

NLWJC - KAGAN

EMAILS RECEIVED

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[12/22/1998 - 12/23/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 09:41:34.00

SUBJECT: ESEA memo

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

READ:UNKNOWN

TEXT:

Attached is a draft ESEA memo for POTUS. It reflects Bruce's edits on an earlier version, and some additional work Bruce has not had a chance to review.

I'd like to share this with the group we have been working with -- Barbara Chow, Shirley Sagawa, Jen Klein, Neera Tanden, Jon Schnur, and Broderick Johnson--for quick comment.

I'd also like to share it with Mike Smith for the same purposes. Mike knows we are working on this and has asked to see a copy before it goes to POTUS. Bruce and I discussed this again last evening, and he has no strong objection, as long as it is clear to Mike that this is our memo, not his, that we are looking for quick feedback that points out serious problems rather than lengthy negotiations over each section.===== ATT
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D53]MAIL47613455U.326 to ASCII,
The following is a HEX DUMP:

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Draft

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MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
MIKE COHEN

SUBJECT: Progress on ESEA Reauthorization Proposal

We have been working with the First Lady's office, OMB, the Vice President's office and the Education Department to develop the strongest possible proposal to reauthorize the Elementary and Secondary Education Act, with the objective of transmitting it to Congress by March 1. While there is still much to be done to shape and finalize this proposal, we have made strides in addressing some of the most significant issues. This memo looks at how the 1994 reforms are working, where they are falling short, and what improvements we are considering. We are planning to meet with you in early January.

I. Progress Report on the 1994 Reauthorization and Goals 2000

This reauthorization proposal will build on the new framework for federal aid to elementary and secondary education established in Goals 2000 and the Improving America's Schools Act, the 1994 reauthorization of ESEA. In principle, both of these Acts overhauled federal elementary and secondary education programs by:

- *Insisting that every state set challenging academic standards that all students would be expected to reach.* Goals 2000 helped states raise academic standards for all students and develop assessments aligned to those standards. Title 1 required the state to use these standards for disadvantaged students, ending the federally supported practice of setting lower expectations for low income students.
- *Providing schools, school districts and states with the flexibility to determine how best to educate students to meet high standards.* Goals 2000 provided states and districts with tremendous flexibility in how funds could be used, and for the first time allowed the Secretary of Education to waive federal requirements if they impeded state or local reform efforts. ESEA reduced regulations, paperwork and reporting requirements, launched your initiative to establish 3,000 charter schools, and permitted high poverty schools (with 50% or more students eligible for Title 1) to combine funds from separate streams and use them to improve the whole school.
- *Helping to provide schools with the tools they need — well-trained teachers and up-to-date technology in particular — to effectively educate their students.* Approximately 28% of Goals 2000 funds are used to support teacher training and professional development. The Eisenhower Professional Development program was rewritten to encourage school districts to adopt proven practices for providing professional development. Through the Technology Literacy Program in ESEA, the

federal government is investing \$2 billion to help schools acquire technology, train teachers to use it, and incorporate technology into the overall effort to improve teaching and learning to high standards.

- *Holding schools accountable for the results they achieve, rather than for compliance with rules and regulations.* Along with expanded flexibility and fewer regulations, Title 1 requires states to define the annual progress each school and district must make with respect to the number of students reaching state academic standards, report progress annually for each school (disaggregating data by demographic subgroups), and to intervene in schools that fail to make adequate progress.

These programs have sparked considerable state and local education reform activity. In practice, however, there is still far more to be done to achieve any significant improvement, especially in high poverty schools. The key lessons from the implementation of Goals 2000, ESEA, and related state and local reforms include:

- *Standards-based education reform works.* A recent Rand study of education reform in North Carolina and Texas, the two states with the best track record of improving achievement and closing achievement gaps between minority and white students, shows that a sustained, statewide approach of raising academic standards, providing schools with the flexibility and tools they need, targeting resources for extra help to low performing students and schools, and holding schools accountable for results, produces results, particularly for disadvantaged students. Urban school districts such as Philadelphia, Boston, San Francisco, Seattle and Chicago that have adopted similar approaches have also shown important gains in student achievement. Other studies have also shown that states and school districts that use academic standards as a tool for classroom instruction have shown significant gains in reading and math. The experience of these states and districts shows that our overall approach is sound. If we maintain the direction of federal education policy and intensify our efforts, we can make a positive difference in education nationally.
- *State standard-setting efforts are beginning to take hold, though do not yet go far enough.* Forty-eight states have set new, more challenging academic standards, and most states are working to develop or adopt new assessments aligned with these standards. However, fewer states have adopted accountability systems along with the standards. Approximately 25 states provide for intervention in low performing schools, and only 5 require students to demonstrate they have met the standards as a condition for promotion. Seventeen states provide extra help, such as summer school or tutoring, for students who do not meet the standards.
- *Title 1 requirements for standards, assessments and accountability have not yet had their intended effects.* Title 1 includes a series of deadlines for the implementation of state standards, assessments, and accountability provisions. The implementation deadlines

have not been reached for a number of these provisions yet. Nonetheless, it is already clear that many states are not on track to meet these deadlines. Nor are many states implementing these provisions as envisioned. For example, many states have failed to address significant requirements in defining “adequate yearly progress” for students and schools, and have thereby weakened the overall approach to accountability or limited the incentive for schools to invest in improving the achievement of low achieving and/or disadvantaged students. And while half the states have accountability laws that provide for intervention in low performing schools, it appears that in most states the Title 1 requirements operate independent of these requirements, and with less impact on the schools with the greatest need. In addition, current law envisions that states would establish — and Congress would fund — intervention teams to work with schools in need of improvement. However, Congress has not provided the program improvement funds (requested at \$10 - million per year) and there is considerable variation among states in their capacity for significant intervention.

