

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 041 - FOLDER -003

[12/01/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Amy Weiss to Elena Kagan et al. re: Invitation (1 page)	12/01/1998	Personal Misfile

COLLECTION:

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

FOLDER TITLE:

[12/01/1998]

2009-1006-F

bm71

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June Shih (CN=June Shih/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 1-DEC-1998 18:14:13.00

SUBJECT: congressional meeting/pbor draft. comments asap.

TO: Paul K. Orzulak (CN=Paul K. Orzulak/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

Draft

Shih 12/1/98

PRESIDENT WILLIAM J. CLINTON

STATEMENT AFTER CONGRESSIONAL MEETING

THE WHITE HOUSE

DECEMBER 2, 1998

Good Morning. As the Vice-President and Senator Daschle said, we have just had a very productive discussion about our agenda for the new Congress.

This is a remarkable moment in the history of America. With the strongest economy in a generation, we have the means to tackle the challenges before us. And as we saw in this last election, we have also found the will. From education to social security to health care, the American people have reached a strong consensus for action. They have made it very clear to their leaders in Washington that they want us to get to work on the issues that matter most in their lives -- modern schools and world-class educations for their children, a sound social security system for the 21st Century, and strong patient protections in this era of managed health care.

And that is why Senator Daschle, his colleagues and I are determined to make the passage of a comprehensive Patients², Bill of Rights a key priority next year. We must give Americans the peace of mind that comes from knowing that when they fall ill, they will be treated as people, not dollar signs on a ledger book. I have taken all the steps within my power as President to strengthen patient protections. Just this week, my Administration informed hospitals across America that they must provide emergency care to those who need it and may not deny service while waiting for approval from an insurance company. But now the time has come for Congress must do its part to protect America²,s patients. With Sen. Daschle and his colleagues leading the way, we must work together across party lines to make the Patients², Bill of Rights law. Protecting patients isn²,t a Democratic issue or a Republican issue. Protecting patients is an American issue.

Thirty days ago, the American people gave all of us in Washington our marching orders: They want us to get to work on their behalf and on their business. We Democrats have heard them loud and clear. And we will work with colleagues of good faith across party lines to create a new season of achievement for the American people.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 13:05:38.00

SUBJECT: Crime Meeting Agenda

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

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/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: 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

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

READ:UNKNOWN

TEXT:

BR. et.al.:

While I know we haven't nailed down a time/date for the crime meeting this week, in the hopes that we will do so soon, here's a draft agenda.

Comments? jc3

Crime Meeting Agenda

December 2, 1998

I. Update on FY 2000 budget and new initiatives

- Status of funding for COPS II/Crime Bill II
- DAG's Crime Bill II recommendations
- Other budget issues -- Brady fee, state prison funding, etc.

II. Events/announcements

- Date certain for guidelines on prison drug testing/treatment
- Recommendations on gun shows (1/7)
- YCGII Report (2/9)

Other:

- Timing/guidelines for community prosecution grants
- Timing/guidelines for COPS/school safety earmark
- Timing/announcement for announcement of Exile earmark

III. Miscellany

- NICS: (1) Can sale be denied solely on an arrest? (2) Implementation follow-up?
 - Impact of OMB guidance for CJS appropriations -- how will funds be allocated?

-- DOJ proposed directive requiring firearms to be stamped -- not etched.
-- Pending reports to be released.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leslie Bernstein (CN=Leslie Bernstein/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 1-DEC-1998 16:07:45.00

SUBJECT: Phthalates 12/1

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

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

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

TEXT:

Industry, consumers, trade blows on phthalates
ENDS Daily - 01/12/98

European industry and consumer groups have clashed bitterly over the disputed PVC softening chemicals phthalates, following the latest EU scientific report on the issue. The row includes allegations of "mis-information" traded between the European Consumers' Organisation (Beuc) and toy and plasticiser manufacturers.

In an opinion released yesterday, the EU committee on toxicity, ecotoxicity and the environment concluded that there was still "cause for concern" over phthalates used in toys. The committee found two phthalates, DINP and DEHP to present risks above the strictest safety threshold, though below levels at which actual harm has been observed in tests (ENDS Daily 30 November).

Beuc responded by calling on the EU to immediately ban "all toys" containing phthalates through emergency provisions in product safety legislation. The organisation has been in favour of prohibition since the EU scientists' earlier report in April, and now says that the case for a ban has been strengthened.

The new report marks a "watershed" in the debate on phthalates, according to Beuc. It is now clear that the use of phthalate softeners in children's toys carries a "substantial and unnecessary health risk," and that there should be "grave concern" over the issue, the organisation says.

Beuc described efforts by the European toy and plasticiser industries to defend phthalates as "obscene". Children are being "deliberately placed at risk by toy manufacturers who have executed a systematic campaign of mis-information," the consumers' group concluded.

But in a statement released today, the European Council for Plasticisers and Intermediates (ECPI) and Toy Industries of Europe claimed that it was Greenpeace and Beuc, rather than

themselves, who were "misleading the public" on phthalates. The bodies called on environmental organisations to "stop their ill-informed and fear-mongering campaign," which they said was "scaring parents into believing their children can be harmed by sucking soft plastic toys."

According to ECPI and TiE, the new scientific opinion "does not state that plasticised toys are unsafe". They also describe as "good news" the committee's conclusion that there is a greater margin of safety than it previously thought for DINP, the main phthalate used in toys.

Moreover, the organisations say, new scientific findings, which were reviewed by the committee but not incorporated into its conclusions, would further increase the safety margin for DINP from 75 to well over 100. Under normal scientific procedures, this would take the chemical beyond the threshold at which there is cause for concern.

Contacts: Beuc (<http://www.beuc.org>), tel: +32 2 743 1590;
Toy Industries of Europe, tel: +32 2 732 7040; ECPI
(<http://www.ecpi.org>), tel: +32 2 676 7243.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 18:28:58.00

SUBJECT: For Daily Update

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

TEXT:

On December 2nd, Children's Defense Fund and National Coalition for the Homeless are releasing a rather pessimistic report on welfare reform called "Welfare to What: Early Findings on Family Hardship and Well Being". The report mainly compiles findings from previous studies; the only new data were collected by local non-profit advocacy organizations monitoring welfare reform in six states. I'm currently reviewing the report and will provide a summary later this evening.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sean P. Maloney (CN=Sean P. Maloney/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 1-DEC-1998 12:10:39.00

SUBJECT: The President's Trip to RI

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

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

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

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

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

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

TO: George T. Frampton (CN=George T. Frampton/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

TO: Sidney Blumenthal (CN=Sidney Blumenthal/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: Phillip Caplan (CN=Phillip Caplan/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: 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: 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: Cynthia M. Jasso-Rotunno (CN=Cynthia M. Jasso-Rotunno/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: 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: David R. Goodfriend (CN=David R. Goodfriend/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Paul E. Begala (CN=Paul E. Begala/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: Cecily C. Williams (CN=Cecily C. Williams/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: Barry J. Toiv (CN=Barry J. Toiv/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: Phu D. Huynh (CN=Phu D. Huynh/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: 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 Thursday, December 3, 1998, the President will travel to Rhode Island to tour a water treatment facility and attend a safe drinking water event. Deadlines for the President's trip book are as follows:

RI Background Memos: DUE WED., DEC. 2, AT NOON

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

RI Event Memos: DUE WED., DEC. 2, AT 6:00 P.M.

- Tour/Safe Drinking Water Event

Please call or e-mail me if you have any questions. Thanks.

[Please note that we have updated this e-mail distribution list - - please contact us with names to be added or deleted. Thanks.]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 12:14:12.00

SUBJECT: DPC Goal & Objective Document

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.D36]MAIL44898253J.326 to ASCII,
The following is a HEX DUMP:

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December 2, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: DOMESTIC POLICY COUNCIL GOALS AND OBJECTIVES

The central mission of the Domestic Policy Council is to advance the President's domestic agenda. The following memo outlines our goals and objectives in carrying out the domestic priorities that the President set forward in this year's State of the Union.

OVERALL GOAL:

GOAL: Education. Develop and implement policies to achieve high education standards nationwide and improved student performance to meet those standards.

Objectives:

- Work with Education Department to reauthorize the Elementary and Secondary Education Act and Goals 2000 to strengthen federal support for state and local efforts to raise standards and improve student achievement.
- Work with Education Department to strengthen accountability for reaching high standards throughout federal education programs.
- Work to improve the quality of teaching by providing incentives for states and school districts to better train and test new teachers, better support beginning teachers, and end practices of hiring unqualified teachers, especially in high poverty schools. Promote the work of the National Board for Professional Teaching Standards, encourage states and local school districts to adopt policies to place a master teacher in every school, and highlight successful efforts at the state and local level.
- Work to increase the number of states with charter schools legislation, and propose additional ways of expanding choice within public education.
- Work with the independent, bipartisan National Assessment Governing Board and the business and education communities to reinvigorate the President's proposal for national tests, either by finding private financial support or by reframing the proposal to better gain Congressional support.
- Work with the Education Department, the education community and Congressional supporters to enact the President's School Modernization proposal.

GOAL: Education. Work to ensure that new initiatives enacted last year are effectively

launched and implemented, and receive continued funding.

Objectives:

- Work with the Education Department and education community to ensure a successful launch of the Class Size Reduction initiative, so that local implementation proceeds smoothly, 30,000 teachers are hired, and Congress provides continued funding for the initiative.
- Work with the Education Department to ensure that initial implementation of the Reading Excellence Act effectively supports the President's America Reads Challenge, and along with the class size reduction initiative, works to improve reading achievement in the early elementary grades.
- Work with the Education Department and the K-12 and higher education community to ensure that the President's new initiative to improve teacher education and to recruit talented individuals into teaching is effectively launched, and spurs broader improvements in teacher preparation nationwide.
- Work with the Education Department, the K-12 and higher education community, the business community and community based groups to ensure that GEAR UP (the President's High Hopes initiative) is launched effectively, forms strong partnerships between higher education and K-12 education, and provides the mentoring and support necessary to increase high school graduation and college attendance of middle school.

