costs.</p> <p style="text-align: center;">Automated Records Management System Hex-Dump Conversion</p>	<p>Preamble says that eligibility determination costs (but not case management) must be charged to admin costs depending on how workers spend their time.</p> <p>Preamble suggests that contractor costs must be allocated in the same way as agency costs.</p>	<p>States and counties feel the preamble policies will have bad program effects—increasing administrative and accounting burdens and discouraging participation of community-based groups in delivery of services.</p> <p>The preamble language does not reflect the changing role of front-line workers. The distinction between eligibility determination and case management is not clear.</p> <p>One union commented that treatment of admin costs should not distinguish between TANF agency and third-party expenditures.</p>	<p>penalty calculations. This has the effect of reducing maximum penalties by up to 30 percent for states that transfer the maximum amount allowable.]</p> <p>Revise regulatory text to explicitly include eligibility determination within definition of administrative costs. Require state definitions consistent with regulatory framework.</p> <p>Allow contracted services to be charged as program costs; base determinations on nature of contract.</p> <p>See preamble discussion for part 263.0 and regs at §§ 263.0, 263.2, and 263.13.</p>
<p><i>PENALTY REDUCTION, REASONABLE CAUSE, AND RELATED PROVISIONS</i></p> <p>For many penalties, states may avoid penalties if the Secretary grants reasonable cause or state comes into compliance under a corrective compliance plan. States have some opportunity for reduced work penalties based on degree of non-compliance or, at the Secretary's discretion, if they are a "needy state" or due to extraordinary circumstances. There may also be penalty reductions if states make substantial progress towards compliance while under a corrective action plan.</p>	<p>Reasonable cause is limited to: natural disasters; incorrect federal policy advice; and isolated, non-recurring problems of limited impact.</p> <p>States operating SSPs or continuing waivers may lose eligibility for penalty relief.</p> <p>To get a reduced work penalty based on degree of non-compliance, states must get within 90 percent of the target participation rate.</p> <p>To get a reduction based on achieving substantial progress during the corrective action period, states must close 50 percent of the gap between participation rate in year for which they failed and rate in effect during corrective action period.</p> <p>Corrective action plan can be no longer than 6 months.</p>	<p>Commenters generally argued for more opportunities for reasonable cause and other penalty relief. Among items suggested for inclusion—economic downturns, caseload increases, other factors beyond state control.</p> <p>Many commenters thought rules should give Secretary more discretion, while some argued for creation of formulas and addition of specific items. For work penalty reductions, some argued for alternative measures of achievement.</p> <p>90 threshold for reducing work penalties appears arbitrary, and produces strange and inequitable results. Some argued that 50 or 75 would be more appropriate.</p> <p>6-month compliance period is inadequate; often systems changes would be involved.</p>	<p>Keep reasonable cause tight, but allow Secretary to exercise discretion in additional cases.</p> <p>Change the 90 percent threshold for substantial compliance to 50. Adjust penalty relief for states based on increase in number of participants, number of failures.</p> <p>Keep the 50 threshold for defining significant progress during corrective action period.</p> <p>Modify corrective action period to require compliance within the year of the compliance period for work participation, but provide individualized periods for other penalties (which could be shorter)</p> <p>Calculate base penalty amount on post-transfer funding.</p> <p>See preamble and regs for §§ 263.2-263.7 and subpart E of part 261.</p>

<p>DEFINITION OF ASSISTANCE</p> <p>Families receiving assistance in TANF program are subject to work reqts, data collection, child support, and time limits (if federally funded)</p> <p style="text-align: center;">Automated Records Management System Hex-Dump Conversion</p>	<p>Most everything is assistance except items that do not have direct monetary value for family (i.e., are not direct or implied income support) -- such as counseling and case management -- and one-time , short-term assistance (limited to once a year, paid over 30 days and covering 90 days). Child care and transportation are in the definition</p>	<p>One-time, short-term definition is too tight; thwarts state diversionary programs.</p> <p>Child care, transportation, and work support should come out; should not be time-limited or assigned for child support.</p> <p>Wage subsidies and workfare should be excluded. Wage subsidies are not of direct monetary value; workfare is compensation for work, should not be time-limited or assigned.</p>	<p>Remove the restrictions on one-time, short-term (i.e., once a year) to allow diversion programs.</p> <p>Based on strong legal arguments, keep child care, transportation, and related work supports in definition. (Develop separate guidance indicating that States would not retain all TANF assistance -- only amounts paid to the family.).</p> <p>Clarify that certain payments to employers might be excluded under existing stds (e.g., payments under performance-based contracts), but workfare payments and some wage subsidies would be assistance.</p> <p>Clarify that assistance received by non-custodial parents and other adults who are not heads of household or spouses of heads of households would not count against the family's time limit.</p> <p>See preamble and reg for §260.30.</p>
<p>DATA COLLECTION</p> <p>States must report detailed disaggregated data on families receiving TANF assistance and a limited amount of aggregate data, including some expenditure data. They may use samples for case-record reporting.</p> <p>Secretary must report annually to Congress on state program characteristics, participation rates, and demographic and financial characteristics of families applying for, receiving, or becoming ineligible for, assistance.</p>	<p>In addition to variables specifically in the statute, states must file disaggregate data to compile participation rates and monitor time limits, and a limited amount of other data. States must file similar data on closed cases for the month of closure.</p> <p>They must report on members in the assistance unit, as well as parents, minor siblings, and others whose income and resources are counted.</p> <p>They must file additional aggregate financial data that we will use in assessing whether there is misuse of TANF funds and proper MOE claims.</p>	<p>For states, the data reqts are arguably the biggest issue. They question our legal authority for some of the data collection.</p> <p>Some advocates and a few research types argue that most of these data are appropriate and valuable for tracking the effects of welfare reform. In a few cases they ask for more (i.e., to get a better handle on how TANF and MOE funds are being used to support families and identify whether supplantation is going on.) However, some advocates are concerned that the reqts on SSPs will thwart innovation and collaboration.</p>	<p>For disaggregate data, we are reducing the number of elements (from 106 to 76) and number of codes, and reducing reporting for members of the family who are not in the assistance unit. We are keeping the proposed sample sizes.</p> <p>We are eliminating the annual program performance report and changing the disaggregate reporting on closed cases (to reduce general burden but capture better info on why cases close). We are also proposing a number of clarifications (e.g., on issues such as reporting on non-custodial parents and penalty relief available for less than perfect reporting) that respond to state concerns.</p>

<p>States that fail to submit reports required under the statute are subject to penalties of up to 4 for any quarter.</p> <p>HHS has limited authority to require data collection and reporting not specified in the law.</p> <p style="text-align: center;">Automated Records Management System Hex-Dump Conversion</p>	<p>States must file TANF program data electronically.</p> <p>They must file annual reports that include data necessary for us to complete our annual report to Congress and annual addendum to fiscal reports.</p> <p>Penalties will be assessed where states fail to submit complete and accurate reports that contain statutorily required data. In some cases, other penalties may also apply (e.g., work) if states fail to provide data by which to determine compliance.</p> <p>States must also file reports related to claiming caseload reduction credits, claims of reasonable cause, and child-only cases, and corrective action plans.</p> <p>If they want caseload reduction credit, high performance bonuses, certain penalty relief, they must file comparable data on SSPs that they file on TANF cases.</p>	<p>States complain about the growth in data elements over the Emergency report, underestimates of burden, reqts on closed cases, reqts related to the annual report (which they argue are largely duplicative of state plan information), reporting on individuals not receiving assistance, sample sizes, and the definition of "complete and accurate".</p> <p>States also argue that they need 6-12 months at a minimum to implement reporting changes because of computer set-up and reprogramming problems.</p>	<p>We are also reducing SSP case-reporting, so that we capture disaggregated data only for programs that serve basic needs. Would get only aggregate reporting on other SSPs (e.g., EITC). Such changes would result in more appropriate connections between SSP reporting requirements and our penalties . SSP reporting is tied to availability of caseload reduction and high performance bonus, but no longer to penalty relief .</p> <p>We are expanding aggregate reporting on programs used for State MOE, so as to better track State compliance with "new spending" and other MOE requirements.</p> <p>Finally, we are proposing to give States until the end of fiscal year or October 1, 1999 , to implement the new reporting reqts and other requirements under the rule.</p> <p>See part 265 and appendices.</p>
<p>CHILD CARE PENALTY</p> <p>If states sanction single custodial parents with a child under 6 in a case where child care was not available, they will be subject to a sanction of up to 5 .</p>	<p>States must establish criteria for determining parents cannot find care and inform parents of these criteria.</p> <p>States will receive the maximum penalty if we see a pattern of substantiated complaints or states do not have a statewide process in place for parents to claim this exemption. States may get a reduced penalty if violations are isolated or have an effect on a minimal number of cases.</p>	<p>State agencies argue TANF agencies should administer this provision, not child care agencies.</p> <p>Advocates argue that we should require that welfare agencies advise parents about the availability of the exemption and of the availability of child care subsidies. They also say we should require referral to child care agencies.</p> <p>Advocates and states have differing concerns about the criteria of a "pattern</p>	<p>Retain requirement for child care agencies to advise families and for CCDBG plan to include criteria.</p> <p>Require TANF agencies to advise families about child care protections. Take this factor into consideration in determining maximum penalties.</p> <p>Keep standard of "pattern of substantiated complaints."</p> <p>See preamble and regs for §§261.15, 261.56 and 261.57.</p>

	<p>Under the child care rule, CCDBG agencies must advise parents of this provision (and the fact that an exemption does not stop the clock). The CCDBG State plan must include these criteria.</p>	<p>of substantiated complaints.”</p>	
<p>CASELOAD REDUCTION</p> <p>To the extent that caseloads have gone down since 1995, the participation rates states must achieve go down accordingly. However, reductions due to eligibility changes do not count for this purpose.</p> <p style="text-align: center;">Automated Records Management System Hex-Dump Conversion</p>	<p>Reductions in state two-parent caseloads determine the credit for the two-parent rates, and reductions in overall caseloads determine the reduction in the overall participation rate applicable to a state.</p> <p>States must advise us of all eligibility changes and the caseload effects of those changes.</p> <p>Examples of eligibility changes include changes in income and resource standards. States get credit for caseload closures where new verification techniques have found ineligibility, but the standards haven't changed.</p>	<p>States (and some advocates) would like an option to apply the overall caseload reduction or two-parent reduction to the two-parent rate. A few suggest that the overall rate apply to both.</p> <p>States have some complaints about the burden, want full credit for reductions related to new behavioral reqts.</p> <p>States object to including cases in SSPs in calculation and withholding credits unless states submit SSP data.</p> <p>Advocates do not want credit given for cases closed due to full family sanctions, or reductions due to the direct or indirect (deterrent) effect of new state behavioral or procedural reqts.</p> <p>Advocates and states would like offsets for caseload increases that are due to eligibility changes.</p>	<p>Keep separate credits for overall and two-parent participation rates.</p> <p>Modify SSP reporting, as discussed above for programs that are not welfare-like. (See SSP section.)</p> <p>Allow offsets for caseload increases due to eligibility changes. And allow adjustments to 1995 baseline data.</p> <p>Indicate that full-family sanctions and behavioral requirements are eligibility changes.</p> <p>See preamble and reg for subpart D of part 261.</p>
<p>DOMESTIC VIOLENCE</p> <p>States may elect the Family Violence Option under their state plan, and provide good cause waivers of program reqts to victims of domestic violence.</p>	<p>Granting of such waivers by a state does not directly affect the determination whether the state has met its participation rates or time-limit exception cap. However, if the state has granted good cause waivers that meet certain stds, and would have met the participation rate or 20 cap when waiver cases are taken out of the calculation, we will grant reasonable cause. (State waiver and SSP policies can affect eligibility for this</p>	<p>About 25 comments came specifically from women's groups, legal organizations, or members of the domestic violence community. Their concerns were generally consistent with the views of states, the unions, and other advocates on this issue.</p> <p>With a few notable exceptions, commenters were satisfied with the general framework, but objected to</p>	<p>Add reference to confidentiality reqt.</p> <p>Allow waivers for as long as necessary, but require 6-month redeterminations.</p> <p>Clarify that welfare agencies should work with providers in domestic violence community to develop appropriate service strategies and coordinate decisions. Clarify that NPRM did not envision that welfare agency would be making all these decisions.</p>