- *Improvements in the quality of teachers and teaching are key to the success of standards-based reforms.* Gov. Hunt’s National Commission on Teaching and America’s Future has underscored the importance of highly qualified teachers to the overall success of education reform, and the difficulty in attracting and retaining talented, well-prepared individuals to the classroom. Recent evidence underscores the extent of the problem and its particular severity in schools with the most disadvantaged students, where students have the greatest need for highly qualified teachers. For example, 50,000 teachers per year enter the profession with emergency or substandard licenses. Nearly one quarter of secondary school teachers lack even a minor in their main teaching field, and in schools with the highest minority enrollment, students have less than a 50% chance of having a math or science teacher with a license and degree in the field. On average, 22% of new teachers leave the field within 3 years, and in urban areas 30%-50% leave within 5 years. Paraprofessionals are widely and increasingly used to provide instruction to low achieving students in Title 1 schools, and as many as 20% of Title 1 instructional aides provide instruction without a teacher’s supervision. By one estimate, instructional aides account for roughly half (67,000) of the entire Title 1 instructional workforce, and Title 1 aides are being hired at twice the rate of Title 1 certified teachers.

Beyond the problems posed by unqualified teachers, there is a general consensus that ongoing professional development for all teachers is often ineffective and disconnected from school learning goals or new standards for students. Schools are rarely organized to give teachers time for working together and professional development. And teacher evaluation systems are still quite primitive in most school districts, failing to identify and support teachers who need help, or reward outstanding teachers.

The Eisenhower professional development program, the main federal program to improve teacher quality (Goals 2000 and Title 1 also provide some funds for this purpose), has not had the impact necessary to overcome these hurdles. Recent evaluation data suggest that

in many districts it provides modest amounts of funding and continues to fund activities of limited effectiveness. Few states have adopted performance indicators for the program that would enhance accountability and effectiveness.

- *Access to technology in schools has skyrocketed over the past five years, though high poverty schools still lag behind on a number of indicators.* Further, recent studies show that the effectiveness of technology depends on how it is used to support instruction. Teachers in high poverty schools were less likely to use the most effective practices compared with those in more advantaged schools. The Technology Literacy Challenge Fund plays an important role in the acquisition of hardware and, along with the e-rate, in connecting schools and classrooms to the Internet. Our experience to date suggests that in the future, federal program funds should be better targeted to high poverty communities, more effectively used to promote teacher training, and continue to promote innovative, cutting edge approaches.

II. Major Changes to ESEA

Our budget contains a number of initiatives to expand educational opportunity in K-12 education: school modernization, class size reduction, after-school funding, charter schools, and an increase in Title 1 funding. ESEA is our best chance to insist on what the studies suggest we need, which is accountability--for teachers, students and especially for low performing schools. With this Congress, we may not be able to enact every single ESEA reform we have in mind, but we can put forward a bold vision of the future of school reform.

We recommend a new set of accountability requirements as a condition for any state or district to receive ESEA funds. States and school districts would be required to produce annual school report cards, end social promotions, intervene in the lowest performing schools, and end the use of unqualified teachers. Taken together, these new requirements represent a fundamental change in federal aid to elementary and secondary education. For the first time, the federal government would continue to invest in state and local education systems only if they live up to their fundamental responsibilities to set high standards and be accountable for taking steps necessary to enable all students, teachers and schools to meet them. In effect, we are saying that, from now on, the best way for the federal government to help disadvantaged students is to insist that states and local school districts live up to their responsibilities, rather than simply continuing to compensate for their failure to do so.

We hope this overall approach will also be compelling enough to unite Congressional Democrats, the education community and the public, and effectively counter an expected Republican push for vouchers and block grants. Along with the investments in your budget, it represents a significant effort to close the opportunity gap by lifting achievement in low-performing schools and making sure disadvantaged students are not left behind. Over the past several weeks, we have worked with other White House offices and Mike Smith to reach tentative agreement on these proposals. However, some important issues still need to be worked out, and Secretary Riley has not yet reviewed our progress in detail.

A. Annual School Report Cards. Annual report cards, easily understood by and widely distributed to parents and the public, would be required for each school, school district and state. The report cards would include information on student achievement, teacher quality, school safety, and class size. Where appropriate, data--especially on student achievement--would be broken down by subgroups, so that public attention could be focused on the gaps between minority and majority, low income and more advantaged students.

B. Ending Social Promotions. States and districts would be required to adopt policies that (1) require students to meet academic performance standards at key transition points in elementary and middle school and for high school graduation; (2) use multiple measures, including a test valid for these purposes to determine if a student has met the standards; and (3) permit other factors, including teacher judgment, to determine if a student has met the standards. States and school districts would have to show how they will help students meet promotion standards by (1) strengthening learning opportunities in the classroom with steps such as clear grade-by-grade standards, small classes with well prepared teachers, high quality professional development and the use of proven instructional practices; (2) early identification and interventions for students who need help; (3) providing extended learning time, including after-school and summer school for students who need extra help; and (4) providing an effective remedial plan for students who do not meet the standards on time, rather than requiring them to repeat the same unsuccessful experiences. This requirement would be phased in over 5 years, designed to fit state governance systems (allowing "local control" states to delegate responsibilities to the local school district) and based on state or local rather than national standards. The Secretary would review and approve each state's plan, and continued funding would be linked to adequate annual progress in phasing in the plan..

To reinforce this requirement and encourage local school systems to address it even before the enactment of ESEA, your FY2000 budget contains a \$400 million increase in funding for the 21st Century Learning Center program, half of which will be reserved for after-school and summer school programs in school districts implementing policies to end social promotions.