GOAL: Health Care. Work towards developing policy sound and politically viable health reform initiatives, designed to achieve bipartisan support, that provide for targeted coverage expansions, a more efficient, modernized and market-oriented Medicare program, improved access to home and community based long-term care services for the chronically ill of all ages, a health care system that assures that long-overdue quality and consumer protections are in place, and an increasingly intensive focus on public health initiatives aimed at preventing, diagnosing, treating and curing illness, as well as strengthening the nation's health care safety net.

Objectives:

- Work with Congress to pass strong health care quality reforms. We will continue to advocate for a strong, enforceable Patients Bill of Rights, medical privacy legislation, and protection against genetic discrimination. We will also take administrative and legislative action to improve the quality of the care delivered in nursing homes and assisted living facilities.
- Aggressively implement executive actions and recently enacted legislation (the Children's Health Insurance Program) designed to expand coverage, and continue the development of and support for new legislation aimed at expanding access to needed health care coverage and services. We will continue to support legislation similar to the Jeffords-Kennedy Work Incentives Improvement Act, which would enable people with disabilities to retain their Medicaid coverage when returning to work. We will also work to develop a tax credit for work impairment expenses for people with disabilities. In addition, we will continue to evaluate the feasibility and advisability of advocating for

expanded insurance options for the 55-65 population.

- Implement BBA Medicare reforms and prepare for Commission recommendations. We will assure that any viable reforms that emerge from the Medicare commission meet the President's goal of improving the program while protecting beneficiaries. We will continue to advocate for the rapid implementation of Medicare reforms passed in last year's BBA, and will work to design new initiatives that promote initiatives aimed at increasing new plan choices for beneficiaries (and stopping HMO withdrawals from the program), Medigap reforms, and aggressive anti-fraud and abuse activities.

- Develop and pass new long-term care initiatives aimed at supporting (not supplanting) family caregiving of the chronically ill. We will develop a new tax credit initiative designed to relieve some of the extraordinary costs of providing long-term care to elderly and disabled populations. Among other initiatives, we will also work to provide information, counseling, training, and respite services to individuals with the overwhelming responsibility of caring for an aged parent or relative

- Develop and implement additional successful public health initiatives. New research and surveillance efforts are necessary to adequately address the threat that bioterrorism and resistant bacterial strains present to the public health. Efforts will also be made to increase the speed of new drug and product approvals, and improve food quality. Additional emphasis will be placed on research that seeks to isolate the cause of asthma, a disease affecting millions of children. These initiatives will build on our ongoing commitments to AIDS prevention and treatment programs, biomedical research, and a host of other public health initiatives.

GOAL: Welfare. Promote work and personal responsibility.

Objectives:

- **Oversee implementation of the new welfare law to ensure that the Administration does everything in its power, through executive action, regulations, and other efforts, to help states collect child support, promote personal responsibility, and help people move from welfare to work and succeed in the workforce.**

- **Support ongoing successful efforts to encourage the public and private sectors to hire from the welfare rolls and for faith-based and nonprofit groups to help former recipients succeed in the work force.**

- **Secure reauthorization of the \$1.5 billion a year Welfare-to-Work fund to help states and cities find and create jobs for the most disadvantaged welfare recipients and fathers of children on welfare.**

- **Extend tax credits to encourage companies to hire welfare recipients.**

- **Work with HUD and DOT to ensure successful implementation and secure continued funding for Welfare to Work housing vouchers and Access to Jobs transportation initiatives enacted in FY 1999 budget.**

GOAL: Crime. Enact a new omnibus crime bill to establish the Administration's next phase of anti-crime priorities.

Objectives:

- Lead multi-agency effort to develop and draft new omnibus anti-crime legislation which will create new initiatives to combat crime and improve public safety -- such as COPS II, firearms strike forces, offender accountability -- as well as reauthorize existing programs in the 1994 Crime Act, such as the Violence Against Women Act and funding for Drug Courts.
- Organize events highlighting main provisions of President's new crime legislation and budget, as well as past Administration accomplishments such as the Brady Law and assault weapons ban.
- Draft directives, executive orders, and reports in furtherance of bill's objectives.
- Lead outreach effort to educate, inform, and build consensus with law enforcement, mayors, other elected officials, a bipartisan Congressional delegation, and community-based organizations on President's legislation and key priorities.

GOAL: Drugs. Promote and secure full funding for the President's 1999 10-year Drug Control Strategy.

Objectives:

- Coordinate Administration-wide efforts to promote drug testing and treatment for offenders under criminal justice supervision.
- Work closely with ONDCP on continued implementation of the National Anti-Drug Media Campaign and Southwest Border initiatives.
- Work with ONDCP and Department of Education to revamp Safe and Drug-Free Schools Program.
- Work to ensure full funding for President's drug strategy in appropriations process.

GOAL: Tobacco. Finish the job of significantly reducing teen smoking.

Objectives:

- Secure legislative reaffirmation of the Food and Drug Administration's authority to regulate tobacco and restrict advertising targeted at children.
- Enact legislation to build on the state settlement and significantly reduce youth smoking by further increasing the price of cigarettes, funding anti-tobacco public health efforts, and protecting farmers and farming communities.
- Ensure, through executive action, that the Administration undertakes all possible actions to reduce youth smoking.

GOAL: Child Care. Develop a strategy to pass the President's proposals to provide greater assistance with child care costs to low- and middle-income working parents through significant new subsidies for low-income working families, and greater tax relief for middle-income working families.

Objectives:

Automated Records Management System
Hex-Dump Conversion

- Introduce in FY 2000 budget and SOTU significant new child care investments, equal to or greater than FY 1999 request.
- Include in the President's child care proposal a tax relief initiative to support parents who chose to stay at home with their children.
- Build on recent budget victory of new child care quality investments by including in the President's FY 2000 budget increased support for quality improvements.
- Work with White House Legislative Affairs, HHS, and Treasury to develop a congressional strategy to build on Democratic and Republican legislative proposals.
- Continue work with White House Office of Public Liaison to build more vocal support in the women's, children's, and parents' advocacy groups.

GOAL: Child Care. Develop a strategy to build on after-school victory in the FY 1999 budget and secure a significant new increase in the FY 2000 discretionary budget.

Objectives:

- Include in the President's FY 2000 budget and SOTU a significant new investment in the 21st Century Community Learning Center after-school program.
- Work with White House Legislative Affairs, OMB, and the Department of Education to develop a congressional strategy for FY 2000 appropriations.
- Work with White House Office of Public Liaison to build more vocal support in the women's, children's, anti-crime, and parents' advocacy groups.

GOAL: Families Agenda. Develop and advance Families Agenda.

Objectives:

- Develop package of budget proposals for the SOTU and the FY 2000 budget including: (1) child care initiative; (2) FMLA Expansion; and (3) paid parental leave support.
- Work with White House Offices of Legislative Affairs and Public Liaison to develop congressional and outreach strategies.

GOAL: Civil Rights. Promote and strengthen enforcement of the civil rights laws.

Objectives:

- Work to ensure increased funding for civil rights agencies and for civil rights initiatives in the budget and appropriations process, particularly for equal pay for women and the EEOC.
- Assist in building support for the use of "paired testing" and other effective enforcement tools.
- Promote increased emphasis on voluntary compliance, technical assistance, education, and dispute resolution.
- Organize events highlighting rules, regulations, and legislation to improve civil rights -- involving, for example, legislation on equal pay and funding to reduce the backlog at the EEOC.

- Draft directives, executive orders, and letters in furtherance of civil rights issues.

GOAL: Community Empowerment. Enact several additional new community empowerment initiatives including an expansion of the Low-Income Housing Tax Credit, new incremental housing vouchers, full funding for Empowerment Zones, other community empowerment tax incentives.

Objectives:

- Co- lead multi-agency effort to develop and draft new community empowerment legislation and initiatives that will create jobs, provide access to capital and credit for all Americans, and provide affordable housing and homeownership opportunities to more individuals.
- Organize events highlighting main provisions of President's Community Empowerment Agenda.

GOAL: Political Reform. Secure passage of bipartisan McCain-Feingold/Shays-Meehan campaign finance reform legislation.

Objectives:

- Coordinate Administration-wide efforts to secure passage of CFR legislation.
- Work closely with OVP on securing voluntary support for free TV time for candidates for Federal office.
- Organize events highlighting main provisions of President's Community Empowerment Agenda.

GOAL: Food Safety. Fund the President's Food Safety Initiative and strengthen food safety legislation.

Objectives:

- Pass legislation providing mandatory recall authority for USDA and increased inspection authority for imports.
- Work to ensure full funding for food safety in the budget and appropriations process.
- Work with the President's Council on Food Safety to draft a comprehensive strategic plan on food safety.

GOAL: Consumer Initiatives. Promote the Administration's consumer protection policy.

Objectives:

- Organize events highlighting rules, regulations, and legislation to improve consumer protection and privacy issues including child safety, consumer fraud, and slamming/cramming.
- Work with agencies to produce a better coordinated and more comprehensive consumer

agenda.

- Find opportunities for the President and Vice-President to highlight Administration commitment to consumer issues via executive order and directive.

GOAL: Native Americans. Develop and fund educational, health care, and economic development initiatives for Native Americans.

Objectives:

- Develop new initiatives in furtherance of Presidential directives and executive orders -- involving, for example, 1000 new Native American teachers, a single toll-free number for access to economic development assistance, and wiring all BIA schools to the Internet.
- Work to ensure full funding for Native American programs in the budget and appropriations process including Indian Health Service funding and Bureau of Indian Affairs school construction.

GOAL: Agricultural and Rural Initiatives. Help promote the President's agricultural and rural policies, including an improved farm safety net.