<p style="text-align: center;">Automated Records Management System Hex-Dump Conversion</p>	<p>reasonable cause.)</p> <p>The stds we set in NPRM included individualized strategies based on individual needs assessments; waivers cannot exceed 6 months; waivers must be under FVO; time-limit waivers do not stop the clock and are limited to cases where victim cannot work when the time-limit is reached; service plan that includes work expectations must be in effect.</p>	<p>specific aspects of our policy.</p> <p>We did not assure confidentiality (as statute provides); service plan was not appropriate and could put victims at added risk; 6-month limit on waiver was inappropriate (statute says as long as necessary); allowing time-limit waivers only where victim couldn't work was inappropriate; should allow clock to stop.</p>	<p>Clarify in preamble that victims of domestic violence should be protected from inappropriate sanctions through state good cause provisions.</p> <p>Keep service plan reqt; indicate that work included, to extent consistent with safety and fairness.</p> <p>Remove link between time-limit waivers and ability to work. Allow clock to stop when family has waiver.</p> <p>See "Domestic Violence" section in Preamble, reg at subpart B of part 260.</p>
<p>DEFINITION OF WORK</p> <p>In determining whether states are meeting participation rates, specific lists of activities count as work and other participation</p>	<p>States may define these activities, but must provide us a definition.</p>	<p>With very limited exceptions, commenters supported our decision not to create federal definitions.</p>	<p>Make no change in reg.</p>
<p>WORKER AND RECIPIENT PROTECTIONS</p> <p>Statute identifies four Federal non-discrimination laws that are applicable within TANF.</p> <p>Statute prohibits displacement of regular employees by TANF recipients and requires states to implement a grievance procedure</p> <p>Sec. 417 limits Fed regulatory and enforcement authority.</p>	<p>Reiterates statutory reqt on displacement.</p> <p>Preamble mentions applicable non-discrimination laws, but indicates no TANF enforcement. Refers to OCR.</p>	<p>Unions , EEOC, and a few legal action groups objected to the lack of attention to this issue.</p> <p>Suggestions included:</p> <ol style="list-style-type: none"> 1) Improve references to other Federal laws , other Federal guidance, and EEOC; 2) Take away credit for participation where displacement occurred; 3) Deny states penalty relief where violations occur; 4) Give complying states credit towards penalty relief; 5) Actively engage in litigation; 6) Set standards for grievance procedures; 7) Suggest that states follow stronger 	<p>Add references to EEOC, other Federal laws, and other Federal guidance in the preamble.</p> <p>Add regulatory text covering 4 applicable provisions and indicating that sec. 417 does not undermine the applicability of other Federal laws.</p> <p>See "Worker and Recipient Protections" section of preamble and §260.35.</p>

		WTW grievance procedures and displacement standards.	
<p>TWO-PARENT PENALTY</p> <p>States must meet a two-parent participation rate, in addition to the overall rate.</p> <p>States failing to meet their work participation rates face a penalty of up to 5% of their TANF grant in the first year, which grows to up to 21% for a state that fails year-after-year.</p>	States that miss only the two-parent rate face a reduced penalty based on their two-parent caseload.	Commenters universally commended the two-parent adjustment. A few argued it make more sense to use a national adjustment, and a few argued for other changes to protect states against the tough two-parent standards (e.g., by giving them credit against the two-parent rate for excess participation under the overall rate, giving states offsets in caseload reduction credits for increases in caseload due to eligibility changes.)	Retain the two-parent adjustment provided in determining base penalty amount (Changes to caseload reduction rules may provide relief in some states.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 14:26:25.00

SUBJECT: Monday's event

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

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

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

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

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

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

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

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

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

TEXT:

by the way, john podesta has been updated and is fine w/ the event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-OCT-1998 15:06:42.00

SUBJECT: Wednesday Message Event

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

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

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

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

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

TEXT:

The Scheduling office is desperately looking for a site for a message event on Wednesday where the President can give a lofty "big ideas" speech. Please let me know asap if you have any suggestions or know of any conferences going on Wednesday. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 14:34:09.00

SUBJECT: new ideas/budget submission

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on
10/30/98 02:34 PM -----

Nicole R. Rabner

10/29/98 08:41:46 PM

Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP

cc: Neera Tanden/WHO/EOP, Jennifer L. Klein/OPD/EOP

Subject: new ideas/budget submission

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D8]MAIL43191630A.326 to ASCII,
The following is a HEX DUMP:

FF57504320050000010A020100000002050000008949000000020000DADEF0DCCB22AB0BB38ADB
5348C4C1548D458FA16B975E1E579294A9AD791CFA77F2FC29A29E69AE49E06B4FA112EF07EBE3
497C4F2318E2459B86CA433DD5DC630A8562A2AF05F7ACDE57AB2A3321462FF1A97A9F46294C79
A813B39DC034DD947DAD59B2318C6FBB5B2EE67FF8D1E00B5E39899F61A51D7C03666F5CC6FD67

Families Agenda for the Fiscal Year 2000 Budget

Over the last 30 years, there have been increasing pressures on the family --more dual-earner couples, families working longer hours, all creating a squeeze that leaves parents with less and less time with their children. At the very least, this time squeeze is a source of anxiety for parents --at its worst, it places more children at risk. As part of the fiscal year 2000 budget, the Clinton Administration can put forward an agenda that puts families first by helping parents as they cope with this most important of all duties --raising their children.

Expansion of the Child Care and Development Block Grant. We propose to expand the Child Care and Development Block Grant as previously proposed in the FY 1999 Budget. The block grant is the primary federal child care subsidy program, helping low-income working families struggling to pay for child care. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. Currently, over one million children are served by the program, leaving roughly nine million children who are eligible but unserved. **Cost: \$7.5 billion over five years.**

Expansion of the Child and Dependent Care Tax Credit. The Child and Dependent Care Tax Credit provides tax relief for families who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. As in the FY 1999 Budget, we propose increasing the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) who take the maximum allowable child care expenses under the law. **Cost: \$5.1 billion over five years to expand the credit for three million working families.**

New Parent Paid Leave Plan. Many workers who have access to unpaid (whether through the FMLA or employer-provided leave) are unable to take it because they simply cannot afford to do so. To address this problem, the President could propose a New Parent Paid Leave Plan to provide eligible parents with partial wage replacement for up to six or twelve weeks following birth or adoption. The cost of the plan will vary considerably based on the selected eligibility criteria. One option: all new parents with median income or below (roughly \$37,000/yr) who have been in the workforce for at least one year would be eligible for a \$200/week partial wage replacement for up to four weeks (weekly figure based on average UI benefit). Eligible workers would be required to use the federal benefit immediately following birth or adoption and before using any employer-provided leave benefit, but could receive the benefit whether or not they ultimately returned to work. The program would be administered through the Unemployment Insurance System. **Cost of option: very roughly, \$875 million for FY 2000 (including start-up and administrative expenses).** We will have more options and better costing next week.

FMLA Expansion to Businesses with 25 Workers. Since the Family and Medical Leave Act was enacted in 1993, millions of Americans have taken FMLA-covered leave to care for a

newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child or spouse -- without fear of losing their job or health insurance. Under current law, workers are eligible for FMLA coverage only if they work at a business with *50 or more* employees and if they have worked at least twelve months and 1,250 hours for the employer. (Today, about 67 million Americans -- over half of all workers -- are covered by the FMLA. Senator Dodd proposed lowering the threshold to businesses with 25 or more employees, and Senator Kennedy champions a proposal to lower the threshold to 10. While the President has consistently referenced his support for expanding the FMLA benefit, the Administration has not formally presented a proposal in this area. **We recommend advancing a specific proposal to lower the FMLA threshold to 25 or more workers, expanding coverage for up to ten million more American workers. No budget implications.**

Parent Education and Support Fund. The White House Conference on Early Childhood Development and Learning spotlighted the critical importance of children's earliest years of life to their development and later success in life. Parents play the central role in providing children with developmentally appropriate stimulation and attention during these years. In addition, studies have revealed the promise of home-visitation programs to reduce child abuse and support children's development. We propose the creation of a competitive grant program administered by HHS to fund parent education and support programs, including the development or expansion of home visitation programs, efforts to educate and engage parents in child care and other efforts to improve child care quality, and the establishment of "second chance maternity homes" to support teen mothers and teach parenting skills. This fund would support programs such as HIPPIY, Parents as First Teachers, home visitation, and other parenting education programs. **Cost: \$500 million over five years.**

Tax Relief for Parents, Including Parents who Stay at Home. The following are a series of proposals that would benefit families in which a parent stays at home (all estimates are rough and preliminary). We are currently exploring a variety of iterations of each proposal, but will settle on only one proposal. Also note that these proposals interact differently with an expanded Child and Dependent Care Tax Credit, and therefore, the selection of one of these policies will be informed by our decision on the DCTC. Options:

a. Expand the Child Tax Credit. The Child Tax Credit is currently \$500 per child for children under 17. We propose to double the credit to \$1,000 per child for those children under the age of four. The Child Tax Credit begins to fade out for taxpayers whose adjusted gross income exceeds \$110,000 each year (\$75,000 if not married). **Cost: Roughly \$11 to \$13 billion over 5 years.** Another option is to double the credit for families with children under the age of two, which would cost roughly \$4 billion over five years.

b. Increase the Standard Deduction. Most lower-income families (incomes of less than \$50,000) do not itemize their deductions, choosing to take the standard deduction (and using the simpler form) instead, while most higher income families choose to itemize. Therefore, a proposal to expand the standard deduction for children would help lower-income families. Currently, the standard deduction is roughly \$7,200 for married couples, and \$6,350 for heads of households. We could increase the standard deduction by \$1,000 for families with children for each child

under 3, regardless of the marital status of the parents, and would cover roughly 3 million taxpayers (three quarters of whom are married couples) and 3 million children. The average benefit would be \$170 per taxpayer. **Cost: \$2.5 to \$3.5 billion over five years.** We are currently exploring a variety of other options, including a proposal to expand the standard deduction by \$2,000 per family.