C. Accountability for Teachers. We would require states and local school districts participating in ESEA to phase out the use of unqualified teachers over 5 years. In particular, states and school districts would be required to end the use of (1) teachers with emergency rather than full certification; (2) secondary school teachers teaching "out of field" -- teaching subjects for which they lack an academic major or minor; and (3) instructional aides serving as lead instructors. Ending these practices will be particularly important for high poverty schools, where they are most prevalent. States will be required to adopt teacher competency tests for new teachers, including tests of subject matter expertise for secondary school teachers. States and school districts would be able to use funds from a number of ESEA programs, including Title 1, bilingual education, and a new grant program focused in part on teacher quality, to help meet these requirements.

In addition, we are working with the Education Department to fashion a requirement for states and school districts to deal with low performing teachers. We are exploring a number of approaches, including requiring periodic recertification of teachers, and requiring school districts to adopt procedures to identify low performing teachers, provide them with needed help, and remove them fairly and quickly if they do not improve. We will work closely with NEA and AFT over the coming weeks to try and fashion a provision that will meet our objectives and address their concerns.

D. Accountability Fund for Title 1 Schools. We recommend significantly strengthening accountability requirements in Title 1 in order to require and adequately fund immediate and significant state and local intervention in the lowest performing schools. Because the schools of greatest concern are invariably Title 1 schools and because current law already contains related accountability provisions, we believe it makes more sense to incorporate these provisions into Title 1 than make them a broader ESEA requirement.

Our proposal would retain current provisions for states to adopt performance standards and assessments by 2001. In addition, it would: (1) require the immediate public identification of and intervention in the lowest performing schools in each state -- those with the lowest absolute levels of achievement and which have made little or no improvement over the previous 3 years; (2) set aside 2.5% of Title 1 funds to support aggressive intervention in these schools, including an external assessment of each school's needs, the implementation of needed improvements (such as addressing school safety and security needs, teacher training, the acquisition of up-to-date textbooks, technology or curriculum materials, and extended learning time to help students catch up academically.); and (3) require states to provide recognition or rewards to Title 1 schools showing the greatest improvements. These requirements would be structured to encourage and enable states to adapt existing state accountability requirements where possible.

To increase the appeal of this approach, your FY2000 budget contains an increase in Title 1 funding, of which \$200 million [ck] is specifically dedicated to this initiative.

III. Other Changes in ESEA

A. Charter Schools and Public School Choice. Earlier this fall you signed into the law the Charter Schools Expansion Act of 1998, which strengthened incentives for states to (1) increase the number of high quality charter schools they create, (2) strengthen accountability for charter schools, (3) maximize flexibility for charter schools, and (4) provide charter schools with their share of federal program funds. We believe, along with most in Congress, that no further changes are required in the Charter Schools authority in the reauthorization process.

However, we are proposing new authority in ESEA to enable the Education Department to support other, new approaches to expanding public school choice. At present, the Department has authority only to support specific approaches to choice, such as magnet schools in the context

of desegregation efforts, and new authority in the Vocational Education Act to help establish high schools on community college campuses. We will propose a new competitive grants program that will give the Education Department the authority to support a wide range of choice approaches, including postsecondary enrollment options, interdistrict magnet schools and other interdistrict approaches, work-site schools, schools-within-schools, and district-wide public school choice.

As a first step in this direction, your FY2000 budget proposal will contain funds for three specific choice initiatives: \$10 million in grants to school districts and tax incentives for employers for the establishment of work-site schools; \$10 million to support interdistrict choice within the magnet school program, and \$10 million to establish high schools on community college campuses. [check budget figures]

B. Other Changes in Title 1. In addition to the accountability provisions above, we are considering several other changes to Title 1. The most significant include reducing the poverty threshold from 50% to 35% (students eligible for Title 1 services) to permit Title 1 schools to become "schoolwide projects", enabling them to combine funds from a number of ESEA programs into a unified approach to whole school reform, and limiting eligibility for Comprehensive School Reform Demonstration (Obey-Porter) funds to schoolwide projects. Together, these changes could make Title 1 a more powerful force for school reform. However, some are concerned that making it easier to use Title 1 funds for schoolwide reforms will weaken its focus on the most disadvantaged students. And Rep. Obey is likely to resist any effort to focus his program on high poverty schools, preferring instead to retain its universal applicability.

C. Bilingual Education. We recommend changes to the Title VII Bilingual Education program and to Title 1 (which serves xxx thousand LEP students) consistent with the basis on which you and Secretary Riley opposed California's Unz Initiative. These principles called for (1) expanding flexibility for local communities to determine their own approach to educating LEP students; (2) making sure teachers are well trained to teach LEP students; and (3) strengthening accountability for all programs serving LEP students with the goal that LEP students reach English proficiency after three years.

To expand local flexibility and parental choice, we would remove the Title VII provision in current law that limits expenditures on special alternative English programs (instead of bilingual education programs) to 25% of the funds available. We would also require parental approval for participation in programs funded under Title VII. To improve teacher quality, we would phase in a requirement that Title 1 programs provide LEP students with appropriately trained teachers, and permit them to use some Title 1 funds to pay for teacher training. We would strengthen the teacher training provisions in Title VII by giving funding priority to institutions of higher education and school districts with the strongest approaches to preparing new ESL and bilingual teachers, increasing the supply of qualified teachers, and providing mentors and other support to new ESL and bilingual teachers, in order to improve retention rates..

In Title 1, we would require that LEP students be included in the assessment and accountability requirements for each school, and that they be assessed in their language of instruction. We would also require that students be assessed in English after 3 years of schooling in the United States. Data would be disaggregated, so that in their annual report cards, schools would report academic achievement and English language proficiency of LEP students, and schools would be accountable for making progress each year in improving the performance of LEP students (as well as all other students) in academic subjects and in English language proficiency. Schools in Title 1 programs would be required to provide alternative instructional strategies for LEP student who do not make adequate progress in English proficiency after three years. We would also require school districts with Title VII grants to conduct and report annual (rather than current requirement for biannual) evaluations of student performance, and to report rates for moving students into regular English classrooms. In addition, the continuation of Title VII beyond three years would be contingent on significant achievement gains in English and in academic subjects.