Objectives:

- Work to ensure funding for agricultural and rural initiatives in the budget and appropriations process, including coordination with the NEC and USDA on establishing an improved crop insurance program.
- Organize events highlighting rules, regulations, and legislation to assist agricultural and rural communities -- involving, for example, legislation regarding disaster assistance for farmers.

GOAL: Promote new ideas for a values-oriented Administration's agenda.

Objectives:

- Utilize on-going work at agencies to find opportunities for the President and Vice-President to speak about values issues that may involve executive orders, reports and directives ranging from child abuse to increased time demands on working parents and elder care.
- Work to create and continue Administration-wide initiatives on social issues, particularly effecting women, children and families. Issues, for example, include domestic violence (such as supporting passage of a second Violence Against Women Act) and developing a comprehensive Administration policy against alcohol abuse.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sally Katzen (CN=Sally Katzen/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-DEC-1998 12:16:32.00

SUBJECT: revised ag paper - table stays the same

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

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

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

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

TO: Elise H. Golan (CN=Elise H. Golan/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
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TO: David W. Beier (CN=David W. Beier/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: Frazierp (Frazierp @ midusa.net @ inet [UNKNOWN])
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CC: Janet L. Graves (CN=Janet L. Graves/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

TEXT:

Please disregard the previous draft ag paper and replace it with this.
It is only slightly different from the earlier one, we should all be on
the same page. Sorry for any inconvenience.===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D6]MAIL47229253P.326 to ASCII,
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HOW TO FIX THE FARM INCOME SAFETY NET

I. Introduction

For more than a decade bipartisan farm policy has directed producers to seek income increasingly from markets rather than from Federal subsidies. The 1994 Crop Insurance Reform and 1996 Farm Bills attempted to create a farm income safety net of market-oriented crop insurance and commodity marketing loan programs, rather than ad hoc disaster, market intervention, and price support programs. Farm income reached a record \$61 billion in 1997 as export demand grew and world commodity stocks tightened from 1995.

In 1998 in the US, regional inadequacies of crop insurance (including low coverage and participation), weather and multi-year production problems, and nation-wide low prices for many commodities provoked sharp criticisms of the 1996 Farm Bill and crop insurance. Proposals appeared in July to revive price-setting Federal subsidy programs, mainly through raising USDA's "marketing loan rate" to boost crop payments to farmers (see Appendix B for discussion).

II. Administration Proposals

In response, an NEC-led interagency group this summer crafted a package of proposals to address the specific areas of need throughout the nation's farmland. This included targeted assistance for regions of need, primarily through a supplemental crop insurance benefit for multi-year losses.

Second, the President announced on July 18th the purchase and donation overseas of 2.5 million tons of wheat to boost US farm prices and to relieve hunger around the world, using existing USDA authorities and mandatory funding. In November, the President announced an additional food-aid package of 3.1 million tons of wheat and other commodities for Russia.

Finally, the Administration agreed to support Sens. Harkin's and Daschle's proposal to remove the 1996 Farm Bill limitation on marketing loan rate levels.

III. Status of Farmer Assistance

The Administration negotiated a \$6 billion disaster assistance package in the FY 1999 Omnibus Appropriations Bill to boost farm income. The President further charged Secretary Glickman with addressing the "gaps" in the farm safety net that were exposed during the 1998 crop year. Recently, the Congressional Agriculture Committees have announced their intention to address the problems through the crop insurance program.

The marketing loan provisions of the 1996 Farm Bill did work to the extent of providing \$2 billion to farmers under existing authority, spending that was not projected in the FY 1998 Mid-Session Review of the Budget. The \$6 billion in additional assistance should maintain farm income in crop-year 1998 near the 1997 record level. The issue is how much enhancement does the safety net need? Should Federal programs prevent any farmer's income from falling below the five-year average level? Should income supplements be targeted to smaller, low-income farmers? Total additional USDA outlays for production agriculture approved since July, above those assumed in the FY 1999 Budget, amount to approximately \$10 billion, including the costs of the recent food-aid programs.

IV. Problems in Farm Country and Options for Dealing with Them

In its FY 2000 Budget request, USDA proposes to continue the path of the 1996 Farm Bill, and Administration policy, by helping farmers to manage risk. It recommends a series of program changes to: make crop insurance more attractive by covering more risk at reduced costs; enhancing emergency programs; and expanding risk-management education. A proposal could also re-establish the requirement that farmers purchase crop insurance, and send a message to farmers that these increased insurance subsidies would negate the likelihood of future emergency payments such as those provided through the FY 1999 Omnibus bill.

Gaps in the Safety Net

This section lists the five main problems with the current farm income safety net, then analyzes the options, in addition to the USDA proposals. The options can be dialed by benefits and costs. Also, to achieve targeting by income or gross revenues, means-testing could be overlaid on most options to address the recurring issue that insufficient payments go to the neediest or smallest farmers while most payments continue to go to relatively wealthy and large-scale farmers.

Problem One: Crop loss due to natural disaster -- crop insurance can fail to indemnify enough of the loss because:

- a) Too little acreage is insured (i.e., too few farmers participate); and
- b) Insured acreage is covered at too low a percent of expected revenue (i.e., too little coverage is purchased by the average farmer).

Problem Two: Multi-year crop loss due to natural disaster, where:

- a) Poor production history hurts "good" farmers by raising premiums and lowering the insurable yield; and
- b) Even higher, "buy-up" coverage levels, after consecutive loss years, may indemnify too little to sustain the farm operation.

Problem Three: Low prices nationally, as much as 40 percent below the 5-year average, primarily due to large harvests and reduced export demand.

Problem Four: High producer expenses, where:

- a) certain regions have high production costs arising from natural factors; or
- b) exogenous shocks raise input costs like fuel, or livestock feed from a small

crop.

Options:

1. Enhance Crop Insurance. ([Agency name] _____ supports; _____ recommends against because...) Increase crop insurance subsidies on all Federal crop insurance products, both “yield insurance” and “revenue insurance” plans. This would be achieved by increasing coverage on free Catastrophic (CAT) policies and increasing premium subsidies on higher levels of yield and revenue insurance. **(See Appendix A for background on crop yield and revenue insurance.)**

<u>Estimated costs:</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
(outlays in millions of dollars)			1,541	1,587	1,635
1,684	1,734				

The proposed increases hold two strong attractions for farmers: a) the obvious attraction of increasing the value of their insurance policy at no extra cost, and b) increasing the likelihood that they will receive an indemnity payment. In other words, instead of simply decreasing the amount of farmer-paid insurance premium cost at current coverage levels (which would have no impact on the probability of receiving an indemnity payment), the USDA proposal would both avoid cost increases to the farmer and raise the level of indemnity payments.

Revenue insurance policies are currently subsidized by USDA at a lower percentage than comparable yield insurance policies. This option would increase the USDA premium subsidy for revenue insurance on par with yield coverage, increasing the incentive to purchase this expensive, but more comprehensive, coverage. It also has the added positive effect of increasing the farmers’ incentive to sell their crops on the forward market.

Farmers are notoriously reluctant to forward contract much of their crops out of fear that prices will increase after they have locked in their forward price. Crop Revenue Coverage (CRC) allows farmers to forward contract with the confidence that if prices go up after they have obligated themselves to deliver at a lower price, they will not miss out on higher revenues because CRC indemnifies against missing out on higher prices. The commodity exchanges find this aspect of revenue coverage attractive because trading volume would increase. However, they also have expressed some concern over the extent to which subsidized revenue coverage might compete with their futures and options contracts.

Ensuring Participation

Because this option is in large part a marketing strategy to increase program participation, its success ultimately hinges on its impact on buyer behavior. Insurance is not currently required of producers, and they will have to make their own risk management decisions -- to buy or not to buy. However, large media advertising campaigns (also proposed by USDA) combined with a program structure that would virtually eliminate the lower coverage range of buy-up insurance would help to ensure the expected response on the part of farmers, as long as they can be convinced that the government will not once again revert to ad hoc disaster payments as future "disasters" arise.

However, to reduce the uncertainty associated with buyer behavior, the Administration could reimpose the provision of the 1994 Crop Insurance Reform Act which required producers to purchase some level of crop insurance in order to receive any other USDA program benefits, especially the basic AMTA payments. This so-called "linkage" provision was in effect for one year, the 1995 crop year, and resulted in nearly doubling the amount of crop insurance sales. Linkage was not particularly controversial, and its abolition in the 1996 Farm Bill in response to some producers' objections was accomplished without serious policy review by the Administration or Congress.

Pro:

- Consistent with the market-oriented farm policies of the 1996 Farm Bill.
- The President explicitly noted the need to fix crop insurance.
- Has best chance of enactment, given congressional Agriculture Committees' stated plan to propose major improvements in crop insurance.
- Would significantly increase crop insurance participation if not undermined by ad hoc disaster spending, and particularly if "linkage" is re-established (requirement that a producer buy crop insurance in order to participate in other USDA programs).
- Crop insurance is more inclusive than many other USDA programs, covering nearly 70 different crops.
- Crop insurance is more friendly to the beginning farmer. Other programs (e.g., AMTA payments) have more cumbersome eligibility hurdles.
- Avoids sending a "mixed message" on the economic structure of farm policy (the hope of future ad hoc disaster spending or direct price/income support), and encourages producers to actively manage their risk, albeit on very concessional terms.
- More revenue insurance purchases would increase the number of producers protected against both weather risk and market risk.

- Private commodities exchanges expect to benefit from increased trading volume.
- Could be used as a “transitional” fix: Subsidies could be dialed down as future conditions and policies warrant.

Con:

- Because the program does not guarantee benefits or require participation, its efficacy is ultimately dependent on buyer behavior (unless “linkage” is re-established).
- Increasing coverage at the CAT level could result in a “buy-down” effect; i.e., farmers who previously paid for buy-up insurance opt for free CAT coverage.
- Budget “watchdog” groups may protest the new subsidies to U.S. agriculture as unnecessary.
- Private commodity exchanges might object to perceived competition from government-subsidized price risk management tools, i.e., revenue insurance.