c. Expand the DCTC. We could extend the benefits of our DCTC proposal to stay-at-home parents with children age three and under, by applying the same eligibility guidelines and assuming minimum child-care expenses of \$150 per family per month. This proposal would also phase out the credit for families with annual income over \$105,000. **Cost: A variant of this proposal was estimated at roughly \$13 billion over 5 years (\$8 billion above our DCTC proposal).**

Expansion of After-School Programs. An estimated five million school-age children spend time as “latchkey kids” without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. To meet this pressing demand, the President can propose a dramatic expansion of after-school care. Areas of expansion:

a. 21st Century Learning Centers: The program increases the supply of after-school care in a cost-effective manner primarily by funding programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. We should build on the success of our recent expansion of the program by increasing funding by \$500 million this year. **Cost: \$700 million for FY 2000.** [Part of these funds would be used for summer-school programs for school districts that end social promotion.]

b. Supporting community-based after-school programs. Because so many of the most effective after-school programs are community based, such as the Boys and Girls Clubs, we propose expanding the Department of Justice’s At-Risk Youth Initiative. We propose expanding the program by \$50 million, but targeting the funds for after-school initiatives by community-based organizations. **Cost: \$250 million over five years.**

c. Expanding AmeriCorps’ support for after-school. An expanded AmeriCorps could increase the availability of after school and summer programming for children and youth while providing additional opportunities for young adults to earn money for college through service. AmeriCorps Members serve with many of the major community-based organizations that provide after school care (including YMCA, Save the Children, and Boys and Girls Clubs); many others serve in public schools. We propose supporting a targeted initiative in which ten thousand AmeriCorps Members would conduct a 10-week summer program involving up to 100,000 middle-school children. **Cost: Roughly \$35 to \$40 million per year, or a cost of \$200 million over five years.**

Child Welfare: Children “Aging Out” of Foster Care. Each year, nearly 20,000 18-year-olds “age out” of the public child welfare system. These young adults entered foster care due to abuse and neglect, were unable to return to their birth families, and were not adopted. Federal

financial support for these young people ends just at the time they are making the critical transition to adulthood. Research shows that they face unstable housing and homelessness, low educational achievement, depression, poor health, and violence and incarceration. When they turn 18, they also very often find themselves with no health insurance, as Medicaid eligibility ends at age 18. Areas for increased investment:

a. Expand the Independent Living Program. Administered by HHS, the Independent Living Program provides services to foster care children aged 16 to 18 to help them (1) make the transition to independence by earning a high school diploma; (2) receive vocational training; and (3) learn daily living skills such as budgeting, locating housing, planning a career, and finding a job. Begun in 1986, the program assists 85,000 young people and has been funded at \$70 million since 1992. **We recommend increasing the Independent Living Program by 50 percent -- to \$105 million in FY 2000 and \$525 over five years.**

b. Expand the Transitional Living Program. The Transitional Living Program is an HHS-administered, \$15 million competitive grant program that funds community-based organizations that provide services to this population, including housing support. We recommend doubling the increasing to **\$30 million in FY 2000 and \$75 million over five years.**

c. Provide Medicaid Coverage. We recommend giving states the option of using Federal Medicaid dollars to provide health care coverage for this population -- **cost TBD; roughly hundreds of millions over 5 years).**

Child Welfare: Adoption Registry. In 1996, the President called for a plan to double to number of children adopted each year from the foster care system. *Adoption 2002* -- the initiative developed by HHS in response to President's charge -- included efforts to break down barriers to adoption. The Administration secured \$10 million in FY 1999 for HHS discretionary Adoption Opportunities Grants for this purpose. One use of this grants will be the creation of an Internet-based adoption registry of foster care children waiting to be adopted, so that prospective adoptive parents can learn about these waiting children. **We recommend increasing the Adoption Opportunities grants by 20 percent to \$12 million for FY 2000 and \$60 million over five years, targeted to the upkeep of this Internet-based national adoption registry.**

Child Welfare: Court Improvement. The Adoption and Safe Families Act of 1997, aimed at moving children in foster care more quickly to adoptive and other permanent homes, shortened the timeframes in which permanency decisions must be made for children in foster care. This has put more pressure on an already over-burdened and resource-deficient family and juvenile court system. Courts particularly need additional support to improve automation and computer systems to track foster care children and to reduce the pending backlogs of abuse and neglect cases. In addition, the Court Appointed Special Advocate program, which pairs a trained volunteer with child abuse cases to serve in an advocacy role, needs to be expanded to under-served areas. We recommend the creation of a new DOJ-administered grant program to automate the data collection and tracking of proceedings in abuse and neglect courts and a one-time grant to expand CASA to under-served areas. **Cost: TBD, roughly 15 million for FY**

2000 and \$55 million over five years.

[Flexible Work Hours for Families. Bruce/Elena: We are beginning to think through this proposal, and are looking for guidance as to whether we should continue to pursue it.] Options:

a. Tax credit for businesses that provide flexible work schedules for their employees. We propose to offer tax credits to companies that offer a variety of family-friendly benefits, including flexible work hours for their employees, compressed work weeks, part-time work with benefits, job sharing, career sequencing, and extended parental leave. Such a tax credit would enable parents to spend more time with their children by providing companies, both small and medium sized, the ability to respond to the time crunch families are facing. In addition, it builds on our flex-time and family-leave proposals. Awaiting estimation by Treasury.

b. Subsidies: We propose that the Commerce Department would make grants to states who would in turn provide grants to eligible businesses that provide flexible work hours for their employees, including flexible work hours for their employees, compressed work weeks, part-time work with benefits, job sharing, career sequencing, and extended parental leave. Within the grant-making process, priority would be given to small and medium sized businesses. Businesses would be required to ensure that the funds would be used to supplement and not supplant any ongoing efforts in this area. **Very rough cost estimate: \$500 million over five years.**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 17:50:15.00

SUBJECT: Additions to our new ideas list

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: Thomas L. Freedman (CN=Thomas L. Freedman/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:

Here are a couple things that should be added to our list:

1. Agriculture. A new crop insurance program. The President called for this in radio press conference and it will cost about \$1-\$1.5 billion. This will be a very big deal in rural areas and USDA will make it their top priority.

2. Alcohol and Binge Drinking. The Safe and Drugfree Schools program has requested about \$8 million for best practices and a study on alcohol use on college campuses. We are still working with them to get more details, and to see if we could add on to this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 12:48:01.00

SUBJECT: Welfare and Tobacco New Ideas

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

TEXT:

Here are the new ideas memos we gave Paul last night. Since he may need to edit them down for the memo to the President, I thought you might want to see these versions.

welfare

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D48]MAIL48512530U.326 to ASCII,
The following is a HEX DUMP:

FF5750435A040000010A02010000000205000000BB51000000020000BD0DEEA312B6F3C100789C
E34BCD42A13A5B5BF3925947D8AF40D4107E9A4CE3A1F5B53E18C670F3F9910D7A91CEFABD6CEF
F052280A3CFA69B3B549F0F2D116E7D1B3691EFD77F30B2AAE5990950DB20EE1CB75840F5C1732
CCE711809C68BBE8FBC5624379DA959A32B7B8405BFBC49363429827C4C16AEBE8BFB50F9FA9E5

WELFARE REFORM BUDGET IDEAS (October 29, 1998)

Help the Hardest to Employ Move Into Jobs

There are several ways to expand the Administration's efforts to help those who may face greater challenges to making a successful transition from welfare to work, including people with low basic skills, substance abuse problems, and disabilities. We can address these issues both by refocusing the \$3 billion Welfare-to-Work fund and increasing resources through other funding streams and agencies, as described below.

In addition, in order to target resources to the hardest to employ, we may wish to amend the \$1.5 billion Welfare-to-Work program during reauthorization to direct more funds to the highest poverty areas, increase funds for tribes, increase funding for competitive grants, and encourage assistance for two-parent families (many of whom face issues related to literacy, substance abuse and disabilities). We are also exploring whether in the TANF program we could offer additional incentives to the states to invest more of these funds in innovative, work-focused efforts to help those with substance abuse, low literacy, and disabilities make a successful transition from welfare to work.

Increase Employment Opportunities for Individuals with Low Literacy Levels

Historically, individuals with low education levels have remained on welfare longer, and there is an increasing concentration of individuals with English language barriers on the welfare rolls in some places.

- *Set aside within WTW competitive grant funds for work-based literacy projects.* (new policy, should not require legislation) Low education level is currently an eligibility criteria for WTW funds, and a few competitive grants are focusing on work-based approaches to increasing basic skills, for immigrants and other populations. To encourage additional services for individuals who need to learn English and other adults with low basic skills, we could direct DOL to set aside approximately \$100 million of the \$375 million competitive grant funds for work-based literacy projects. A high priority should be given to projects with strong employer involvement. (Cost: None).
- *Create 21st Century Workforce Education Initiative.* (new grant idea submitted by ED, not currently included in their FY 2000 budget proposal). Barriers preventing more adults from participating in Adult Education include time, the need to work, and child care and transportation. Providing access to services on or near the work site that complement work and are supported by employers would greatly assist individuals to raise their literacy levels and succeed in the workplace. Education has proposed grants to help support partnerships of business, labor, and education organizations to improve the basic literacy skills of current or newly hired workers to meet the demands of a global

economy. These should be closely linked to the One-Stop system created under the Workforce Investment Act. While Adult Ed programs are not income-targeted, many of those with the lowest literacy levels are poor and either unemployed or working in low-wage, part-time jobs. Nearly half are black or Hispanic, and one-quarter are immigrants. Adult Ed programs typically require a 25 state match -- we may want to allow this match to be met by employers and/or by WTW and TANF funds. [ED is refining and costing out the proposal for NEC's E&T meeting on 11/6.]

- ***Increase funding for Adult Education, including ESL.*** There is evidence of large unmet need for adult ed services, particularly for ESL in urban areas and for basic education for out-of-school youth. ED has proposed a \$15 million increase in Adult Ed Basic Grants for FY 2000, from \$385 million in FY 1999 to \$400 million. States provide a 25 percent match, and decide how much of the Adult Ed funds to use for ESL. ED also received \$7 million in FY 1999 for ESL discretionary grants, and has proposed a \$20 million expansion in FY 2000. Within the Department's proposed funding level, or with additional funds, ED could create incentives for states or communities to expand adult basic skills and ESL services to address the long-waiting lists in some areas and also to expand capacity of work-focused ESL. (Cost: Need 5 year cost from Ed)

Increase Employment Opportunities for Individuals with Substance Abuse Problems

Various estimates show at least 20 percent of welfare recipient have substance abuse issues, and this percentage rises within those remaining on the rolls. In general, programs that effectively integrate treatment and welfare to work efforts, and knowledge about how to do so, are both lacking, although a handful of states have developed innovative approaches.