D. Safe and Drug Free Schools Program. As you announced at the White House Conference on School Safety, the Safe and Drug Free Schools Program will be significantly overhauled in order to improve its effectiveness at promoting drug-free, safe and disciplined learning environments and passageways to schools. Our proposal will accomplish this by (1) concentrating the funds in larger amounts by requiring the states to allocate the funds to local school districts on a competitive basis, with funds going to school districts with the greatest need and highest quality proposals; (2) requiring local school districts receiving program funds to develop and implement a rigorous, comprehensive approach to drug and violence prevention based on proven practices; (3) requiring every school district receiving funds to have a full-time prevention program coordinator; and, (4) requiring report cards for every school that makes public data on incidents of crime, disorder and substance abuse.

E. Class Size Reduction. We will include authorization for our Class Size Reduction initiative in our ESEA package, since the provisions in last year's Omnibus Appropriations Act provide both funding and authority for only one year. While we do not expect the ESEA reauthorization to be enacted this year, we believe that transmitting authorization legislation will strengthen our ability to fight for additional funds in the FY2000 appropriations bill. Unlike the provision already enacted, our original proposal required local school districts to provide matching funds (an average of 20%, with a sliding scale based on poverty levels.) We intend to include the matching requirement again, because it is needed in order to reach our goal of 100,000 teachers within 7 years. Otherwise, the substantive differences between our original proposal and the provisions in the appropriations act are minor. We are consulting with Congressional supporters in both houses to determine if our best strategy is to submit the proposal we transmitted last year, or to submit one based on the language that the Republicans have already agreed to.

F. School Modernization. We also intend to include our School Modernization

proposal, with only minor changes from the one introduced last year, in our ESEA package.

G. Ed-Flex. Our proposal to expand Ed-Flex (which gives states the authority to waive many statutory and regulatory requirements in ESEA) to all 50 states died last year, caught between Democrats who opposed granting greater flexibility, especially outside the context of ESEA Reauthorization, and conservative Republicans who opposed it because of its connection to Goals 2000, or because they feared its enactment would limit the case for more sweeping block grant proposals. Governors of both parties aggressively promoted Ed-Flex until the very end of the last session, and Gov. Carper has indicated that NGA will forcefully take up the cause again. While we believe we should continue to support some version of Ed-Flex, we will need to review this after we have completed work on other provisions. We think it would be a mistake to allow states to waive either the accountability provisions described above, or the requirement for using class size funds to reduce class size to 18 in the early grades.

H. Preschool Education. Title 1 funds can be used to provide pre-school for eligible students, (approximately 2% of the Title 1 population are pre-school students), and the Even Start Family Literacy program focuses on children from birth through age 8. We would retain these provisions and expand the Even Start program to reach greater numbers of children and adults. We would also propose to help strengthen the quality of pre-school programs and improve their ability to help students arrive at school ready to learn by providing funds to local school districts, on a competitive basis, to (1) provide professional development for childcare providers and other providers of early childhood services to help children build basic language and literacy skills; and (2) work with Head Start and other pre-school programs to identify the basic language and literacy skills that children need when they enter school and design curriculum to help students acquire these skills.

IV. The future of Goals 2000 and continuing support for standards-based reform.

Goals 2000 has been the flagship Administration initiative promoting standards-based reform; recent studies show that it has been successful as well. We do not believe we should let the program expire simply because of the political opposition it faces in the Congress. At the same time, we do not believe it is wise to take on the fight for a straight reauthorization of the program, and in the process refight the battles of the past. Instead, we are looking for a formulation that will be in fact and in perception a step forward for the standards movement.

The most critical next step is to make sure that the standards move from the development process at the state or local level to effective implementation in the classroom. This requires that schools have talented, well prepared teachers, and that teachers have the tools — curriculum materials, instructional approaches, technology and the like — to effectively engage all students in learning to higher standards.

There are four formula grant programs — Goals 2000, the Eisenhower Professional

Development program, the Title VI Block Grant, and the Technology Literacy Challenge Fund — that can contribute to this objective. We are considering a number of approaches to moving these programs forward, including the possibility of consolidating some or all of them into a larger program, designed to help move standards into the classroom and with a strong emphasis on improving teacher quality. This would be a “responsible block grant” with clear purposes and clear accountability. Some Congressional Democrats are also looking at this approach, in part because it provides a way to respond to the strong push for block grants we anticipate from Republicans, and to create a large funding stream to address public concerns over teacher quality.

We will outline options on this issue in another memo.

At the same time, we will also outline options for dealing with the National Education Goals. Both the Goals and the authorization for the National Education Goals Panel are part of Goals 2000, and expire in 1999. Clearly, we will not achieve these ambitious goals by the year 2000. We have been working with other interested members of the Goals Panel in finding an effective strategy for continuing to have education goals for the nation and a means of reporting on our progress in achieving them.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:22-DEC-1998 20:01:44.00

SUBJECT: Welfare-to-Work/TANF option for FY2000 budget

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

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

TEXT:

Per your conversation with Barbara this evening, see Anil's e-mail below on W-t-W/TANF option for FY00 budget.

----- Forwarded by Sandra Yamin/OMB/EOP on 12/22/98 07:53 PM -----

Anil Kakani

12/22/98 10:53:35 AM

Record Type: Record

To: Barbara Chow/OMB/EOP@EOP

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

Subject: Welfare-to-Work/TANF option for FY2000 budget

The latest data on State TANF spending raise new doubts about whether we could reasonably expect Congress to provide \$1 billion for Welfare-to-Work in FY 2000. This note presents an alternative to the preliminary decision for a one-year, \$1 billion extension of WtW.