2. Fix Multi-year Crop Insurance. ([Agency name] _____ supports; _____ recommends against because...) Introduce a new multi-year loss insurance provision as an optional add-on to the crop insurance policy. A version of this was included in the Administration’s summer ‘98 farm disaster aid package and enacted in the Omnibus bill. This proposal would make the availability of multi-year coverage permanent.

<u>Estimated Costs</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	
(outlays in millions of dollars)			171	176	181	187
192						

The development of this provision is only in the discussion stages at USDA but the product could be rolled out by the 2000 crop year. OMB would work with USDA to ensure that no duplicate benefits would be paid through these provisions to either new insureds or producers who received 1998 emergency assistance for multi-year losses.

The 1998 emergency multi-year loss benefits simply provided supplemental indemnity payments to qualified insured farmers equal to 25 percent of the indemnities received over the relevant crop years. The new policy provisions would likely have a similar effect, i.e., retroactively increase coverage levels for consecutive-loss years (if the farmer was insured in each year) and pay out supplemental indemnities. The actual structure of the coverage has yet to be proposed by USDA.

It would be for multiple years or losses but not in perpetuity (e.g., cap at 5 or 6 years).

Pro

- Consistent with the market-oriented farm policies of the 1996 Farm Bill.

- Directly responds to one of the most vocal constituencies, (the Dakotas) during the debate on 1998 emergency assistance.
- Crop insurance covers more crops and is more available to new farmers than most other USDA commodity assistance programs.

Con

- Because the program does not guarantee benefits or require participation, its efficacy is ultimately dependent on buyer behavior.
- Moral hazard, while true for subsidized crop insurance generally, could be greater.

3. Cover More Non-insured Crops. ([Agency name] _____ supports; _____ recommends against because...) Increase support for non-insured crops covered by the Non-insurance Crop Assistance Program (NAP).

<u>Estimated costs:</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	
(outlays in millions of dollars)			475	489	504	519

535

Despite the growth in the number of crops covered by the insurance program over the last decade, many crops remain for which no insurance is available, e.g., artichokes, lettuce, ginseng, mushrooms, and many more. This option proposes to increase NAP coverage on par with coverage increases of CAT insurance; i.e, guarantee about 42 percent of expected revenue, and includes livestock among “non-insured” commodities covered under NAP.

Benefits can be targeted, such as through USDA’s proposal to increase crop-loss assistance on non-insured crops for small farms, and provide increased incentives for private companies to seek out and “sell” free CAT coverage to limited resource farmers.

Pro:

- Addresses the vulnerability of producers who raise crops and livestock for which no insurance exists.
- Could be perceived as unfair if CAT coverage is raised while NAP is not.

Con:

- Costly to cover more minor crops, mostly vegetables, which was not a source of national farmer dissatisfaction in summer ‘98.

4. Promote Commodity Options. ([Agency name]_____ supports; _____ recommends against because...) Increase USDA’s current educational options pilot programs (OPP) and other risk management education and outreach efforts.

<u>Estimated costs: (outlays in millions of dollars)</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
OPPs on two commodities	21	22	22	23	24
Education and outreach		29	30	31	32
33					

Options on futures contracts are often cited as the equivalent of price insurance. Producers who purchase “put” options have effectively purchased a price floor. When prices go up, they can still enjoy the benefits of higher prices, but they are protected if prices fall below the floor, or “strike price”, they purchased.

USDA has recently implemented a program to teach dairy farmers how to use these markets that provides a short term, hands-on trading experience with USDA sharing the cost of the options contracts. The program lasts only for six-months per producer and allows the producer to buy options on a limited quantity of milk. The producer learns the markets, the terminology, hedging strategy, and how to select and deal with a broker.

The program vision is not for permanent subsidies. Its sole objective is to educate the producer in the hope that the producer will continue to manage price risk using options after “graduating” from the short term, subsidized program. For OPPs to succeed, legislation would require a change to remove language requiring budget neutrality. The 1996 Farm Bill stipulates that OPPs must be budget neutral “to the maximum extent practicable”. USDA interprets that to mean that recipients of USDA program payments who participate in an OPP must forego in program payments the amount of the subsidies they will receive under the OPP. This provision does not apply in USDA’s current dairy OPP because dairy farmers are not currently receiving program payments. Thus, the offset is not “practicable”.

In addition, USDA would conduct aggressive outreach programs to organize county-level workshops, develop university curricula, and a multimedia advertising campaign.

Pro:

- Consistent with the market-oriented reforms of the 1996 Farm Bill.
- Futures/options markets exist for most of the eight major “program crops”.
- Complements the other options such as increased insurance coverage by alerting and introducing farmers to risk management tools.

Con:

- Futures/options markets exist for only a limited number of crops.

5. Permit Risk Management Accounts. ([Agency name]_____ supports; _____ recommends against because...) Provides a tax advantage for building financial reserves to be used for farm contingencies. In its "Bluebook" of policy guidance for the 1996 Farm Bill, the Administration proposed "income stabilization accounts". Treasury representatives suggest that the permanent tax relief measures for farmers in the FY 1999 Omnibus Appropriations Bill are sufficient. These included: extending loss-carryback provisions in "good" years for farmers, and permanent extension of income averaging. These were scored by Treasury as reducing tax receipts by \$36 million annually, but the actual effect of these changes in the tax code on farm income is not yet known. (A similar, "FARRM" IRA proposal was nearly adopted in the FY 1999 Omnibus bill.)

Risk management or income stabilization accounts could be designed to provide benefits for only relatively small or low-income farmers. Such accounts are being tried in Canada and France. They normally permit pre-tax deposits into the account up to a certain amount. Incentives such as a government contribution component could be considered as well. In the event of a disaster, the farmer is permitted to withdraw the funds without penalty. The withdrawals would help support the farmer until the next crop year and would likely be taxed in a lower bracket than the farmer's normal income.

The income amounts deposited, the withdrawal triggers (e.g., decreases in gross revenues, net income, price index below moving average, etc.), eligibility and consequent costs are widely adjustable. This concept could be announced as a pilot program for a specific commodity or region.

<u>Estimated costs:</u> (outlays in millions of dollars)	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
	200	200	200	200	200

Pro:

- Encourages prudent savings while reducing the impact of future disasters on both the farmer and the Federal budget.
- Builds on producers' current ability to manage their income streams by savings and timing of input and capital purchases for tax purposes, popular approaches for farmers.
- Makes more comprehensive an Administration safety net policy of "various solutions appropriate to segments and conditions in farm country".

Con:

- Treasury representatives believe this option would - if not targeted - disproportionately aid large, wealthy farmers while providing little assistance to small farmers.
- Low farmer participation would be expected.

6. Strengthen Standing Emergency Programs. ([Agency name]_____ supports; _____ recommends against because...) USDA's proposal includes assistance for livestock, and would allow farmers to receive both CAT and NAP benefits, USDA disaster loans, and other USDA farm credit. Some were included in Summer '98 Administration package.

<u>Estimated costs</u> (outlays in millions of dollars)	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
a) Emergency livestock feed	24	25		25	26
27					
b) Allowing both CAT and NAP benefits	10	10	11	11	11
c) Small agriculture-related business loans (discretionary)	(50)	(52)	(54)	(56)	(58)

Pro:

- Small farm- and small business-oriented.
- CAT and NAP can be re-structured to also limit benefits to larger, well-capitalized operations.

Con:

- Without proper limits in place, CAT and NAP are subject to abuse by larger businesses.

7. Land Retirement. ([Agency name]_____ supports; _____ recommends against because...) Some producers farm land that encounters natural disabilities (like excessive wetness or disease) that persist longer than one year, but that is likely to return to production. USDA could enter medium-term contracts (3 - 5 years non renewable) to retire such land, including land in the Upper Plains that is diseased or under water, or land in the southwest that is quarantined due to karnal bunt. Payments would be made for "environmental benefits", including conservation practices aimed to restore the land to production. An area-wide problem could be required to trigger in a farm's land for eligibility. USDA's Conservation Reserve Program (CRP) retires land for 10-year periods, but not when they are made unproductive due to natural afflictions. A version of this proposal was included in Administration's Summer '98 package and in the 11/13 USDA budget letter, but was not enacted.

<u>Estimated costs: (outlays in millions of dollars)</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
	50	75	100	100	100

Pro:

- Would fill a gap in the current program structure, since there is no program aimed at this problem.

Con:

- Unlikely need for medium-term retirement program; land problems better ameliorated through farming practices or a program that would permanently retire land.

8. Marketing Loans. ([Agency name] _____ supports; _____ recommends against because...) Uncap 1996 Farm Bill levels. (See Appendix B for background.)

<u>Estimated costs</u> (outlays in millions of dollars)	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
	4,000	4,000	4,000	3,000	3,000

Removing the 1996 Farm Bill's limitation on marketing loan rates (85 percent of a five-year moving average minus high and low years, but not more than the 1995 level) would enable the loan rates to rise to a level that practically guarantees regular annual payments in the years ahead.

This would turn the marketing loan program into a type of "deficiency payment," a program abolished by the 1996 Farm Bill. As a general commodity program, it would apply to all major field crops for the 1.8 million participants in USDA crop subsidy programs. This was proposed by Sens. Harkin and Daschle in the summer, and by the Administration in some forms, but defeated in Congress on six occasions.

A targeted version, a "two-tier marketing loan", was proposed by Sen. Daschle in the 1996 Farm Bill deliberations. This proposal would offer a higher loan rate for a minimum volume of production per farmer, e.g., the first 10,000 bushels. Production above that level would receive a lower loan rate or none at all. This regime would provide relatively greater benefit to smaller producers.

Pro

- Popular with many populist supporters of the Administration.
- Would be perceived as supporting smaller, less efficient farmers.