- ***Set aside within WTW competitive grants for work-focused substance abuse treatment.*** (new policy, should not require legislation) Substance abuse is one of the eligibility criteria for WTW funds and several competitive grants focus specifically on this issue. We could direct DOL to set aside approximately \$100 million within the competitive grants for work-focused substance abuse services. (Cost: None).
- ***Support employment-focused substance abuse treatment.*** States have flexibility within the SAMHSA block grant to determine which populations to serve and what kind of treatment models to fund. Block grant funding increased significantly in FY 1999 and we believe SAMHSA is proposing another significant increase in FY 2000. In order to encourage the development of innovative programs that effectively combine treatment and work, there is a need for new models, better information about promising practices, and better information about available resources that can be tapped to expand capacity (including TANF and WTW funds). SAMHSA awards targeted capacity grants to communities who demonstrate the need to target specific substance abuse issues. We could target a certain portion of these grants to communities who propose work-focused

treatment models, with priority to joint applications from treatment providers and TANF or WTW agencies. This initiative would be accompanied by a technical assistance/best practices effort for states and communities, jointly funded and managed by DOL, SAMHSA and ACF. We are also exploring how to focus prevention efforts on children in TANF families. (Cost: grants within current funding levels, \$1 million for technical assistance).

Increase Employment Opportunities for Individuals with Disabilities

There are a significant number of things we can do to help people with disabilities who are on TANF, SSI, or SSDI go to work.

- *Set aside within WTW competitive grants for employment services for welfare recipients with disabilities.* (new policy, should not require legislation) While disability is not a specific eligibility criteria for WTW funds, there is a close correlation with other hard-to-serve factors. For example, a learning disability may contribute to a poor work history or low education level. Several non-profit competitive grantees are focusing on this population, and several states have formed good partnerships between their TANF and Vocational Rehabilitation services. To attract additional communities and providers to develop innovative approaches, we could direct DOL to set aside approximately \$100 million in competitive grants to help welfare recipients with disabilities get and keep jobs. This would be accompanied by an interagency technical assistance effort to improve coordination across agencies and programs. (Cost: None)
- *New BRIDGE grant program.* In March, you issued an Executive Order directing the federal agencies to create a coordinated and aggressive national policy to increase employment of adults with disabilities. The "Building Resources for Individuals with Disabilities to Gain Employment" ("BRIDGE") program is one of several new proposals to grow out of this effort. BRIDGE is a competitive grant program designed to increase the employment rate of adults with disabilities by fostering integration at the local level of employment-related services and support services to adults with disabilities. (Cost: \$750 million over 5 years)
- *Information and Communication Technologies for People with Disabilities.* NEC has developed draft proposals now being vetted to ensure that new technologies will be designed from the beginning to be accessible to people with disabilities. Ideas include leveraging federal government procurement, investing in R&D, funding industry consortia, training the next generation of engineers (NEC will provide a more detailed write up.)
- *Expanding the Defense Department's "CAP" program* The Defense Department's Computer Accommodations Program ("CAP") purchases equipment for DOD employees with disabilities to allow them to keep working if they become disabled, or for new employees just joining the workforce. By using a central \$2 million fund for such purchases, individual offices do not have to bear the cost within their own budgets, and are less likely to be deterred from hiring a person with a disability. Making this program available to other agencies has the strong

support of the Administration's appointees with disabilities, in particular for Tony Coelho, chair of the President's Committee on Employment of People with Disabilities. (Cost \$1625 million over five years).

- **Kennedy-Jeffords/Employment-Related Tax Credit.** In addition, the Kennedy-Jeffords legislation, described in the health section, will play a critical role increasing access to health care for people with disabilities returning to work.

Helping New Workers Succeed in the Workforce

Skill Upgrading for Entry Level Workers

As part of its FY 2000 budget request, DOL has proposed amending WTW to allow up to one-third of the WTW funds (\$500 million of the \$1.5 billion) to be used to upgrade the skills of entry level workers. Eligible individuals would include former welfare recipients and other low income individuals who qualify for the EITC, with priority given to certain non-custodial parents. This initiative would be permissive rather than mandatory -- states could opt to use a portion of their formula grant for this expanded purpose and population. Employers would be required to match the federal contribution and commit to hire former welfare recipients for the positions vacated by the upgraded employees. DOL's proposal would provide access to upgrade training to a broader range of entry level workers, not just those who have been on welfare. DOL is currently refining the proposal, but one option is to use \$250 million to help low income/entry level workers upgrade skills so they can move up the career ladder and increase their earnings, and target the other \$250 million for a broader responsible fathers initiative (see below).

Expand Access to Cars for Individuals Moving from Welfare to Work

We continue to pursue several small initiatives that would increase access to cars without having the federal government directly purchase cars for individuals. Possibilities include: 1) Donate surplus federal vehicles to welfare to work programs who could in turn lease or sell them to current and former welfare recipients for whom public transit is not a viable option, including those living in rural areas. This could be modeled after the initiative to donate federal computers to schools. 2) Identify a modest amount of seed money for a new national intermediary established to expand the number of community-based revolving loan programs for low income families to purchase cars (\$5 - \$10 million).

Welfare to Work Tax Credits

See Community Empowerment section.

Connection between TANF and Unemployment Insurance.

While there continues to be substantial interest in this issue, it is probably best considered

within the broader context of UI reform. DOL's FY 2000 budget has a placeholder for UI reform, and OMB is convening a discussion on the issue later this week.

Additional Welfare-to-Work Housing Vouchers.

See Community Empowerment section.

Full Funding for Job Access and Reverse Commute Grants.

The Omnibus Budget Act appropriated \$75 million for FY 1999 (\$25 million above the FY 1999 guaranteed funding level). TEA-21 set guaranteed funding from the Highway Trust Fund at \$60 million for FY 2000. DOT has requested \$150 million in its FY 2000 budget. We may also want to pursue a legislative change to the way funds flow to tribal areas -- currently, states must select tribes as applicants.

Promote Responsible Fatherhood

Responsible Fatherhood Grants

There is growing interest at all levels of government and across a broad spectrum of society in helping fathers be responsibly involved in their children's lives through both financial and emotional support. Increasing the employment and earnings of low income fathers will increase the financial support they can provide for their children. This support is particularly critical for children whose custodial parents are moving from welfare to work. These fathers are generally motivated to work, but they tend to have intermittent, low-paying jobs. They also have high rates of involvement with the criminal justice system. Employment efforts should therefore focus on helping these fathers succeed and advance in the formal workforce through a combination of retention and rapid re-employment services, and work-based skill upgrading.

We continue to work through a number of funding and scope issues, but one option would be to designate \$250 million from the WTW funds that could be matched by TANF and child support funds. Funds could be allocated on a formula basis to states who submit a joint plan from their TANF, child support, and WTW agencies. This plan would identify a local service delivery approach that ensured involvement of appropriate local stakeholders, including community-based organizations. While the primary focus would be employment, funds could also be used to support parenting, peer support, mediation and other services for fathers who were participating in work and cooperating with child support. States could propose innovative modifications to the child support system to remove barriers preventing the system from working appropriately for this population. We might also consider expanding funding for Access and Visitation grants for fathers who are 'playing by the rules', i.e. paying their child support obligations and participating in activities to increase their employment. For equity reasons, it may be appropriate to allow some level of service to any low income father who is supporting

his children (whether living with them or not), but the primary focus could be non-custodial fathers (or parents) whose children are current or former TANF recipients.

Congressman Shaw is expected to reintroduce his Fathers Count block grant proposal next session and this grant proposal could be a basis for developing a bipartisan initiative. He proposed \$2 billion over 5 years, beginning with \$200 million in Year 1, growing \$100 million per year to \$500 million in Year 5.

Other options for expanding the federal focus on low income fathers include: requiring states to serve a certain proportion of fathers in their formula grant programs or designating a competitive grant set-aside. We could also broaden WTW eligibility criteria to include any non-custodial parent of a child on welfare who needs employment assistance in order to meet their child support responsibilities (currently, the father needs to meet the WTW hard-to-serve criteria).

Any fathers initiative should be accompanied by a strong interagency technical assistance and evaluation component since this is a relatively new field. We could direct HHS and DOL to identify existing resources, or request approximately \$5 million in FY 2000 funding, for: a how-to guidebook that compiles lessons from past programs, promising practices, and resource information; electronic clearing house with links to research, existing programs, and resources with an interactive forum for information; and an 800 number communities can call for information. It may also be appropriate for DOJ and HUD to participate.

Child Support Law Enforcement Initiative

This initiative will increase the prosecution of egregious child support violators by establishing multi-agency investigative teams to identify, analyze, and investigate cases for prosecution. This investigative effort will result in more cases being referred to the U.S. Attorney offices ready to prosecute. HHS's Office of Child Support Enforcement, Office of the Inspector General, and Office of Investigations, working with state and local law enforcement and child support agencies, have already launched a pilot project in Columbus Ohio, which will cover 5 states (Illinois, Indiana, Michigan, Minnesota, and Ohio). This proposal would put these units in place all across the nation within the next several years. Additionally, it would provide paralegals dedicated to child support cases to the 83 U.S. Attorneys offices that do not now have them. In July, you signed into law the Deadbeat Parents Punishment Act, creating two new categories of felonies for the most egregious child support evaders. (Cost: about \$10 million over 5 years).

WELFARE REFORM BUDGET IDEAS (October 29, 1998)

Help the Hardest to Employ Move Into Jobs

There are several ways to expand the Administration's efforts to help those who may face greater challenges to making a successful transition from welfare to work, including people with low basic skills, substance abuse problems, and disabilities. We can address these issues both by refocusing the \$3 billion Welfare-to-Work fund and increasing resources through other funding streams and agencies, as described below.

In addition, in order to target resources to the hardest to employ, we may wish to amend the \$1.5 billion Welfare-to-Work program during reauthorization to direct more funds to the highest poverty areas, increase funds for tribes, increase funding for competitive grants, and encourage assistance for two-parent families (many of whom face issues related to literacy, substance abuse and disabilities). We are also exploring whether in the TANF program we could offer additional incentives to the states to invest more of these funds in innovative, work-focused efforts to help those with substance abuse, low literacy, and disabilities make a successful transition from welfare to work.

Increase Employment Opportunities for Individuals with Low Literacy Levels

Historically, individuals with low education levels have remained on welfare longer, and there is an increasing concentration of individuals with English language barriers on the welfare rolls in some places.

- *Set aside within WTW competitive grant funds for work-based literacy projects.* (new policy, should not require legislation) Low education level is currently an eligibility criteria for WTW funds, and a few competitive grants are focusing on work-based approaches to increasing basic skills, for immigrants and other populations. To encourage additional services for individuals who need to learn English and other adults with low basic skills, we could direct DOL to set aside approximately \$100 million of the \$375 million competitive grant funds for work-based literacy projects. A high priority should be given to projects with strong employer involvement. (Cost: None).
- *Create 21st Century Workforce Education Initiative.* (new grant idea submitted by ED, not currently included in their FY 2000 budget proposal). Barriers preventing more adults from participating in Adult Education include time, the need to work, and child care and transportation. Providing access to services on or near the work site that complement work and are supported by employers would greatly assist individuals to raise their literacy levels and succeed in the workplace. Education has proposed grants to help support partnerships of business, labor, and education organizations to improve the basic literacy skills of current or newly hired workers to meet the demands of a global

economy. These should be closely linked to the One-Stop system created under the Workforce Investment Act. While Adult Ed programs are not income-targeted, many of those with the lowest literacy levels are poor and either unemployed or working in low-wage, part-time jobs. Nearly half are black or Hispanic, and one-quarter are immigrants. Adult Ed programs typically require a 25 state match -- we may want to allow this match to be met by employers and/or by WTW and TANF funds. [ED is refining and costing out the proposal for NEC's E&T meeting on 11/6.]