TANF baseline and expenditure data. HHS's revised TANF baseline for the 2000 Budget reduces outlays by over \$6 billion over the period FY 00-04 (including FY99, this rises to nearly \$9 billion), as described below:

(outlays in millions)

(actual)	FY98	FY99	FY00	FY01	FY02	FY03	FY04	00-04
1/98 baseline	13,802	15,933	17,028	17,105	17,242	17,211		
17,184								
revised '99 baseline	13,284	13,071	14,496	14,912	15,622			
16,765	17,848							
change from 1/98	(518)	(2,863)	(2,533)	(2,193)	(1,620)			
(446)	664	(6,128)						

This change assumes undrawn balances of nearly \$16 billion by FY 2001. CBO, which previously projected lower outlays for FYs 99-01 than HHS, has preliminarily indicated they will further reduce their baseline even more than HHS. According to TANF financial data, through three quarters in FY98 states have drawn down only 2/3 of available Federal dollars.

As illustrated in the first columns in the table below, states have also been very slow to spend WtW funds.

Welfare-to-Work Baseline

(outlays in millions)

(actual)	1998	1999	2000	2001	2002	2003	2004	98-04
1/98 baseline	466	1,299	890	322	---	---	---	
revised '99 baseline	16	872	1,464	523	22	---	---	
change from 1/98	(450)	(427)	574	201	22	---	---	(80)

Note: 1999 Baseline OL are lower in total because the FY 1999 Omnibus Appropriation Act amended the Social Security to require unallotted State formula grants (\$79 M of FY 1998 grants) revert to the Treasury's General fund.

Option

A "targeted" WtW program. The \$1 B passback consists of \$675 M for formula grants, \$225 M for competitive grants, and \$100 million for bonus grants. An alternative would request \$250 M for competitive grants only, targeted on particular hard-to-serve subgroups of WtW's eligible population. FY 2000 OL associated with this alternative would be \$13 million, compared with \$178 M in the \$1 B preliminary decision. This approach would:

Mirror the FY 1999 competitive grants. In FY 1999, the \$240 M competitive pot will target \$90 - \$120 M on particularly needy subgroups of WtW's eligible population, including noncustodial parents, the disabled, substance abusers, and victims of domestic violence. This FY 2000 request could continue FY 1999's focused approach.

Finance the DPC "fatherhood initiative." DPC plans to use WtW to launch a fatherhood initiative in FY 2000. They are exploring changes to WtW to better target noncustodial parents, including less strict eligibility criteria, and new program design elements, such as personal responsibility contracts and coordination with child support enforcement agencies. An alternative to targeting the WtW competitive grants on several subgroups would be to use the entire \$250 M for noncustodial parents.

TANF rule changes could encourage WtW-like activities in the base TANF program. In addition to dramatically lower caseloads and other reasons

cited by the Secretary in her memo to the President on TANF spending, some have argued that certain TANF NPRM provisions (i.e., separate state programs, penalty reductions, definition of assistance) have had a chilling effect on states providing non-cash assistance and support services (including WtW-like activities).

With the TANF final regulations currently at OMB for clearance, significant changes are being considered to encourage the provision of non-cash transitional assistance and other assistance to enhance job retention and advancement and earnings gains for individuals now working in entry-level jobs. Specific language could be included to highlight allowable uses of TANF dollars to finance WtW employment activities.

Message Copied

To:

Barry White/OMB/EOP@EOP
Jack A. Smalligan/OMB/EOP@EOP
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 17:40:11.00

SUBJECT: New drafts of homeless paper with FY2000 budget included

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

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

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

TEXT:

Here are new drafts from Tom and I of the paper with FY2000 budget numbers. HUD and OMB have signed off. Thanks, Mary===== ATTACHMENT
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D33]MAIL49794575Y.326 to ASCII,
The following is a HEX DUMP:

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59BFB6C49EE4C0A54BAF0545285322FE8ADA48237380DDB6C460A2C657FA440DA9E46F4DDA47A0
82FE754460F9444BD76B8A77CB97BDA2AE6B5A5472C994503D3124F9FBF0828809EBDB30833851
C6DD38D3E22B9DC1E92B71B0ACBF58436727F33C8C0D6432F892EE2A907D24F0E34719B8A40C5C
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AAEAC3D5588444991FB8902918D322FDF29F0AA37444CBF7AF28BB092593394BFBCD5711647162

***PRESIDENT CLINTON ANNOUNCES SIGNIFICANT
INCREASE IN HOMELESS ASSISTANCE
FOR FY2000 BUDGET AND \$850 MILLION IN GRANTS
TO HELP MORE THAN 330,000 HOMELESS AMERICANS
December 23, 1998***

Today President Clinton will announce that his Fiscal Year 2000 budget will include \$1.125 billion in homeless assistance, a more than 15 percent increase over the \$975 million enacted last year. President Clinton also will announce that HUD is awarding \$850 million in grants to help more than 330,000 homeless people obtain housing and receive vital social services to reach self-sufficiency. The grants, issued by the Department of Housing and Urban Development (HUD), are part of President Clinton's Continuum of Care strategy to create safe, affordable housing and break the cycle of homelessness.

Fiscal Year 2000 Budget

The President will announce that his FY2000 budget for HUD includes \$1.125 billion for homeless assistance. The budget includes \$1.025 billion for homeless grant programs and \$100 million for 18,000 additional Section 8 vouchers targeted to help homeless people move from homeless facilities into permanent residences. If enacted, the \$1.125 billion will be the largest ever appropriation to HUD for homeless assistance. The budget request represents a more than 15 percent increase above the \$975 million that was enacted for HUD homeless programs for FY 1999.