Con

- Would return farm policy back to failed, costly past programs that hurt US exports and would lead to production supply controls, widely unpopular with farmers.
- Untargeted version would provide gratuitous financial windfall to many farmers.
- Targeted version would be opposed by many larger farmers, especially of cotton and rice.
- Would compete/conflict with market-oriented programs (e.g., revenue insurance, OPPs).
- Fails to help individual farmers with diminished or failed crop.

9. Federal Assistance for Exports. ([Agency name] _____ supports; _____ recommends against because...) Donations and support for faltering export markets.

<u>Estimated costs</u> (outlays in millions)	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
	2,500	2,500	2,500	2,500	2,500

The humanitarian food aid packages of July for wheat and November for Russia could be extended so long as the commodity to be donated remains in surplus in the US. While sufficient funding usually is not an obstacle for the mandatory programs and emergency authorities involved, this action is limited by GATT rules on subsidies, our trading partners' complaints, and the undermining of US commercial exports. The actual impact of Federal donations on US farm prices is in dispute, but the announcements of donations are seen as popular among many farmers, if not commodity markets. The Administration's active role in managing the Asian economic crisis--a major cause of reduced demand for US agricultural exports--is viewed as a general form of help to US farmers, but indirect and longer-term.

Pro:

- Perceived in farm country as positive action.
- Can cause "additional" exports to those countries unable to purchase food.

Con

- Need for bulk commodities is limited. Truly hungry people not already being supplied by standing government programs tend to need consumer-ready foodstuffs.
- Limited by tendency to displace US commercial exports.
- Unpredictable impact on markets means unreliable domestic farm support program.

V. Offsets

USDA has not proposed any offsets to date. OMB recommends PAYGO offsets from cuts in guaranteed Agriculture Market Transition Act (AMTA) payments. The shift in funding would effectively redistribute funds guaranteed to producers who have not experienced crop losses and rewards those who have actively managed their yield risk and paid a share of the associated costs. AMTA payments are only authorized through FY 2002; however, baseline rules extend the authorization and baseline spending indefinitely.

The distribution of AMTA payments by state compares favorably to the expected redistribution of funds through increased crop insurance subsidies. Some discrepancies arise among certain Midwestern states (Iowa, Illinois, Indiana, Nebraska) that receive significant AMTA payments and whose proportion of benefits would likely be eroded and shifted toward states with higher crop insurance losses. Many of the states experiencing increases in their proportional benefits are those with particular problems over the most recent period (Texas, North Dakota, Minnesota, Georgia, North Carolina, South Carolina). In effect, the redistribution takes benefits from areas with a lower incidence of crop losses and moves them to areas that have been harder-hit in the past year and have had historically higher levels of uninsured or underinsured producers.

Further, in a loss-year similar to the one experienced in 1998, the redistribution of benefits channels funds much more dramatically to areas in the most need.

However, crop insurance indemnities are not guaranteed as are AMTA payments. Coverage begins at specified loss levels verified at the individual farm level. The same number of dollars is projected to be disbursed over the long run, but wide variations in year-to-year outlays will occur. The proposal channels funds to farmers who have taken proactive steps to manage their risk and suffered verified losses, at the cost of guaranteed payments withdrawn from farmers holding AMTA contracts. Using AMTA payments as an offset achieves some targeting of AMTA benefits.

BACKGROUND

Appendix A: Crop Insurance

Yield Insurance (USDA's standard multi-peril crop insurance products)

Crop insurance coverage is made up of two components, yield coverage and price coverage. The buyer can choose among various coverage combinations of both yield and price. The minimum coverage level insures 50 percent of average yield at 60 percent of a USDA-set price. This plan is known as Catastrophic Risk Protection (CAT), or "50/60" coverage. The highest coverage available nationally is the 75/100 level. The most popular coverage to date is the 65/100 level. At this level of coverage, if the insureds suffer a 50 percent yield loss, they are made whole on the lost production up to 65 percent (or 15 percent in this case) and the indemnity payment would amount to the 15 percent of covered loss times 100 percent of the USDA-set price.

USDA offers two general levels of insurance coverage; Catastrophic Risk Protection (CAT), and so-called "buy-up" coverage which is all coverage levels higher than CAT. CAT premium is 100 percent subsidized and the farmer only pays a nominal administrative fee for it. CAT covers only 30 percent of expected revenue. Buy-up coverage is available at levels between 60 and 75 percent of expected revenue and is subsidized on a scale that slides downward as coverage increases. In other words, 65 percent coverage involves a 40 percent premium subsidy, and 75 percent coverage involves a 24 percent subsidy.

USDA has performed marketing analysis to estimate how much an average producer is willing to pay for buy-up crop insurance. That amount is \$5.30 for each \$100 of liability insured. USDA proposes to apply that farmer-paid amount to a coverage level that is considered high enough to restore credibility to the crop insurance program in the wake of the harsh criticisms last summer. That level is 70 percent of expected revenue.

The following example illustrates how the insurance coverage works:

- a) a corn grower with 1,000 acres and an average yield of 100 bushels per acre has an expected yield of 100,000 bushels;
- b) the insured price set by USDA is \$2.30 per bushel;
- c) "70/100" coverage is purchased, so the farmer has insured \$161,000 of liability (70,000 bushels at \$2.30/bu.);
- d) if the farmer experiences a 40 percent yield loss (i.e., a harvest of 60,000 bushels) an indemnity of \$23,000 would be paid (i.e., the 10,000 bushels that would make the farmer whole up to 70 percent of average production multiplied by 100 percent of the \$2.30/bu. price);

- e) the total insurance premium for the coverage would likely be around \$13,000, of which 32 percent, \$4,160, is currently paid by USDA;
- f) USDA also reimburses the private insurers' administrative expenses at a rate of 24.5 percent of gross premium, or in this case \$3,185.

Revenue Insurance

Standard crop insurance policies do not indemnify producers who have not experienced crop losses due to natural causes. However, even a producer who harvests 100 percent of expected yield can be put on difficult financial footing through price declines. The Federal crop insurance program currently offers three policies that provide indemnities in the event of falling prices regardless of crop losses ("revenue insurance"). These products are all less than three years old.

Two are struggling to become established but one has been very successful. Crop Revenue Coverage (CRC), developed by one of the private crop insurance companies, now accounts for 16% of the crop insurance market (nearly \$300 million in annual premium). This is a very high growth rate over just three years, particularly in light of its price tag -- CRC premiums are 30 percent higher than comparable yield insurance on average.

Revenue insurance policies are subsidized by USDA at a lower percentage than yield coverage. It is worth noting that, in light of this lower subsidy on a high-priced policy, CRC's growth tends to contradict the notion that farmers are unwilling to pay significant premium costs for crop insurance. This, in turn, further supports options that retain market-oriented safety net programs, with an eye toward dialing down subsidies over the long term.

CRC's success in the market is attributable to one unique component of its coverage; CRC indemnifies if prices fall *and* if prices rise; CRC will indemnify yield loss at the current market price if it has gone up during the insurance period. To summarize, revenue policies work much like standard policies but pay out indemnities in more circumstances:

- a) yield loss when prices remain unchanged (like standard policies);
- b) yield loss when prices fall (like standard policies);
- c) yield loss when prices rise (CRC pays out at the higher market price);
- d) no yield loss but prices fall (revenue policies only).

The following is an example of revenue insurance, scenario "d" above:

- a) a corn grower with 1,000 acres and an average yield of 100 bushels per acre has an expected yield of 100,000 bushels;
- b) the insured price, established by the average price of December corn futures during the month of February, is \$2.45 per bushel;
- c) "70/100" coverage is purchased, so the farmer has insured \$171,500 of liability (70,000 bushels at \$2.45/bu.);
- d) by December, the farmer has no yield loss (i.e., a harvest of 100,000 bushels)

- e) but, the average price of that same December corn futures contract at harvest time (November) has dropped to \$2.00/bushel (i.e., down 45 cents/bushel). An indemnity of \$31,500 would be paid (i.e., the 70,000 bushels insured multiplied by 100 percent of the \$0.45/bu. price decline);
- f) the total insurance premium for the coverage would likely be around \$17,000, of which 24 percent, or \$4,160, is currently paid by USDA;
- g) USDA also reimburses the private insurers' administrative expenses at a rate of 23.5 percent of gross premium, or in this case \$3,995.

Appendix B: Boosting Farm Income Through Marketing Loans

A major goal of some farm interests is to increase USDA's "marketing loan rate" so it would guarantee farm income robust enough to cover the relatively higher costs of production of some U.S. farmers. Sens. Daschle and Harkin were chief proponents of increasing ("uncapping") marketing loan rates during the summer's debate on how to improve the farm income safety net.

How marketing loans work

USDA's marketing crop loans, a program to enable farmers to avoid selling during the lowest-price (harvest) period of the year, basically set a price floor for the crop, backed by the Treasury. Farmers take out a 9-month loan from USDA at harvest time based on a statutory "loan rate" or price per bushel. If market prices drop below the loan rate, farmers can repay the loan at the lower market price per bushel. USDA absorbs (loses) the difference between the market price and the (higher) loan rate price, and the farmer keeps the crop to sell on the market. Marketing loans are available for the major US field crops, like wheat and corn. Payments under the program are limited to \$75,000 per person per crop year.

Current issue

The 1996 farm bill capped the loan rate at 85 percent of the five-year moving average price for the commodity, but not more than 1995 levels. The 1990 farm bill gave the Secretary of Agriculture discretion to reduce the loan rate from the five-year average, depending on market conditions and budget costs. That bill also required that supply controls be imposed appropriate to those market conditions to determine the size of the crops produced and the cost to the government. Uncapping loan rates would raise them (by 22 percent for wheat, 15 percent for corn) to an average price level that would be unusually high at present, because it would include the historic record high price period of 1995 and 1996. Farm interests have not suggested reimposing supply controls, which is unpopular with farmers.