- ***Increase funding for Adult Education, including ESL.*** There is evidence of large unmet need for adult ed services, particularly for ESL in urban areas and for basic education for out-of-school youth. ED has proposed a \$15 million increase in Adult Ed Basic Grants for FY 2000, from \$385 million in FY 1999 to \$400 million. States provide a 25 percent match, and decide how much of the Adult Ed funds to use for ESL. ED also received \$7 million in FY 1999 for ESL discretionary grants, and has proposed a \$20 million expansion in FY 2000. Within the Department's proposed funding level, or with additional funds, ED could create incentives for states or communities to expand adult basic skills and ESL services to address the long-waiting lists in some areas and also to expand capacity of work-focused ESL. (Cost: Need 5 year cost from Ed)

Increase Employment Opportunities for Individuals with Substance Abuse Problems

Various estimates show at least 20 percent of welfare recipient have substance abuse issues, and this percentage rises within those remaining on the rolls. In general, programs that effectively integrate treatment and welfare to work efforts, and knowledge about how to do so, are both lacking, although a handful of states have developed innovative approaches.

- ***Set aside within WTW competitive grants for work-focused substance abuse treatment.*** (new policy, should not require legislation) Substance abuse is one of the eligibility criteria for WTW funds and several competitive grants focus specifically on this issue. We could direct DOL to set aside approximately \$100 million within the competitive grants for work-focused substance abuse services. (Cost: None).
- ***Support employment-focused substance abuse treatment.*** States have flexibility within the SAMHSA block grant to determine which populations to serve and what kind of treatment models to fund. Block grant funding increased significantly in FY 1999 and we believe SAMHSA is proposing another significant increase in FY 2000. In order to encourage the development of innovative programs that effectively combine treatment and work, there is a need for new models, better information about promising practices, and better information about available resources that can be tapped to expand capacity (including TANF and WTW funds). SAMHSA awards targeted capacity grants to communities who demonstrate the need to target specific substance abuse issues. We could target a certain portion of these grants to communities who propose work-focused

treatment models, with priority to joint applications from treatment providers and TANF or WTW agencies. This initiative would be accompanied by a technical assistance/best practices effort for states and communities, jointly funded and managed by DOL, SAMHSA and ACF. We are also exploring how to focus prevention efforts on children in TANF families. (Cost: grants within current funding levels, \$1 million for technical assistance).

Increase Employment Opportunities for Individuals with Disabilities

There are a significant number of things we can do to help people with disabilities who are on TANF, SSI, or SSDI go to work.

- *Set aside within WTW competitive grants for employment services for welfare recipients with disabilities.* (new policy, should not require legislation) While disability is not a specific eligibility criteria for WTW funds, there is a close correlation with other hard-to-serve factors. For example, a learning disability may contribute to a poor work history or low education level. Several non-profit competitive grantees are focusing on this population, and several states have formed good partnerships between their TANF and Vocational Rehabilitation services. To attract additional communities and providers to develop innovative approaches, we could direct DOL to set aside approximately \$100 million in competitive grants to help welfare recipients with disabilities get and keep jobs. This would be accompanied by an interagency technical assistance effort to improve coordination across agencies and programs. (Cost: None)
- *New BRIDGE grant program.* In March, you issued an Executive Order directing the federal agencies to create a coordinated and aggressive national policy to increase employment of adults with disabilities. The "Building Resources for Individuals with Disabilities to Gain Employment" ("BRIDGE") program is one of several new proposals to grow out of this effort. BRIDGE is a competitive grant program designed to increase the employment rate of adults with disabilities by fostering integration at the local level of employment-related services and support services to adults with disabilities. (Cost: \$750 million over 5 years)
- *Information and Communication Technologies for People with Disabilities.* NEC has developed draft proposals now being vetted to ensure that new technologies will be designed from the beginning to be accessible to people with disabilities. Ideas include leveraging federal government procurement, investing in R&D, funding industry consortia, training the next generation of engineers (NEC will provide a more detailed write up.)
- *Expanding the Defense Department's "CAP" program* The Defense Department's Computer Accommodations Program ("CAP") purchases equipment for DOD employees with disabilities to allow them to keep working if they become disabled, or for new employees just joining the workforce. By using a central \$2 million fund for such purchases, individual offices do not have to bear the cost within their own budgets, and are less likely to be deterred from hiring a person with a disability. Making this program available to other agencies has the strong

support of the Administration's appointees with disabilities, in particular for Tony Coelho, chair of the President's Committee on Employment of People with Disabilities. (Cost \$1025 million over five years).

- **Kennedy-Jeffords/Employment-Related Tax Credit.** In addition, the Kennedy-Jeffords legislation, described in the health section, will play a critical role increasing access to health care for people with disabilities returning to work.

Helping New Workers Succeed in the Workforce

Skill Upgrading for Entry Level Workers

As part of its FY 2000 budget request, DOL has proposed amending WTW to allow up to one-third of the WTW funds (\$500 million of the \$1.5 billion) to be used to upgrade the skills of entry level workers. Eligible individuals would include former welfare recipients and other low income individuals who qualify for the EITC, with priority given to certain non-custodial parents. This initiative would be permissive rather than mandatory -- states could opt to use a portion of their formula grant for this expanded purpose and population. Employers would be required to match the federal contribution and commit to hire former welfare recipients for the positions vacated by the upgraded employees. DOL's proposal would provide access to upgrade training to a broader range of entry level workers, not just those who have been on welfare. DOL is currently refining the proposal, but one option is to use \$250 million to help low income/entry level workers upgrade skills so they can move up the career ladder and increase their earnings, and target the other \$250 million for a broader responsible fathers initiative (see below).

Expand Access to Cars for Individuals Moving from Welfare to Work

We continue to pursue several small initiatives that would increase access to cars without having the federal government directly purchase cars for individuals. Possibilities include: 1) Donate surplus federal vehicles to welfare to work programs who could in turn lease or sell them to current and former welfare recipients for whom public transit is not a viable option, including those living in rural areas. This could be modeled after the initiative to donate federal computers to schools. 2) Identify a modest amount of seed money for a new national intermediary established to expand the number of community-based revolving loan programs for low income families to purchase cars (\$5 - \$10 million).

Welfare to Work Tax Credits

See Community Empowerment section.

Connection between TANF and Unemployment Insurance.

While there continues to be substantial interest in this issue, it is probably best considered

within the broader context of UI reform. DOL's FY 2000 budget has a placeholder for UI reform, and OMB is convening a discussion on the issue later this week.

Additional Welfare-to-Work Housing Vouchers.

See Community Empowerment section.

Full Funding for Job Access and Reverse Commute Grants.

The Omnibus Budget Act appropriated \$75 million for FY 1999 (\$25 million above the FY 1999 guaranteed funding level). TEA-21 set guaranteed funding from the Highway Trust Fund at \$60 million for FY 2000. DOT has requested \$150 million in its FY 2000 budget. We may also want to pursue a legislative change to the way funds flow to tribal areas -- currently, states must select tribes as applicants.

Promote Responsible Fatherhood

Responsible Fatherhood Grants

There is growing interest at all levels of government and across a broad spectrum of society in helping fathers be responsibly involved in their children's lives through both financial and emotional support. Increasing the employment and earnings of low income fathers will increase the financial support they can provide for their children. This support is particularly critical for children whose custodial parents are moving from welfare to work. These fathers are generally motivated to work, but they tend to have intermittent, low-paying jobs. They also have high rates of involvement with the criminal justice system. Employment efforts should therefore focus on helping these fathers succeed and advance in the formal workforce through a combination of retention and rapid re-employment services, and work-based skill upgrading.

We continue to work through a number of funding and scope issues, but one option would be to designate \$250 million from the WTW funds that could be matched by TANF and child support funds. Funds could be allocated on a formula basis to states who submit a joint plan from their TANF, child support, and WTW agencies. This plan would identify a local service delivery approach that ensured involvement of appropriate local stakeholders, including community-based organizations. While the primary focus would be employment, funds could also be used to support parenting, peer support, mediation and other services for fathers who were participating in work and cooperating with child support. States could propose innovative modifications to the child support system to remove barriers preventing the system from working appropriately for this population. We might also consider expanding funding for Access and Visitation grants for fathers who are 'playing by the rules', i.e. paying their child support obligations and participating in activities to increase their employment. For equity reasons, it may be appropriate to allow some level of service to any low income father who is supporting

his children (whether living with them or not), but the primary focus could be non-custodial fathers (or parents) whose children are current or former TANF recipients.

Congressman Shaw is expected to reintroduce his Fathers Count block grant proposal next session and this grant proposal could be a basis for developing a bipartisan initiative. He proposed \$2 billion over 5 years, beginning with \$200 million in Year 1, growing \$100 million per year to \$500 million in Year 5.

Other options for expanding the federal focus on low income fathers include: requiring states to serve a certain proportion of fathers in their formula grant programs or designating a competitive grant set-aside. We could also broaden WTW eligibility criteria to include any non-custodial parent of a child on welfare who needs employment assistance in order to meet their child support responsibilities (currently, the father needs to meet the WTW hard-to-serve criteria).

Any fathers initiative should be accompanied by a strong interagency technical assistance and evaluation component since this is a relatively new field. We could direct HHS and DOL to identify existing resources, or request approximately \$5 million in FY 2000 funding, for: a how-to guidebook that compiles lessons from past programs, promising practices, and resource information; electronic clearing house with links to research, existing programs, and resources with an interactive forum for information; and an 800 number communities can call for information. It may also be appropriate for DOJ and HUD to participate.

Child Support Law Enforcement Initiative

This initiative will increase the prosecution of egregious child support violators by establishing multi-agency investigative teams to identify, analyze, and investigate cases for prosecution. This investigative effort will result in more cases being referred to the U.S. Attorney offices ready to prosecute. HHS's Office of Child Support Enforcement, Office of the Inspector General, and Office of Investigations, working with state and local law enforcement and child support agencies, have already launched a pilot project in Columbus Ohio, which will cover 5 states (Illinois, Indiana, Michigan, Minnesota, and Ohio). This proposal would put these units in place all across the nation within the next several years. Additionally, it would provide paralegals dedicated to child support cases to the 83 U.S. Attorneys offices that do not now have them. In July, you signed into law the Deadbeat Parents Punishment Act, creating two new categories of felonies for the most egregious child support evaders. (Cost: about \$10 million over 5 years).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 17:31:15.00

SUBJECT: Moving-to-Work Waivers

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

READ:UNKNOWN

TEXT:

Should've cc'd you.