Continuum of Care Grants for the Homeless

The President will announce \$700 million in Continuum of Care competitive grants to help homeless persons in 307 communities located in 46 states, the District of Columbia, and Puerto Rico. The grants provide homeless people with transitional and permanent housing and fund social services such as job training, child care, substance abuse treatment, and mental health services. The grants are provided under the Stewart B. McKinney Homeless Assistance Act and fund 1420 individual projects including more than 1000 non-profit organizations. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities.

Emergency Shelter Grants

The President will also announce \$150 million in funding for the Emergency Shelter Grants program. Under this program, states and cities select local projects to receive funding for emergency shelter and other homeless needs. The funds are distributed through a formula based on a community's housing and poverty needs. Attached is a state by state list of funds that will

be distributed under the Continuum of Care and Emergency Shelter Grants program.

President Clinton's Continuum of Care Program to End the Cycle of Homelessness

President Clinton's Continuum of Care program, initiated in 1993, requires local public and private agencies to work together to create a comprehensive plan to address the needs of poor and homeless people, and to coordinate services to use resources most efficiently. The goal of the Continuum of Care strategy is to give communities the decision-making authority to craft plans that move away from short-term emergency measures and toward permanent solutions that help homeless people become self-sufficient. The key elements are outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing. Under the Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of the strategy for addressing homelessness, including the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance. In 1998, Harvard University's Kennedy School of Government and the Ford Foundation recognized the Continuum of Care policy as one of the 25 finalists in Innovations in American Government.

Homeless Event Q&As
12/23/98

Q: What did the President announce today?

A: Today President Clinton announced that his Fiscal Year 2000 budget will include \$1.125 billion in homeless assistance, a more than 15 percent increase over the \$975 million enacted last year. President Clinton also announced that HUD is awarding \$850 million in grants to help more than 330,000 homeless people obtain housing and receive vital social services to reach self-sufficiency. The grants, issued by the Department of Housing and Urban Development (HUD), are part of President Clinton's Continuum of Care strategy to create safe, affordable housing and break the cycle of homelessness.

Q: What specifically did the President announce regarding his FY2000 homeless assistance budget?

A: The President announced that his FY2000 budget for HUD includes \$1.125 billion for homeless assistance. The budget includes \$1.025 billion for homeless grant programs and \$100 million for 18,000 additional Section 8 vouchers targeted to helping homeless people move from homeless facilities into permanent residences. If enacted, the \$1.125 billion will be the largest ever appropriation to HUD for homeless assistance. The budget request represents a more than 15 percent increase above the \$975 million that was enacted for HUD homeless programs for FY 1999.

Q: How are the \$850 million in grants distributed?

A: The Continuum of Care grants include \$700 million to fund 1420 individual projects, including state and local governments and more than 1000 non-profit organizations who work with the homeless. These competitive grants enable organizations to provide homeless people with transitional and permanent housing and fund supportive services such as job training, child care, substance abuse treatment, and mental health services. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities. In addition, the President announced \$150 million of grants under the Emergency Shelter Grants program. This program assists communities in providing temporary emergency shelter and essential services, and preventing homelessness. Grants are allocated to States, metropolitan cities and urban counties based on a formula which uses several objective measures of community need, including poverty, population, housing overcrowding, age of housing, and growth.

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Q: What did the President announce about housing vouchers for the homeless?

A: The President announced his FY2000 budget will include \$100 million to help over 18,000 homeless people obtain affordable housing under the Department of Housing and Urban Development's (HUD) Section 8 housing assistance program. This program provides housing assistance to low-income families in the form of Section 8 vouchers. Families generally pay no more than 30 percent of their adjusted income for rent with the balance paid to the landlord by HUD.

Q: How much total grant money did Baltimore receive?

A: Under the Continuum of Care grants, Baltimore received \$6.6 million in 1997 and will receive \$7.3 million this year. Under the Emergency Shelter Grant Program, Baltimore received 1,360,000 last year and will receive \$1,040,000 this year. In total for this year, Baltimore will receive approximately \$8.3 million.

Q: How many persons are homeless in the United States? Why are they homeless?

A: The Administration's Priority: Home! The Federal Plan to Break the Cycle of Homelessness states that there are as many as 600,000 homeless men, women, and children in the United States on any given night. The homeless population is a diverse group whose homelessness has been caused by a complex array of factors ranging from economic difficulties and lack of access to affordable housing to mental illness and problems with substance abuse. Approximately 20-25% of the homeless population is made up of families with children. An estimated one-third of the homeless population is experiencing mental illness, while at least 50% of those who are homeless may have substance abuse issues. Some have become homeless as a result of domestic violence, while others were forced into homelessness by a health crisis, such as HIV/AIDS. Roughly a third of the entire male adult homeless population are veterans, and as many as half of all homeless adult men have some kind of military experience.

Q: What has the Clinton Administration done to address homelessness?

A: President Clinton has made addressing homelessness a top priority. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance, and the Administration has implemented the Continuum of Care approach to homelessness. This approach encourages communities to plan comprehensively for the full range of needs of poor and homeless people, and to coordinate services in a way that maximizes the impact of existing resources.

Q: What specifically is the Continuum of Care?

A: In 1993, HUD initiated a new strategy for reducing homelessness, requiring

communities to establish "Continuum of Care" plans. A Continuum of Care plan is a coordinated community approach which focuses on ensuring that homeless persons move from homelessness into jobs and permanent housing. The key elements of a Continuum of Care community plan are: outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing.

Under the innovative Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of a number of factors, including the strategy for addressing homelessness, as well as the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses.

Q: *How is the Continuum of Care approach working?*

A: The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study found that as a result of such efforts, between 4 to 14 times as many homeless persons are receiving a wide-array of assistance to help them move into jobs and housing. The study also indicated that the number of children being assisted has grown from 6,500 in 1992 to 89,000 in 1995. The report pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been replaced by comprehensive planning and coordinated housing and service delivery. The success of the Continuum of Care approach was recently recognized when it was named one of 25 finalists for the prestigious Harvard-Ford Foundation Innovations in Government Award.