For example, a wheat farmer with 100,000 bushels in 1998 faced a capped loan rate of \$2.58/bushel, an average price of \$2.65, but a low price of \$2.35. He received \$23,000 (100,000 times the 23 cent gap between the low price and the loan rate) by asking USDA for a "loan

deficiency payment” when the low price prevailed. (A loan deficiency payment is a common variation of a marketing loan. Foregoing entirely a USDA crop loan, the farmer gets a cash payment from USDA for the difference between the loan rate and the prevailing market price.)

The farmer then held onto the crop for 10 weeks and sold it at \$2.70 and received \$270,000. The marketing loan boosted the farmer’s 1998 income by 9 percent under the current loan rate regime (\$23,000 divided by \$270,000). If the wheat loan rate had been uncapped, the USDA loan deficiency payment would have been \$81,000 (100,000 times the 81 cent gap between the low price and the uncapped loan rate of \$3.16 for 1998), a boost of 30 percent to the farmer’s income.

Costs

USDA to-date has paid about \$1.6 billion in marketing loan gains on the 1998 crop for all major commodities. Probably the costs for this crop under current loan rates will total about \$2 billion this year. Uncapping loan rates for one year only on the 1998 crop, as Sens. Daschle and Harkin proposed, would have cost an additional \$5 billion in FY 1999. The cost for uncapping on the 1999 crop only, with outlays largely in FY 2000, probably would be about \$4 billion according to current price projections.

Policy significance

Federal attempts in the 1960s and 1980s to protect farmers from market cycles demonstrated that USDA price-support loan rates that are within about 25 percent of commodity market prices distort markets by:

- setting an effective floor on market prices for producers;
- stimulating US production;
- increasing taxpayer costs;
- leading to production controls, reduced exports and greater foreign production.

Loan rates that are low relative to market prices avoid these distortions, but can provide an income safety net in case of a price collapse. An NEC interagency process concluded in 1994 that raising loan rates slightly was dubious policy because of its market effects even when it would cost much less than under current price conditions.

Budgetary costs and policy problems could be reduced when raising marketing loan rates by targeting the payments to those producers in greatest need. For example, this could be done by excluding high-income farmers and limiting the higher loan rate to each producer's first few thousand bushels of grain.

Possible edits

Page 6

Insert at end of second paragraph:

The legality of using Federal funds to support research using pluripotent stem cells is a question to be determined by DHHS lawyers.

Ethical Issues

I have just described the science and medical promise of research on the pluripotent stem cell. But the realization of this promise is also dependent on a full and open examination of the social and ethical implications of this work. The fact that these stem cells were produced from embryos and fetal tissue raises a number of ethical issues including, for example, the need to ensure that stem cell research not encourage the creation of embryos or the termination of pregnancies for research purposes. In strict accordance with the President's 1994 directive, no NIH funds will be used for the creation of human embryos for research purposes. We will also continue to abide by relevant statutes.

The ethical and social issues associated with stem cell research are complex and controversial and require thoughtful discourse in public fora to reach resolution. To this end, the President has asked the National Bioethics Advisory Commission to undertake a thorough review of the issues associated with human stem cell research, balancing all ethical and medical considerations.

Delete the rest of the text in this section.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Charles J. Payson (CN=Charles J. Payson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 1-DEC-1998 09:08:37.00

SUBJECT: Scheduling Proposal Meeting

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TEXT:

This week's Scheduling Proposal Meeting will be held

on Wednesday at 10 am in the Roosevelt Room.

If you are not able to make it, please make sure your office is represented.

Thank you!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 17:49:27.00

SUBJECT: Massachusetts time limit

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

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

TO: 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:

FYI, the two year state time limit hit in MA today. There's been a lot of local press, protests etc, but not much national attention yet. I'd asked ACF to prepare this Q&A just in case.

----- Forwarded by Andrea Kane/OPD/EOP on 12/01/98 05:45 PM -----

Michael Kharfen <mkharfen @ acf.dhhs.gov>

12/01/98 04:56:39 PM

Please respond to mkharfen@acf.dhhs.gov

Record Type: Record

To: Andrea Kane/OPD/EOP

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

Subject: Massachusetts q&a

Andrea,

as requested, attached and below is the q&a's on Massachusetts time limit.

Massachusetts Time Limit Questions & Answers

12/1/98

Background: Massachusetts's time limit of 2 years of assistance for nonexempt families began on December 1, 1996. Families can receive assistance for no more than 2 years within any 5-year period. There is an overall limit of 5 years of assistance. Approximately 41,000 of the over 81,000 families receiving assistance in December 1996 were subject to the two year limit. The state reports that over 35,000 of those families have since left the rolls because of parents taking a job, receiving enough unearned income or moving to another state making them ineligible for assistance.

Q1 How many people are expected to hit the time limit today?

A1 Massachusetts estimates that 5,000 families reach the two-year limit of assistance on December 1. Of those families, around 2,200 have applied for extensions while 2,800 will receive notices over the next 2 weeks that their benefits will be terminated.

Q2 Who is exempt and subject to the time limit?

A2 The State is using the exemption policies that were originally approved under a waiver from the Clinton administration in 1995. Approximately 50 percent of the families receiving assistance in December 1996 when the time limit started were exempt. Most were exempt because they have a child under 2 years old. Other exemptions included child only cases, teen parents, parents with a disability and a parent caring for a child with a disability. All other families were subject to the time limit.

Q3 What exemption policy does the state have?

A3 Massachusetts gives extensions on a case by case basis. The state Commissioner will consider giving extensions to parents working full-time but who are earning less than the cash benefit level, a parent who lacks child care to take a job and a parent who has made a good faith effort to find but was unable to get a job. These parents must have followed all the state's welfare rules. The state will also grant waivers for continuing benefits for children where the parent is incapacitated.

Q4 What, if any, services will the state provide for families who lose cash assistance?

A4 Massachusetts is developing formal arrangements for services to families who lose cash benefits. These arrangements will include outreach, referral and case management programs; transportation services; vocational evaluation and subsidized employment; and assistance for non-English speaking families.

Michael Kharfen
 HHS Administration for Children & Families
 mkharfen@acf.dhhs.gov
<http://www.acf.dhhs.gov>
 (202) 401-9215 phone
 (202) 205-9688 fax

- massqa.doc

Message Copied

To:

Diann Dawson <didawson @ acf.dhhs.gov>

Ellen Dahl <"Ellen=Dahl%ASPA%OS.DC" @ acf.dhhs.gov>

Mack A Storrs <mstorrs @ acf.dhhs.gov>

Olivia Golden <ogolden @ acf.dhhs.gov>

Patricia Savage Bravo <pbravo @ acf.dhhs.gov>

Stan Gardner <sgardner @ acf.dhhs.gov>===== ATTACHMENT 1 =====

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D39]MAIL43796753H.326 to ASCII,

Massachusetts Time Limit Questions & Answers

12/1/98

Background: Massachusetts's time limit of 2 years of assistance for nonexempt families began on December 1, 1996. Families can receive assistance for no more than 2 years within any 5-year period. There is an overall limit of 5 years of assistance. Approximately 41,000 of the over 81,000 families receiving assistance in December 1996 were subject to the two year limit. The state reports that over 35,000 of those families have since left the rolls because of parents taking a job, receiving enough unearned income or moving to another state making them ineligible for assistance.

- Q1 How many people are expected to hit the time limit today?
- A1 Massachusetts estimates that 5,000 families reach the two-year limit of assistance on December 1. Of those families, around 2,200 have applied for extensions while 2,800 will receive notices over the next 2 weeks that their benefits will be terminated.
- Q2 Who is exempt and subject to the time limit?
- A2 The State is using the exemption policies that were originally approved under a waiver from the Clinton administration in 1995. Approximately 50 percent of the families receiving assistance in December 1996 when the time limit started were exempt. Most were exempt because they have a child under 2 years old. Other exemptions included child only cases, teen parents, parents with a disability and a parent caring for a child with a disability. All other families were subject to the time limit.
- Q3 What exemption policy does the state have?
- A3 Massachusetts gives extensions on a case by case basis. The state Commissioner will consider giving extensions to parents working full-time but who are earning less than the cash benefit level, a parent who lacks child care to take a job and a parent who has made a good faith effort to find but was unable to get a job. These parents must have followed all the state's welfare rules. The state will also grant waivers for continuing benefits for children where the parent is incapacitated.
- Q4 What, if any, services will the state provide for families who lose cash assistance?
- A4 Massachusetts is developing formal arrangements for services to families who lose cash benefits. These arrangements will include outreach, referral and case management programs; transportation services; vocational evaluation and subsidized employment; and assistance for non-English speaking families.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 10:28:55.00

SUBJECT: Updated list of Welfare Offsets

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's a list of the proposed offsets with some additional information.