----- Forwarded by Andrea Kane/OPD/EOP on 10/30/98 05:30 PM -----

Andrea Kane
10/30/98 04:54:41 PM
Record Type: Record

To: Cynthia A. Rice/OPD/EOP, Paul J. Weinstein Jr./OPD/EOP, Bruce N. Reed/OPD/EOP
cc:
Subject: Moving-to-Work Waivers

----- Forwarded by Andrea Kane/OPD/EOP on 10/30/98 04:56 PM -----

Francis S. Redburn
10/30/98 04:48:11 PM
Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Hang T. Tran/OMB/EOP, Katherine L. Meredith/OMB/EOP, James F. Jordan/OMB/EOP
Subject: Moving-to-Work Waivers

FYI. This is good news, and a good precedent for the WTW housing vouchers. Once we get to discussing this with HUD and the Hill again, we can cite the experience we expect to get in the demo. as a future guide to which waivers we can grant for WTW without harm.

----- Forwarded by Francis S. Redburn/OMB/EOP on 10/30/98 04:46 PM -----

Hang T. Tran
10/30/98 04:40:21 PM
Record Type: Record

To: Michael Deich/OMB/EOP@EOP
cc: See the distribution list at the bottom of this message
Subject: Moving-to-Work Waivers

We have heard from HUD that the Secretary approved the waiver requests in the Moving to Work demonstration program for variation in rent levels (i.e. rents set above or below the 30 percent Brooke rent) and for time-limiting assistance.

MT

Message Copied

To: _____

Theodore Wartell/OMB/EOP@EOP
Patricia E. Romani/OMB/EOP@EOP
Francis S. Redburn/OMB/EOP@EOP
Alan B. Rhinesmith/OMB/EOP@EOP
James F. Jordan/OMB/EOP@EOP
Katherine L. Meredith/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 11:20:05.00

SUBJECT: where were these teens when we needed them?

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:

Prop. 10 Would Cut Teens' Smoking, Survey Finds

By NICHOLAS RICCARDI, Times Staff Writer

A survey of Los Angeles County's teenage smokers shows that nearly half would cut back or try to quit if Proposition 10 passes Tuesday and cigarette prices increase by 50 cents per pack, health officials announced Thursday. The survey by the county's health department was part of a yearlong analysis of attitudes toward smoking among teenagers and adults. A separate poll found that 69% of adults support raising the cigarette tax, and the vast majority also back current smoking restrictions. Further analysis found that the price increase from the additional cigarette taxes mandated by Proposition 10 would ultimately lead to 75,000 fewer adolescents smoking, preventing 24,000 premature deaths among young people in the county. Officials contend that it would save the county an estimated \$1 billion in public health costs. At a news conference Thursday, health officials said they would use the findings to help hone media campaigns against teenage smoking. Former smoker and county Supervisor Zev Yaroslavsky seized on the survey to reiterate his support for Proposition 10. "This tax is going to discourage a large number of kids who are the target population of the tobacco industry," he said. "We are in a war with the tobacco industry for the hearts and the minds of teenagers."

measure that
\$700-million
by actor
had wide support
contributed \$27
advertising campaign

Fielding said that
increase in
of 10 residents

by the Field
Fielding said. He
experience has
are relatively
representative as a
sample of

questioned would
16% would try

The Board of Supervisors has endorsed the statewide
would boost cigarette taxes and use the estimated
annual revenue for anti-smoking campaigns. Sponsored
Rob Reiner, among others, Proposition 10 initially
in early polling. But tobacco companies have
million to defeating the initiative, and an intense
has narrowed its margin of approval.
But county Director of Public Health Jonathan E.
when people are asked flatly whether they support an
the cigarette tax, the answer is a clear yes for 7
polled.
Although the poll of adults was conducted last year
Research Corp., it was not analyzed until recently,
added that its findings should remain valid. "Our
been that the answers to these kinds of questions
stable."
The survey of teenagers, Fielding said, is not as
poll because it is harder to gather a true random
adolescents.
The survey found that 9% of the 400 teenagers
quit immediately if cigarette prices rose 50 cents;
to quit, and 23% would cut down.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 08:55:08.00

SUBJECT: I have no pager today, so if you need to reach me today pls do so by phone

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

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

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

TO: Essence P. Washington (CN=Essence P. Washington/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: Cynthia A. Rice (CN=Cynthia A. Rice/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: Tanya E. Martin (CN=Tanya E. Martin/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: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Laura Emmett (CN=Laura Emmett/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: Jonathan H. Schnur (CN=Jonathan H. Schnur/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: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./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: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

READ:UNKNOWN

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

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

TO: Elena Kagan (CN=Elena Kagan/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: 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

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

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

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-OCT-1998 18:54:26.00

SUBJECT: Revised Post-Radio stump

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

Draft 10/30/98 6:00pm
Jordan Tamagni

PRESIDENT WILLIAM J. CLINTON
TALKING POINTS FOR GLEN FOREST ELEMENTARY SCHOOL
OVERFLOW EVENT
FALLS CHURCH, VIRGINIA
October 31, 1998

Acknowledgments: Principal Susan Fitz; Fran Jackson (teacher); Lori Kuzniewski [kuz-nin-ski] (Mrs. K., teacher in trailer).

I want to start by wishing all of you a Happy Halloween! You just heard my weekly radio address, but I wanted to talk to you for just a few more minutes about the issues that are at stake in the upcoming election -- and the responsibility every American has to vote.

This is not an ordinary time -- and this is not an ordinary election. The Congress we elect on Tuesday will be the first Congress of the 21st Century. The result of that choice will shape the way we live for years to come.

For nearly six years I have worked to bring this country together, to move it forward, and to be a force for peace and freedom throughout the world. Today, because of the hard work of the American people and the policies we put in place, we have nearly 17 million new jobs ... the lowest unemployment in 28 years ... the highest homeownership in history ... the smallest percentage of our people on welfare in 29 years ... the lowest crime rate in more than five years. And because we have held fast to fiscal responsibility, we have the first balanced budget since Neil Armstrong walked on the moon, and the smallest federal government since John Glenn first orbited the earth.

But this past year, extreme partisanship in Congress threatened the progress we have worked so hard together to make. As I said in my radio address -- we don't need two more years of partisanship -- we need two more years of progress.

We need a Congress that prepares our children for the future by honoring its commitment to put 100,000 teachers in the classroom, modernizing our schools, and insisting on high academic standards -- not a Congress that wants teachers to do their job in trailers. The last Congress tried to slash our investment in education by more than \$2 billion dollars -- we stopped them this year, but next year we need a Congress that strengthens education.

We need a Congress that ensures 75 million Baby Boomers can retire in dignity without burdening our children by saving Social Security first -- not a Congress that wants to squander our hard-won budget surplus on an election year tax plan. And we need a Congress that helps older Americans live longer and healthier lives by passing my plan to let 55 to 65 year olds buy into Medicare.

We need a Congress that gives American families the security they deserve by passing a Patients Bill of Rights that protects your right to see a specialist, to be treated in the nearest emergency room, and to have the same doctor throughout a course of treatment -- not a Congress that thinks accountants should make medical decisions.

We need a Congress that protects our children from the deadly harm

of tobacco by passing comprehensive legislation that prevents big tobacco companies from targeting their multi-million dollar marketing schemes at teenagers -- not a Congress that would stand by while 3,000 children start smoking every day.

We need a Congress that honors work and family by raising the minimum wage -- not a Congress that stands of the way of higher pay for 12 million Americans.

We need a Congress that restores the American people's faith in government by passing meaningful campaign finance reform -- not a Congress in debt to special interests.

To prepare America for the 21st Century, we need a Congress that puts progress ahead of partisanship. This Tuesday, you have the power to elect that Congress -- but only if you go out and vote.

Thank you, Happy Halloween, and remember to vote!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David R. Goodfriend (CN=David R. Goodfriend/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:30-OCT-1998 11:15:28.00

SUBJECT: President's Trip to Baltimore

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

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

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

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

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

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

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

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

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

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

TO: Cecily C. Williams (CN=Cecily C. Williams/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

TO: Megan C. Moloney (CN=Megan C. Moloney/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: Bruce R. Lindsey (CN=Bruce R. Lindsey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

TO: Barbara A. Barclay (CN=Barbara A. Barclay/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: Dana C. Strand (CN=Dana C. Strand/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

TO: allen.kent (allen.kent @ mail.va.gov @ inet [UNKNOWN])
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: Marsha Scott (CN=Marsha Scott/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Michael V. Terrell (CN=Michael V. Terrell/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Michael Cohen (CN=Michael Cohen/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: David S. Beaubaire (CN=David S. Beaubaire/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TEXT:

On Sunday, November 1, the President will travel to Baltimore, Maryland to address the New Psalmist Baptist Church. Deadlines for the President's trip book are as follows:

Background Memos (MD): DUE SATURDAY, OCT. 31, NOON

- Political Memos
- CEQ Hot Issues
- Cabinet Affairs Hot Issues
- Accomplishments

Event Memo: DUE SATURDAY, OCT. 31, NOON

- New Psalmist Baptist Church Event

If you have any questions, please e-mail or call me (6-2702). Thanks.
--David Goodfriend

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-NOV-1998 21:52:05.00

SUBJECT: patients' bill of rights paper

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: Joseph P. Lockhart (CN=Joseph P. Lockhart/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:

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D76]MAIL476202505.326 to ASCII,
The following is a HEX DUMP:

FF575043B7060000010A02010000000205000000002E0000000200000B319FBDA5A0809D741BDDC
525EAB266F910733BCF5794B99A578FE989AD01A0628C9F4FFA02620BD133E8E2C8F05BF6CE565
13EC33CB5D24BF4CA31F850F04BC69E2037613205A03A75A4F4BEA40348E6FD3804DC2D9A6FF53

PRESIDENT CLINTON RELEASES REPORT DOCUMENTING ACTIONS FEDERAL GOVERNMENT IS TAKING TO IMPLEMENT A PATIENTS' BILL OF RIGHTS AND URGES VOTERS TO SEND BACK A CONGRESS THAT SHARES HIS COMMITMENT TO PASS LEGISLATION TO ASSURE PROTECTIONS FOR ALL HEALTH PLANS

November 2, 1998

Today, President Clinton urged voters to send back a Congress that shares his commitment to passing a strong enforceable patients' bill of rights next year. The President also emphasized that while the Republican Leadership has stalled on the patients' bill of rights, the Administration has been doing everything possible to implement these protections in Federal health plans. To that end, he unveiled a report from the Vice President documenting action that the Federal government is taking within its authority to implement the patients' bill of rights in the health plans it administers or oversees. Today, the President:

Criticized Republican Leadership for allowing Congress to adjourn without passing a strong patients' bill of rights. For a full year, the President has been calling on the Congress to pass a strong enforceable patients' bill of rights. For months, the Republican Leadership used every possible stall tactic to thwart the patients' bill of rights. When the Republican Leadership finally did introduce a bill, their proposal contained more loopholes than patient protections. It did not contain critical protections such as access to specialists and offered false promises such as an appeals process that left the decisions in the hands of HMO accountants. In fact, Senator Lott would not even allow an up or down vote to be held on this issue.