Q: **How much McKinney Act funding is in the FY '99 budget?**

A: HUD's McKinney Act homeless assistance is funded at \$975 million in FY 1999, an increase of \$152 million or 18 percent over the 1998 enacted level of \$823 million. This is also an increase of \$403.4 million or 71 percent over the 1993 enacted level of \$571.6 million.

Q: *What McKinney Act programs are the grants awarded under?*

A: These grants are part of the Stewart B. McKinney Homeless Assistance Act which is the main federal program addressing homelessness. These grants provide funding under four HUD McKinney Act programs: the Emergency Shelter Grants program, the Supportive Housing Program (SHP); the Shelter Plus Care (S+C) program; and the Section 8 Mod Rehab Single Room Occupancy (SRO) program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 13:11:27.00

SUBJECT: Summary of Head Start options

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

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

TEXT:

Attached below is an e-mail from Barbara to Gene (sent at his request) outlining the Head Start options for the President's FY 2000 budget. No decision has been made, but it's clear that OMB plans to up the Head Start budget to stay on track to serving 1 million children by 2002. Assuming OMB and HHS can find the budget authority for it, I would favor OMB's suggested resolution described below -- \$5.267 billion for FY 2000 to add 44,000 new Head Start slots, bringing the program to a total of 881,000 slots.

----- Forwarded by Nicole R. Rabner/WHO/EOP on 12/22/98
11:46 AM -----

Record Type: Record

To: Gene B. Sperling/OPD/EOP@EOP, Charles R. Marr/OPD/EOP@EOP
cc: Melissa G. Green/OPD/EOP@EOP, Peter A. Weissman/OPD/EOP@EOP, Sandra Yamin/OMB/EOP@EOP, Jennifer Friedman/OMB/EOP@EOP
Subject: Summary of Head Start options

Information on Head Start.

----- Forwarded by Barbara Chow/OMB/EOP on 12/22/98 11:05
AM -----

Jennifer Friedman
12/21/98 07:23:11 PM
Record Type: Record

To: Barbara Chow/OMB/EOP@EOP
cc: Barry White/OMB/EOP@EOP, Jack A. Smalligan/OMB/EOP@EOP, Matthew McKearn/OMB/EOP@EOP, Sandra Yamin/OMB/EOP@EOP
Subject: Summary of Head Start options

Following is an overview of options for the Head Start funding level for the FY2000 President's Budget. All options remain on the path toward serving 1 million children by FY02, including 80,000 infants and toddlers in Early Head Start. The options range in cost from \$4,997 million to \$5,395 million in FY00, with five year costs that are \$5.3 billion to \$6 billion over guidance levels. The table attached below summarizes the options proposed by HHS and considered by OMB.

As you know, the Head Start reauthorization greatly increased the set-aside for quality activities. Due to this law change, as well as other program policies, the cost of new slots has risen dramatically. While the FY99 P.B. assumed that the request level of \$4,660 million would create 30,000 to 36,000 new slots, this funding level as enacted will now

only provide for approximately 15,000 new slots in FY99, for total enrollment of 837,000.

In HHS' FY00 budget submission, the Department originally requested \$4,997 million (\$337 million over FY99 enacted), and subsequently revised this request to \$5,395 million (\$735 million over FY99 enacted). The passback level was at guidance, and equal to their original request of \$4,997 million.

In HHS' first appeal, the Department reiterated their request of \$5,395 million, proposing to add 54,000 slots, for total enrollment in FY00 of 891,000. Subsequently, HHS revised their appeal downward. Their second appeal is in the same ballpark as the OMB proposed resolution of \$5,267 million. This funding level would create 44,000 slots, for total enrollment of 881,000. There is a logic to adding 44,000 slots in FY00, as the FY99 P.B. assumed the addition of 44,000 new slots in FY00 (albeit, to a higher base).

HHS' third appeal, a \$100 million increase over passback to \$5,097 million, would provide for 29,000 new slots and a total enrollment of 866,000.

Summary of Head Start Expansion Options
(All dollars in millions)

	Date Submitted	FY00	New Slots	Total Slots
HHS Request	9/98	\$4,997	20,000	857,000
HHS Revised Request	11/9/98	\$5,395	54,000	891,000
Passback	11/24/98	\$4,997	20,000	857,000
HHS First Appeal	12/1/98	\$5,395	54,000	891,000
OMB Proposed Resolution	12/3/98	\$5,267	44,000	881,000
HHS Second Appeal	12/18/98	\$5,267	44,000	881,000
HHS Third Appeal	12/21/98	\$5,097	29,000	866,000

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 11:21:30.00

SUBJECT: draft homeless release

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

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

TEXT:

Here is the state-by-state breakout which we would attach to our announcement. North Dakota is missing, but HUD will be sending this shortly.

----- Forwarded by Mary L. Smith/OPD/EOP on 12/22/98
11:21 AM -----

JULIE B. GOLDBERG
12/21/98 02:18:27 PM
Record Type: Record

To: Mary L. Smith/OPD/EOP
cc:
Subject: draft homeless release

Mary -

Here's HUD's release - looking forward to your paper!

Julie
----- Forwarded by Julie B. Goldberg/WHO/EOP on 12/21/98
02:05 PM -----

Roger V. Salazar
12/21/98 09:36:13 AM

Record Type: Record

To: Julie B. Goldberg/WHO/EOP
cc:
Subject: draft homeless release

----- Forwarded by Roger V. Salazar/WHO/EOP on 12/21/98
09:36 AM -----

Megan C. Moloney

12/21/98 08:37:49 AM

Record Type: Record

To: Roger V. Salazar/WHO/EOP

cc:

Subject: draft homeless release

FYI --

----- Forwarded by Megan C. Moloney/WHO/EOP on 12/21/98
08:38 AM -----

david_m_egner @ hud.gov

12/18/98 07:04:39 PM

Record Type: Record

To: Megan C. Moloney/WHO/EOP

cc:

Subject: draft homeless release

Here is a release we would like to put out on Wednesday when the President announces homeless grants. Also included is an attachments listing the grants to each state. We will also have two more attachments: 1) list of all grants 1,420 grants, organized by state 2) vignettes telling success stories of five people (who do not want their full names used) who were homeless. I will get you these when they are done. The grant list will be useful for regional press. We plan on contacting media around the country from here and from our regional offices after the President's announcements. We should talk to discuss what we are doing.