Most significant is that OMB scores the version of Medicaid cost

allocation that states prefer at \$1 billion over 5 years -- not small

potatoes. The harsher version reaps \$2 billion in savings. ===== ATT

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D25]MAIL409350536.326 to ASCII,

The following is a HEX DUMP:

```
FF57504334090000010A02010000000205000000E31F00000002000041C9FF5DCC231C61A6C503
9FDE235FA122E07B3DDD796DFCD544F333BD22D3D209E4AAF06C130128DED9510950471878DB4B
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```

Proposed Welfare Related Offsets
12/1/98

Automated Records Management System
Hex-Dump Conversion

Policy	Year 1 Savings (Outlays)	5 Year Savings	Comment
<p>Limit Transfers from TANF to SSBG to 4.25% in FY 2000</p> <p>Under this proposal, the amount of TANF funds states could transfer to the Social Services Block Grant would be lowered from 10% to 4.25% in FY 2000 (the transportation bill already made this change for FY 2001). This offset would allow us to fully fund SSBG in FY 2000. States use SSBG for child care, child protective services, elderly programs, and other low income services.</p> <p>This limitation would in particular affect the 15 states that transferred more than 4.25% to SSBG in FY 1999 (CT, DE, FL, GA, KY, MD, MA, MI, NJ, NY, PA, TX, VT, VA, WI).</p>	<p>\$600 million</p>	<p>\$600 million</p>	<p>This proposal saves about \$130 million <u>more</u> than needed to restore the SSBG cuts (cost of SSBG restoration is about \$470 million).</p> <p>You could propose a revenue neutral alternative, e.g.:</p> <p>1) Allow transfers of more than 4.25% -- exact amount to be determined -- which would ease the transition for states now transferring more than 4.25%; or</p> <p>2) Allow states to transfer a certain amount <u>on average</u> -- thus states that transferred less in TANF funds would allow other states to transfer more;</p> <p>States will consider this TANF change to be in bad faith.</p>
<p>Freeze State Supplemental Growth Fund at FY '99 Levels</p> <p>Currently, low benefit states with population growth get 2.5% increases in their TANF grants.</p> <p>Under this proposal, states that got increases in FY 98 and FY 99 would not receive another increase in FY 2000 (AL, AK, AZ, AR, CO, ID, FL, GA, LA, MS, MT, NC, NM, NV, TN, TX, UT)</p>	<p>\$60 million</p>	<p>\$60 million</p>	<p>In general, cuts in TANF funds -- even a subcategory of TANF funds like these -- set a bad precedent and states will consider it bad faith.</p> <p>However, if cuts are needed, freezing states at their current level of increase is a decent way to achieve savings, because it maintains the increase states got in FY '98 and FY '99.</p>
<p>Medicaid Cost Allocation</p> <p>The proposal would:</p> <p>Part 1: Lower federal Medicaid payments by the amount of Medicaid administrative costs that were in the TANF block grant; and</p> <p>Part 2: Forbid states from using TANF dollars to pay Medicaid administrative costs.</p> <p>This Spring, a similar proposal was put in place for Food Stamps in the Ag Research bill.</p>	<p>\$295 million</p>	<p>\$1.9 billion</p>	<p>States and advocates will protest mightily over this proposal. While they are willing to accept Part 1 (they will grudgingly agree that the TANF block grant was inflated to include administrative costs for which they still receive an open ended match, thus allowing them to "double dip"), they argue, rightly, that Part 1 combined with Part 2 (forbidding them from using TANF funds for Medicaid administrative costs) is tantamount to "no dipping." Eliminating Part 2 cuts overall savings in half (to about \$1 billion over 5 years and \$50 million in year 1).</p>
<p>Eliminate Child Support Enhanced Match for Paternity</p>	<p>\$50</p>	<p>\$300</p>	<p>Proposals were in our FY '99 budget.</p>

Policy	Year 1 Savings (Outlays)	5 Year Savings	Comment
<p>Establishment and Child Support Hold Harmless</p> <p>This proposal would provide the regular 66% federal match for paternity establishment laboratory tests (an enhanced 90% match was put in place years ago to encourage their use).</p> <p>It would also eliminate the “hold harmless” provision which guarantees states their 1995 level of TANF-related child support collections despite caseload reductions (the hold harmless was put in place in 1996 to protect states from the effects of new “family first” distribution rules which requires states to pay past due child support to the families first instead of to the federal and state governments).</p>	million	million	

Automated Records Management System
Hex-Dump Conversion

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Amy Weiss to Elena Kagan et al. re: Invitation (1 page)	12/01/1998	Personal Misfile

COLLECTION:

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

FOLDER TITLE:

[12/01/1998]

2009-1006-F
bm71

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 19:02:34.00

SUBJECT: Central American relief

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

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

CC: Scott Busby (CN=Scott Busby/OU=NSC/O=EOP @ EOP [NSC])
READ:UNKNOWN

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

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

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

TEXT:

Scott Busby and I met this morning with DOJ, INS and State to develop final recommendations on how we should proceed with announcements related to the post-Mitch situation in Central America. The following outlines the issues discussed and the decisions that we need to make.

1. TPS

We received the first half of q&a from State and were promised the rest by the end of the day today. Also by c.o.b. today, State is going to provide us with a final position on whether we should reinstitute stays of deportation for either the Dominican Republic or Haiti given our decision to provide stays for Guatemala and El Salvador (to ensure consistency). State will also provide any information we need to support our final decisions on this issue.

The group recommends that Commissioner Meissner make the TPS announcement, along with a person from the State Department. It was thought that Doris would be best equipped to respond to the immigration questions. We would seek to have her do the announcement on Monday afternoon (she is out of the country this week) to give us adequate time to brief representatives of the countries before the Central Americans presidents arrive on Thursday for the debt relief conference.

As to addressing concerns about fraud, INS proposes to reduce the TPS registration to six months (it has traditionally been coextensive with the TPS period) and will be developing questions to assist in determining eligibility.

2. Legislative Parity

All of the legislative affairs folks (Caroline Fredrickson (WH), Patty First (DOJ), Allen Erenbaum (INS), Broderick Johnson (WH), and Gina Abercrombie-Winstanley (NSC)) agree that we should not make any

announcement supporting legislation to achieve "parity" for Salvadorans and Guatemalans until after they have had much more time to work with members of Congress. Their fear is that if we make the announcement too soon, that will only give those who will be opposed to the legislation (such as Lamar Smith) a chance to get to the swing voters or other key members before we can. The leg. folks feel particularly strongly about this in light of indications of support for some kind of legislative action for Central Americans by Sens. Hatch and Abraham. Caroline noted that Hatch would be particularly put off by an announcement of our decision on legislation after he has indicated interest, but before he has been fully consulted about such a proposal.

However, the group agreed that it would be a good idea to indicate to the advocacy community and the Ambassadors to El Salvador and Guatemala (and possibly the presidents if there is a POTUS or VPOTUS meeting with them) that we plan to work with Congress to enact legislation next year that would achieve parity for Salvadorans and Guatemalans.

3. Extreme Hardship and the NACARA regulation

DOJ (including INS) is opposed to including in the final NACARA regulation any presumption of extreme hardship (rebuttable or otherwise) for nationals from El Salvador and Guatemala. This opposition is based on the following: (1) such a presumption has never before been utilized; (2) a country-based presumption would be inconsistent with the concept of "individual adjudication" that underlies suspension claims; (3) it would be inconsistent with the facts (b/c it would not be "extreme hardship" for some Salvadoran and Guatemalan nationals to return to un-harmed parts of their countries and b/c hardships created by the hurricane will be significantly diminished by the time these adjudications occur); and (4) such a conclusion would be inconsistent with our decision not to grant TPS to these countries (b/c a presumption of extreme hardship would imply that these countries cannot really absorb their nationals).

INS would agree to provide information to immigration judges and NACARA adjudicators on hurricane-related conditions in El Salvador and Guatemala and direct them to take these conditions into account when adjudicating suspension claims for nationals of those countries. They would also consider amending the NACARA regulation to specifically identify conditions relating to natural disasters as relevant to the extreme hardship determination.

Thus, we may be able to couple our TPS announcement with a general statement that we plan to ensure that the conditions created by Hurricane Mitch are taken into account in the process of deciding NACARA suspension cases.

4. Next Steps

We need to decide the following:

a. Whether we agree to defer announcement of our support for legislative parity until we have had more of a chance to work with Congress.

Scott and I agree that this announcement should be deferred, in the interest of actually getting the legislation passed. We also agree that we should indicate to the advocacy community and the Ambassadors to El Salvador and Guatemala that we plan to work with Congress to enact legislation next year that would achieve parity. Jim Dobbins and Scott would conduct the briefings with the Ambassadors.

b. Whether we agree with the INS/DOJ view that we not adopt a presumption of extreme hardship for Salvadorans and Guatemalans covered by NACARA (n.b., such a presumption would be based on the totality of the circumstances vis-a-vis Salvadorans and Guatemalans covered by NACARA -- i.e., the history of unfair denial of asylum claims; ABC litigation; NACARA; our statements in support of parity).

Scott and I recommend holding off on this decision until after the end of the comment period for the NACARA regulation (end of January). This gives us more time to consider this option and avoids our making regulatory decisions outside of the notice & comment process.

c. Whether we continue to believe (given the strong possibility that the announcement will be TPS only) that press availability on the announcement (with Doris and someone from the State Dept.) would be better than a press release.

Scott and I recommend that Doris and someone from State should do a press availability. Our concern is that a press release would result in an uncontrolled message.

d. Whether we continue to believe that we need to announce TPS for Honduras and Nicaragua before the POTUS or VPOTUS possibly meets with the Central American presidents (on Dec. 10th or 11th). Our thinking had been that we did not want the TPS question to be open when the POTUS meets with the presidents; however, in light of the fact that the announcement will be good news for two countries and not for the other two, does that change the calculation?

Scott and I recommend that we make this announcement Monday afternoon (December 7th). Jim Dobbins was agnostic, but we think that (1) the decision is overdue (Dobbins agrees); and (2) there is an advantage to taking the TPS issue off the table in advance of the presidents' visit.

Please let me or Scott know what you think about these issues and whether you would like to get together to discuss them. Thanks.

julie

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 19:22:55.00

SUBJECT: OMB, FDA, food safety/tobacco

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:

OMB gave FDA \$0 for the food safety initiative, we are pushing for the \$49 million in the plan. OMB has indicated to FDA that they expect the WH (DPC) to "signal" to them that this is important to the President if it is going to get back in the budget. So if you can signal, that'd be great.

You probably also know FDA got 0 of the 50 million they wanted for tobacco. Also, they have a piece of a pretty good sounding bio terrorism plan (13 million) which got nothing. It doesn't sound like the department is fighting that hard for these.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 1-DEC-1998 08:26:52.00

SUBJECT: Any interest in the Energy Dept's

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

TEXT:

announcement on nicotine addiction research results? Energy plans to
make an annct on the new results tomorrow.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 13:04:08.00

SUBJECT: FYI: Minn judge ruled to unseal the "IVA" index of industry documents