Urged voters to choose a Congress committed to passing a meaningful patients' bill of rights. President Clinton committed to doing everything possible to pass a strong patients' bill of rights in the next Congress and urged Americans to go to the polls tomorrow to elect a Congress that shares this commitment. This legislation should include enforceable patient protections, such as access to specialists, coverage of emergency room services when and where the need arises, continuity of care protections, an internal and independent external appeals process to appeal decisions made by HMO accountants, and protections to assure that HMOs are held accountable when patients are harmed or injured due to a health plans' decisions.

Released report from the Vice President that highlighted that while the Republican Leadership delayed, the Administration is acting to implement patient protections in Federal health plans. In February, the President directed Medicare, Medicaid, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program -- which serve over 85 million Americans -- to, where possible, come into compliance with the patients' bill of rights outlined by the President's Quality Commission. Today, the Vice President released a report highlighting that these agencies have taken all the action within their statutory authority to implement patient protections. As a result, the Federal health plans are now, or soon will be, in virtual compliance with the patients' bill of rights. The report documents that:

- **The 285 participating health plans, covering nine million Federal employees and their dependents, have been directed to implement new patient protections this year.** The Office of Personell Management (OPM), which oversees the Federal Health Employees Benefits Program (FEHBP) serving nine million Federal employees and dependents, has directed their 285 participating health plans to come into compliance with the patients' bill of rights. Through their annual call letter, OPM has specifically requested that plans implement new protections including access to specialists, continuity of care, disclosure of financial incentives, and access to emergency room services. Finally, OPM has issue new regulations to prevent "gag clauses." OPM is also sending information to beneficiaries to assure they are fully aware of their new patient protections.

- **The 39 million Medicare beneficiaries are benefitting from critical patient protections. Building on Medicare's commitment to provide essential patient protections, HHS published an Interim Final rule, in June, that includes a series of new patient protections for Medicare beneficiaries. When this rule is fully implemented, Medicare will be virtually in compliance with the patients' bill of rights including new protections such as access to emergency services when and where the need arises, patient participation in treatment decisions, and access to specialists.**
- **The 38 million Medicaid beneficiaries are being assured essential protections in the patients' bill of rights. In September, the Health Care Financing Administration published a Notice of Proposed Rulemaking (NPRM) adding new patients protections for Medicaid beneficiaries, such as access to specialists and an expedited independent appeals process to bring the program in compliance with the patients' bill of rights, where possible.**
- **Over eight million Americans will receive the protections in the patients' bill of rights by the end of this year as a result of the new policy directive assured by the Defense Department's Military Health System (MHS). In response to the President's directive, DoD issued "The Patients' Bill of Rights and Responsibilities in the Military Health System," a major policy directive to all participants in the MHS. This directive outlined new protections for the over 8 million beneficiaries served by MHS, including access to appropriate specialists for women's health needs and chronic illnesses and rights for the full discussion of treatment options and of financial incentives. With this directive, which will be fully implemented by the end of this year, DoD will now be in compliance with the patients' bill of rights .**
- **Over three million veterans are or will soon be assured virtually all patient protections. In July, the Department of Veteran Affairs (DVA) issued an Information Memorandum to participating health providers announcing its intention to have an external appeals process in place by the end of the year. Similarly, DVA established a task force to make recommendations as to how best implement information disclosure requirements consistent with Commission's recommendations and has developed a new brochure to provide beneficiaries the necessary information. With the implementation of these new protections DVA is in virtual compliance with the patients' bill of rights**
- **The 125 million Americans covered by ERISA still are not assured critical patient protections because the Department of Labor does not have the authority to implement them without legislation. DoL oversees the Employee Retirement Income Security Act (ERISA), governing approximately 2.5 million private sector health plans, that cover about 125 million Americans, issued a new regulation to implement an expedited internal appeals process and information disclosure requirements. However, DoL's report underscores that unless Congress passes Federal legislation, they do not have the authority to implement most patient protections.**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-NOV-1998 16:04:47.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Please call Christa re: approval of press/briefing paper 6-5165.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-NOV-1998 17:24:41.00

SUBJECT: Final Briefing

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

CC: Roger V. Salazar (CN=Roger V. Salazar/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D7]MAIL484176404.326 to ASCII,
The following is a HEX DUMP:

FF575043A0060000010A020100000002050000004C3900000002000003811FE8681715FEFE3741E
AB00953FC133A19B547B6A54C9CCE2165816D492709605C123B22D9D53D8EB6479B5540CDB01E0

November 1, 1998

PATIENTS BILL OF RIGHTS CEREMONY

DATE: November 2, 1998
LOCATION: Rose Garden
BRIEFING TIME: 12:15 pm - 12:55 pm
EVENT: 1:00 pm - 2:00 pm
FROM: Bruce Reed/Chris Jennings

I. PURPOSE

To urge voters to elect a Congress that supports increasing patient protections, and to release a report detailing actions the federal government has taken to implement a Patients Bill of Rights while the Republican Leadership stalled on this issue.

II. BACKGROUND

This is an opportunity for you to urge voters to elect a Congress that shares your commitment to passing a strong enforceable Patients' Bill of Rights next year. You should emphasize that while the Republican Leadership stalled on the patients' bill of rights, the Administration has been doing everything possible to implement these protections in Federal health plans. To that end, you will be releasing a new report from the Vice President documenting action that the Federal government is taking within its authority to implement the Patients' Bill of Rights in the health plans it administers or oversees. In your remarks, you should make the following points:

Criticize the Republican Leadership for allowing Congress to adjourn without passing a strong Patients' Bill of Rights. For a full year, you have been calling on the Congress to pass a strong enforceable patients' bill of rights. For months, the Republican Leadership used every possible stall tactic to thwart the patients' bill of rights. When the Republican Leadership finally did introduce a bill, their proposal contained more loopholes than patient protections. It did not contain critical protections, such as access to specialists, and offered false promises, such as an appeals process that left the decisions in the hands of HMO accountants. In fact, Senator Lott would not even allow an up or down vote to be held on this issue.

Urge Voters to Choose A Congress Committed to Passing A Strong Enforceable Patients' Bill of Rights. You should reiterate your strong commitment to passing a Patients' Bill of Rights in the next Congress and urge Americans to go to the polls

tomorrow to elect a Congress that shares this commitment. This legislation should include enforceable patient protections, such as access to specialists, coverage of emergency room services when and where the need arises, continuity of care protections, an internal and independent external appeals process to appeal decisions made by HMO accountants, and protections to assure that HMOs are held accountable when patients are harmed or injured due to a health plans' decisions.

Announce the Release of a New Report From the Vice President That Highlights the Administration Is Doing Everything Possible to Implement Patient Protections. In February, you directed Medicare, Medicaid, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program -- which serve over 85 million Americans -- to, where possible, come into compliance with the Patients' Bill of Rights outlined by the President's Quality Commission. Today, the Vice President released a report highlighting that these agencies have taken all the action within their statutory authority to implement patient protections. As a result, the Federal health plans are now, or soon will be, in virtual compliance with the Patients' Bill of Rights. The report documents that:

- *The 285 participating health plans, covering nine million Federal employees and their dependents, have been directed to implement new patient protections this year. OPM which oversees the Federal Health Employees Benefits Program (FEHBP) serving nine million Federal employees and dependents, has directed their 285 participating health plans to come into compliance with the Patients' Bill of Rights. Through their annual call letter, OPM has specifically requested that plans implement new protections including access to specialists, continuity of care, disclosure of financial incentives, and access to emergency room services. Finally, OPM has issue new regulations to prevent "gag clauses." OPM is also sending information to beneficiaries to assure they are fully aware of their new patient protections.*
- **The 39 million Medicare beneficiaries are benefitting from critical patient protections.** Building on Medicare's commitment to providing essential patient protections, HHS published an Interim Final rule in June that includes a series of new patient protections for Medicare beneficiaries. When this rule is fully implemented, Medicare will be virtually in compliance with the Patients' Bill of Rights, including new protections such as **access to emergency services when and where the need arises, patient participation in treatment decisions, and access to specialists.**
- **The 38 million Medicaid beneficiaries are being assured essential protections in the Patients' Bill of Rights.** In September, HCFA published a Notice of Proposed Rulemaking (NPRM) adding new patients protections for Medicaid beneficiaries, such as access to specialists

and an expedited independent appeals process to bring the program in compliance with the Patients' **Bill of Rights**, where possible.

- **Over eight million Americans will receive the protections in the patients' bill of rights by the end of this year as a result of the new policy directive assured by the Defense Department's Military Health System (MHS). In response to your directive, DoD issued "The Patients' Bill of Rights and Responsibilities in the Military Health System," a major policy directive to all participants in the MHS. This directive outlined new protections for the over 8 million beneficiaries served by MHS, including access to appropriate specialists for women's health needs and chronic illnesses and rights for the full discussion of treatment options and of financial incentives. With this directive, which will be fully implemented by the end of this year, DoD will now be in compliance with the Patients' Bill of Rights.**
- **Over three million veterans are or will soon be assured virtually all patient protections. In July, the Department of Veteran Affairs (DVA) issued an Information Memorandum to participating health providers announcing its intention to have an external appeals process in place by the end of the year. Similarly, DVA established a task force to make recommendations as to how best implement information disclosure requirements consistent with Commission's recommendations and has developed a new brochure to provide beneficiaries the necessary information. With the implementation of these new protections DVA is virtually in compliance with the Patients' Bill of Rights.**
- **The 125 million Americans covered by ERISA still are not assured critical patient protections because the Department of Labor does not have the authority to implement them without legislation. DoL oversees the Employee Retirement Income Security Act (ERISA), governing approximately 2.5 million private sector health plans, that cover about 125 million Americans, issued new regulation to implement an expedited internal appeals process and information disclosure requirements. However, DoL's report underscores unless Congress passes Federal legislation, they do not have the authority to implement most patient protections.**

III. PARTICIPANTS

Briefing Participants:

Bruce Reed

Chris Jennings

Karen Tramantano

Program Participants:

YOU

Beverly Malone, President of the American Nurses Association

Dr. Robert Weinmann, advocate of HMO reform

Frances Jennings, victim of HMO abuse. Her husband was delayed two months for a re:

To be greeted before event:

Secretary Alexis Herman, Department of Labor

Director Janice LaChance, Office of Personnel Management

Deputy Secretary Gober, Veterans Administration

Gerald McEntee, President of AFSCME

Bill Lucy, Secretary Treasurer of AFSCME

Linda Chavez-Thompson, Executive Vice-President of the AFL-CIO

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced onto the stage accompanied by program participants.
- Beverly Malone will make remarks and introduce Dr. Robert Weinmann.
- Dr. Robert Weinmann will make remarks and introduce Frances Jennings.
- Frances Jennings will make remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and then depart.

VI. REMARKS

Provided by Speechwriting.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-NOV-1998 14:30:28.00

SUBJECT: Paper

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

READ:UNKNOWN

CC: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

Attached is draft paper on tomorrow's event. The one outstanding question we are hoping to get guidance on is the extent to which we can say that we hope voters elect Congress that will pass patients' bill of rights (have call into counsel's office)

sb

'===== ATTACHMENT 1 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D91]MAIL44170640V.326 to ASCII,
The following is a HEX DUMP:

FF5750438A060000010A02010000000205000000CE2B000000020000C6FAF869F715223F2272D6
0C85D4891B0899A49036F996F0E0BD01A9F17DBDA146B5C5938320DD1A36F2277BDA19F54D1883

P RESIDENT CLINTON RELEASES REPORT DOCUMENTING ACTIONS FEDERAL GOVERNMENT IS TAKING TO IMPLEMENT PATIENT' BILL OF RIGHTS AND CRITICIZES REPUBLICAN LEADERSHIP FOR THWARTING EFFORTS TO PASS LEGISLATION TO ASSURE PROTECTIONS FOR ALL HEALTH PLANS

November 2, 1998

Today, President Clinton urged voters to send back a Congress that shares his commitment to passing a strong enforceable Patients' Bill of Rights next year. The President also emphasized that while the Republican Leadership stalled on the patients' bill of rights, the Administration has been doing everything possible to implement these protections in Federal health plans. To that end, he unveiled a report from the Vice President documenting action that the Federal government is taking within its authority to implement the Patients' Bill of Rights in the health plans it administers or oversees. Today, the President:

Criticized Republican Leadership for Allowing Congress to Adjourn Without Passing a Strong Patients' Bill of Rights. For a full year, the President has been calling on the Congress to pass a strong enforceable patients' bill of rights. For months, the Republican Leadership used every possible stall tactic to thwart the patients' bill of rights. When the Republican Leadership finally did introduce a bill, their proposal contained more loopholes than patient protections. It did not contain critical protections such as access to specialists and offered false promises such as an appeals process that left the decisions in the hands of HMO accountants. In fact, Senator Lott would not even allow an up or down vote to be held on this issue.

Urges Voters to Choose A Congress Committed to Passing A Strong Enforceable Patients' Bill of Rights. President Clinton restated his strong commitment to passing a patients' of rights in the next Congress and urged Americans to go to the polls tomorrow to elect a Congress that shares this commitment. This legislation should include enforceable patient protections, such as access to specialists, coverage of emergency room services when and where the need arises, continuity of care protections, an internal and independent external appeals process to appeal decisions made by HMO accountants, and protections to assure that HMOs are held accountable when patients are harmed or injured due to a health plans' decisions.

Released Report From the Vice President That Highlights That While the Republican Leadership Delayed, the Administration Is Doing Everything Possible to Implement Patient Protections. In February, the President directed Medicare, Medicaid, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program -- which serve over 85 million Americans -- to, where possible, come into compliance with the Patients' Bill of Rights outlined by the President's Quality Commission. Today, the Vice President released a report highlighting that these agencies have taken all the action within their statutory authority to implement patient protections. As a result, the Federal health plans are now, or soon will be, in virtual compliance with the Patients' Bill of Rights. The report documents that:

- **The 285 participating health plans, covering nine million Federal employees and their dependents, have been directed to implement new patient protections this year.** OPM which oversees the Federal Health Employees Benefits Program (FEHBP) serving nine million Federal employees and dependents, has directed their 285 participating health plans to come into compliance with the patients' bill of rights. Through their annual call letter, OPM has specifically requested that plans implement new protections including access to specialists, continuity of care, disclosure of financial incentives, and access to emergency room services. Finally, OPM has issue new regulations to prevent "gag clauses." OPM is also sending information to beneficiaries to assure they are fully aware of their new patient protections.

- **The 39 million Medicare beneficiaries are benefitting from critical patient protections. Building on Medicare’s commitment to providing essential patient protections, HHS published an Interim Final rule, in June, that includes a series of new patient protections for Medicare beneficiaries. When this rule is fully implemented, Medicare will be virtually in compliance with the Patients’ Bill of Rights including new protections such as access to emergency services when and where the need arises, patient participation in treatment decisions, and access to specialists.**
- **The 38 million Medicaid beneficiaries are being assured essential protections in the Patients’ Bill of Rights. In September, the Health Care Financing Administration published a Notice of Proposed Rulemaking (NPRM) adding new patients protections for Medicaid beneficiaries, such as access to specialists and an expedited independent appeals process to bring the program in compliance with the Patients’ Bill of Rights, where possible.**
- **Over eight million Americans will receive the protections in the patients’ bill of rights by the end of this year as a result of the new policy directive assured by the Defense Department’s Military Health System (MHS). In response to the President’s directive, DoD issued “The Patients’ Bill of Rights and Responsibilities in the Military Health System,” a major policy directive to all participants in the MHS. This directive outlined new protections for the over 8 million beneficiaries served by MHS, including access to appropriate specialists for women’s health needs and chronic illnesses and rights for the full discussion of treatment options and of financial incentives. With this directive, which will be fully implemented by the end of this year, DoD will now be in compliance with the Patients’ Bill of Rights.**
- **Over three million veterans are or will soon be assured virtually all patient protections. In July, the Department of Veteran Affairs (DVA) issued an Information Memorandum to participating health providers announcing its intention to have an external appeals process in place by the end of the year. Similarly, DVA established a task force to make recommendations as to how best implement information disclosure requirements consistent with Commission’s recommendations and has developed a new brochure to provide beneficiaries the necessary information. With the implementation of these new protections DVA is virtually in compliance with the Patients’ Bill of Rights.**
- **The 125 million Americans covered by ERISA still are not assured critical patient protections because the Department of Labor does not have the authority to implement them without legislation. DoL oversees the Employee Retirement Income Security Act (ERISA), governing approximately 2.5 million private sector health plans, that cover about 125 million Americans, issued new regulation to implement an expedited internal appeals process and information disclosure requirements. However, DoL’s report underscores unless Congress passes Federal legislation, they do not have the authority to implement most patient protections.**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-NOV-1998 18:30:55.00

SUBJECT: Re: Race Book, Budget, SOTU

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

READ:UNKNOWN

TEXT:

----- Forwarded by Bruce N. Reed/OPD/EOP on 11/02/98
06:31 PM -----

Maria Echaveste

11/02/98 06:25:18 PM

Record Type: Record

To: "Christopher Edley, Jr." <edley @ law.harvard.edu>

cc: Bruce N. Reed/OPD/EOP, Gene B. Sperling/OPD/EOP, Jonathan A. Kaplan/OPD/EOP

bcc:

Subject: Re: Race Book, Budget, SOTU

What ideas do you want dpc/nec to consider--that's where this should be taking place--I of course, will review their memos on weds and see if there's anything in there, but I suspect that there might not be much on race --which is why I thought your conversations/meetings with policy shops about the policy work for the book is how any race ideas for sotu/budget would be generated. Is there something you have been proposing that is not being paid attention to--why don't you email bruce and gene with your ideas--by copying them on this email, I am asking them to consider, think about and otherwise be creative on race/sotu/budget--but I thought that's what you were doing by working with their staffs.

"Christopher Edley, Jr." <edley @ law.harvard.edu>

11/02/98 06:08:20 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP

cc:

Subject: Re: Race Book, Budget, SOTU

I have no idea what the DPC and NEC will say to POTUS about their recommended policy issues, because there is no process I'm aware of that will give me an opportunity to see what Bruce and Gene give to the President. So the fact that our staffs have talked amicably, and that we've had several excellent meetings, is almost no assurance at all.

The PIR transition meeting discussion of race & the SOTU is fine, but I doubt that anyone is going to come with much of an idea, because no one was given an assignment to do so.

My own sense of it is that when POTUS reviews the book during Xmas season, he'll be in a position to decide what if anything he wants to say about race. So a dicussion now strikes me as premature.

It's just a speech. The real issue is the budget.

So, again: Can there be a process, please, to make sure that POTUS gets an opportunity to consider race ideas? If yes, then how and when?

Thanks.

At 11:55 AM 11/2/1998 -0500, you wrote:

>I have been assuming that your close working relationship with DPC/NEC
>over
>the last several weeks has facilitated the development of any race
>"policy"
>or budget initiatives and that any such ideas will be incorporated in the
>ideas memos the policy councils are drafting for submission to President
>by
>end of week. Let me know if you feel that is not happening. I've also
>raised in our last PIR transition mtg that we should brainstorm to see
>what
>should be said in the sotu about the race initiative--we have a mtg
>scheduled this early this week, I think.

>
>
>
>
>
>

> (Embedded
> image moved "Christopher Edley, Jr." <edley @ law.harvard.edu>
> to file: 11/02/98 09:08:56 AM
> PIC22444.PCX)

>
>
>
>

>Record Type: Record

>
>

>To: Maria Echaveste/WHO/EOP

>

>cc: Marjorie Tarmey/WHO/EOP

>Subject: Race Book, Budget, SOTU

>
>
>
>
>

>This is gentle reminder that you agreed to discuss how to ensure that the
>policy ideas being developed for the race book are tied to budget and SOTU
>as appropriate. I don't know your plan for this, but I know that DPC and
>NEC staff are under the impression that that there will be policy ideas
>going into POTUS on Friday of this week, for possible inclusion in SOTU
>and

>budget. I only learned about this from "my" staff, based on their
>conversations with NEC/DPC staff.
>So, awaiting further guidance, I'll just try to pull together our workplan
>thoughts in some kind of document -- perhaps the form of a draft chapter.
>Let me know.
>
>
>
>
>
>Attachment Converted: "c:\Documents\Attachments\PIC22444.PCX"
>

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-NOV-1998 08:58:47.00

SUBJECT: FYI-Uniform Crime Reports for 1997

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

----- Forwarded by Bruce N. Reed/OPD/EOP on 11/02/98
08:57 AM -----

Jon P. Jennings

10/30/98 06:05:34 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Dawn L. Smalls/WHO/EOP, Leslie Bernstein/WHO/EOP, Ruby Shamir/WHO/EOP

Subject: FYI-Uniform Crime Reports for 1997

On Sunday, November 15 at 9:00 a.m., the FBI and DOJ will release the Uniform Crime Reports for 1997. This is one of the two major data sources for crime statistics. When we say that crime has been down for six years in a row, we are citing this statistic.

According to DOJ, the preliminary reports for 1997, show crime is down for another year. Violent crime, juvenile crime and crime in major cities is down as well.

Message Sent

To:

John Podesta/WHO/EOP

Maria Echaveste/WHO/EOP

Ann F. Lewis/WHO/EOP

Paul E. Begala/WHO/EOP

Thurgood Marshall Jr/WHO/EOP

Douglas B. Sosnik/WHO/EOP

Kris M Balderston/WHO/EOP

Marjorie Tarmey/WHO/EOP

Bruce N. Reed/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-NOV-1998 20:37:35.00

SUBJECT: Presidential directive on Domestic violence

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

The VP is doing a domestic violence event on Wednesday. He is going to be announcing that the Social Security Administration is going to make it easier for victims of domestic violence to change their SSN's. In addition, he is going to announce a directive to OPM to prepare a guide on domestic violence. OPM is working on the directive, and I will get it to you to review as soon as possible. Phil Caplan says he needs it by tomorrow am. Thanks, Mary