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:

As you recall as part of our documents directive, DOJ filed a brief in the Minnesota court to unseal the tobacco industry's document index. The court has ruled in our favor, but the decision is stayed pending possible appeal.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 10:19:13.00

SUBJECT:

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:

Have you all seen the letter from Chiles to Podesta re: Floridas tobacco deal? John wants a response drafted.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Devorah R. Adler (CN=Devorah R. Adler/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-DEC-1998 09:48:34.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

need guidance on stem cell. please call cj at 65560

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 14:30:06.00

SUBJECT:

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

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

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

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:

GOV STILL MIGHT TRADE PAY

HIKES FOR CHARTER SCHOOLS

By GREGG BIRNBAUM and ROBERT HARDT Jr.

Gov. Pataki threw the door wide open yesterday to cutting a deal with state lawmakers to give them pay raises in return for legislation allowing charter schools.

In his first press conference since the day after the Nov. 3 elections, Pataki urged legislators to OK a charter-school bill - and did not rule out approving a salary hike if they did.

The GOP-controlled Senate, in coordination with the governor's office, has begun reviewing charter-school proposals for possible consideration this week, sources said.

"There have been some discussions," a source told The Post.

Pataki insisted a legislative pay raise "alone" was not warranted since state lawmakers serve only part-time.

But for the first time he expressed interest in seeing what else may be included in a pay-raise bill that could sweeten it for him.

the
"If a bill is passed, I will look at the totality of bill," Pataki said.

"I always look at any bill in its totality to see if

on

balance I think it advances the interests of the people of the state. I am very much interested in seeing a charter-school bill."

In City Hall Park, charter-school supporters called on the state Legislature to act.

"We believe charter schools offer a great opportunity for pushing forward the kind of reform that has long been promised but never delivered," said the Rev. Floyd Flake of Allen AME Church in Queens.

"We stand together united for better public education, improved charter schools, and we believe that the Legislature ought to move now to make it possible and to make it happen," added Flake, who was joined by Rev. Ruben Diaz of the Hispanic Clergy Organization and the Rev. Wyatt Tee Walker of Canaan Baptist Church in Harlem.

State law would have to be changed to allow for charter schools, which are innovative public schools that would operate largely independent from city and state education bureaucracy.

Pataki said he has discussed the pay-raise issue separately with state Senate Majority Leader Joseph Bruno (R-Rensselaer) and Assembly Speaker Sheldon Silver (D-Manhattan), but he refused to disclose details of the talks.

Bruno said no final agreement has been reached between Pataki and legislative leaders on either issue, but added that he expected negotiations on the issues to take place today.

"I could support some form of charter schools," Bruno said. "Thirty-two other states have some form of charter schools."

Members of the Legislature will be in Albany today. The Democratic-controlled Assembly, where the teachers unions are influential, has been the biggest obstacle to charter schools in the past.

A bill that would grant legislators a whopping 38 percent raise - from a base pay of \$57,500 to \$79,500 annually - was quietly introduced over the weekend in the Assembly. It would boost salaries for judges, agency heads, and statewide elected officials, also.

Pataki also said for the first time that he believes state judges and agency commissioners deserve more money:

"They are full-time employees who I would look at differently from legislators. Legislators are not a

full-time position."

MORE NEWS

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 11:09:43.00

SUBJECT: December Event Updates

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

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

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

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

TEXT:

1. Airplane safety, 12/19. Three options emerged: 1. NPR is pushing hard for a "holistic" aviation safety plan they are putting together. I said we shouldn't count on another plan for a deliverable. They haven't gotten it to us, but we should get a draft this p.m. -- if this is only a radio it may be ok; 2. Black box. Currently, airlines give black box data to the FAA after an accident. FAA could do a voluntary or mandatory requirement to airlines to turn in black box data whether or not there has been an accident. 3. Other. We are pushing FAA to come up with something else.

2. Child Safety Seats 12/10. We've been briefed by the highway folks, it looks ok, they are a little worried about getting OMB approval but it should be doable.

3. Food Safety. Our budget got screwed, USDA is upset that they have user fees (and threaten to nix the initiative if their baseline isn't funded), FDA got no money for its initiative. Otherwise, it'd be a good event.

4. Homeless vets. I assume this is off now that disabled housing has been done.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 12:58:08.00

SUBJECT: Internet and Tobacco

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:

Here are the issues DOJ raised regarding tobacco and the Internet:

The 1970 law banning cigarette ads on t.v. and radio was upheld before the commercial speech doctrine was developed. They believe if the court were to consider the ban today, that it would be struck down. Thus, they fear that we would risk losing the t.v. and radio ban if we applied it to the internet and were challenged in court. If the FDA authority to regulate tobacco advertising is upheld by the courts or by Congress, the FDA could develop a properly tailored rule banning ads on the Internet that appeal to kids.

FYI: the 1970 law bans cigarette ads on "any medium of electronic communication subject to the jurisdiction of the Federal Communications Commission." Thus, DOJ says, the FCC would need to make the formal determination of jurisdiction before DOJ could act.

I was asked if we knew why the Internet ban was not included in the state settlement (it was as you recall in the June 20th agreement).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 18:47:29.00

SUBJECT: WOMEN'S MTG CANCELLED

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

TO: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TO: Lucia F. Gilliland (CN=Lucia F. Gilliland/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

Sorry! The Women's Mtg is cancelled this week. Please pass this information on to the outside people that come in. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 16:23:07.00

SUBJECT: SCHEDULE UPDATE

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

TO: Jeanne Lambrew (CN=Jeanne Lambrew/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: Sarah A. Bianchi (CN=Sarah A. Bianchi/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: Tanya E. Martin (CN=Tanya E. Martin/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: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Cathy R. Mays (CN=Cathy R. Mays/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: Andrea Kane (CN=Andrea Kane/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: Michael Cohen (CN=Michael Cohen/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: Mary L. Smith (CN=Mary L. Smith/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: Jonathan H. Schnur (CN=Jonathan H. Schnur/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: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: WEINSTEIN_P@A1@CD@VAXGTWY (WEINSTEIN_P@A1@CD@VAXGTWY @ VAXGTWY [UNKNOWN]) (O
READ:UNKNOWN

TEXT:

Unable to convert ARMS_EXT:[MESSAGE.D59]MAIL42366653K.326
The following is a HEX dump of the file:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 22:14:21.00

SUBJECT: CDF report

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

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

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

TEXT:

Here's a rough summary of the CDF report for your use. There's a lot in here -- some interesting, some junk, and almost all with a 'glass half empty' spin. Many of the recommendations are consistent with initiatives we've already proposed and/or implemented. We'll do a Q&A if this gets press attention in the a.m.

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D74]MAIL47659063X.326 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A02010000000205000000E214000000020000BE80A5F191A5A72640CD05
74BA21B48BA9A3BD8EAE9D172816A071C211F8CAF42375240545CA3F529FAB705FB729C8B99172
7749CB903211C6FD9D6775179986B59E1E62A021065F2C56813B6DD5A9AF54F86C4637F12B67C4

Children's Defense Fund and National Coalition for the Homeless Report:
Welfare to What? Early Findings on Family Hardship and Well-Being
December 2, 1998

The report includes three sections: 1) outcomes for former welfare recipients, 2) barriers to self-sufficiency experienced by families who have left welfare, and 3) promising practices adopted in some places and recommendations for policy and practice changes at the federal, state and community level. Some of these recommendations are issues we are well

The report cites familiar data regarding dramatic caseload reductions, increases in the number of welfare recipients working, and some families being better off after leaving welfare. However, it concludes that caseload reductions are not sufficient measures of success, and that even for those working, work is often not sufficient to help a family achieve self-sufficiency. Among the reports findings:

- low wages for most families leaving welfare;
- the significant proportion of families who leave welfare without employment;
- weak linkages with child care, Medicaid and food stamps which families are eligible for after leaving welfare, but may not be receiving due to lack of information, poor outreach efforts, and inappropriate practices in some states;
- high rates of sanctioning in some states and evidence that sanctioned families may be particularly disadvantaged; and
- evidence that some families are experiencing hardship with food, housing, medical care, and child care after leaving welfare.

Most of these findings are based on previously released data, including state studies of welfare leavers, analysis of national survey data (including Census data), and reports by advocacy groups.

However, most of the information related to hardships for those leaving welfare relies heavily on informal surveys and new data collected by seven, local non-profit organizations in six states (MI, MN, PA, NY, KY, OH), as part of the National Welfare Monitoring and Advocacy Partnership. While evidence of increased hardship is important and should be monitored closely, these data reflect a small sample of families who were seeking emergency assistance from these non-profit organizations, including 250 people who were currently getting welfare, 65 who stopped getting welfare in the last 6 months, and 142 who stopped getting either welfare, SSI or food stamps in the last 6 months. Over half of the responses came from a single community action agency in Louisville, KY. Thus, the hardship data raise serious methodological concerns.

The report makes a strong pitch for increased federal and state investments that will help families moving from welfare to work, including child care, housing assistance, and vocational and post-secondary education, as well as increases in the minimum wage and more aggressive use of EITC to make work pay. In addition, the report recommends several policy changes related to more flexible use of TANF block grant funds.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 14:45:11.00

SUBJECT: FYI: Sect Herman appeared today at a welfare/fathers event with Ford Fdn

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:

FYI: The Ford Foundation today announced \$10 million in new grants for its Partners for Fragile Families: Focus on Fathers program, which employment and parenting programs for young, low income fathers. Herman will highlight some of the Welfare to Work grants we've already announced that focus on noncustodial fathers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 1-DEC-1998 13:50:07.00

SUBJECT: Crime Strategy Meeting

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

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

TO: Charles A. Blanchard (CN=Charles A. Blanchard/OU=ONDCP/O=EOP @ EOP [ONDCP])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

Bruce Reed will be having a Crime Strategy Meeting on Thursday, December 3, at 5:15 p.m. in his office, 2 Floor, West Wing.