I know Ginny Terzano, our Assistant Secretary, is dealing with the White House on logistics of the event.

Please get back to me Monday and let me know: 1) Do you have any problems with the release and want any changes? 2) If the quote I drafted for the President OK, or do you want to change it? 3) Do you want to distribute our release along with your material at the White House, or do you just want us to use our stuff for faxing and for our website?

Fred Karnas, our homeless expert, has made edits to the fact sheet the White House has drafted, and shown this to me. All the numbers and descriptions in the fact sheet and my release are consistent.

(See attached file: jo.doc)

hud NEWS

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Department of Housing and Urban Development – Andrew Cuomo, Secretary
Office of Public Affairs, Washington, DC 20410

NOTE: LIST OF ALL GRANT RECIPIENTS BY STATE IS ON HUD'S WEBSITE.

HUD No. 98-643
(202) 708-0685
<http://www.hud.gov/news.html>

FOR RELEASE
xx a.m. Wednesday
December 23, 1998

PRESIDENT CLINTON ANNOUNCES \$850 MILLION IN ASSISTANCE TO HELP MORE THAN 330,000 HOMELESS AMERICANS

WASHINGTON – President Clinton today announced \$850 million in grants to help more than 330,000 homeless Americans get housing, job training, child care, mental health services and substance abuse treatment so they can move from homelessness to self-sufficiency.

A total of \$700 million of the Department of Housing and Urban Development assistance is targeted to 1,420 long-term programs around the country to help individuals and families permanently end their homeless status. These programs will provide transitional and permanent housing assistance and will help people overcome problems that can lead to homelessness, such as a lack of basic education and job skills, mental illness and drug addiction.

The remaining \$150 million in grants are for emergency shelter programs that provide food and shelter on a short-term basis to homeless people so they aren't forced to live on the streets and go hungry.

(UNAPPROVED) “These grants will save and transform the lives of some of the most vulnerable people in our country,” President Clinton said. “In this holiday season, they give homeless Americans the most valuable gift of all – a brighter future filled with hope and prosperity, instead of despair and poverty. Our assistance will enable homeless people across this nation to achieve the American Dream of decent housing, a job with a living wage, and a chance to help their children build successful lives.”

“The President’s policies recognize that if we give homeless people the help they need, they can overcome their problems and work their way out of poverty,” Cuomo said. “I have met men and women across this nation who would be dead today or would be living on the streets if not for our programs.”

The \$850 million in assistance announced today will go to over 300 communities, all 50 state governments, the District of Columbia, Puerto Rico and American territories. In addition, over 1,000 non-profit organizations such as the Salvation Army, Volunteers of America and Catholic Charities will receive funding for homeless assistance programs.

“Every homeless person is a victim of enormous personal tragedy and incredible

hardship," Cuomo said. "Helping these men, women and children rebuild their lives isn't easy and isn't cheap, but it's one of the most important investments we can make. It's an investment that says America is the land of opportunity not just for some of us, but for all us."

-more-

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HUD No. 98-643
Page Two

HUD will award \$975 million in the homeless grants a year from now, as a result of increased funding for homeless programs in HUD's fiscal 1999 budget. President Clinton had sought an even larger increase to \$1.15 billion for the program in the 1999 budget he proposed.

HUD has invested nearly \$5 billion in programs to help homeless Americans since President Clinton took office in 1993. That's more than three times as much as the \$1.5 billion HUD spent on homeless assistance programs from the time they were created in 1987 until 1993.

The \$700 million in competitive grants for long-term programs announced today are part of HUD's Continuum of Care approach to addressing homelessness across the nation. The grants are awarded to states, local governments and non-profit groups based on a number of factors that measure the effectiveness of plans to help homeless people become self-sufficient.

The \$150 million emergency shelter grants are awarded through a formula based on a community's housing and poverty needs. States and cities select projects to receive the funding at the local level.

The Continuum of Care, which is the centerpiece of the federal policy on homelessness announced by President Clinton in 1993, stresses permanent solutions to homelessness through comprehensive and collaborative community planning. Communities submit plans to HUD that reflect efforts to address the complexities of homelessness through a range of housing and services.

This year, the Continuum of Care was one of 25 finalists, out of 1,400 competitors, for the prestigious Innovations in American Government Award that is awarded by the Ford Foundation and the Kennedy School of Government at Harvard University.

Cuomo said the Continuum of Care approach has been successful because it brings together non-profit groups, the private sector and local and state governments in a partnership to design local programs to help homeless people become self-sufficient.

A Columbia University study concluded that HUD's homeless policies spelled out in the Continuum of Care "have had a positive impact on communities across the nation" and were an improvement from past efforts that focused on short-term emergency shelter.

Key elements of the Continuum of Care are:

- Outreach and assessment efforts to identify individual and family needs and make connections to facilities and services.
- Provision of emergency shelter and appropriate social services as safe alternatives to the streets.
- Transitional housing and necessary social services to help people move to permanent housing and independent living.

- Permanent housing to help meet the long-term needs of homeless individuals and families.

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LISTING OF HUD HOMELESS ASSISTANCE PROGRAM GRANTS

Here is a list of Department of Housing and Urban Development homeless assistance program grants announced today. Continuum of Care (CoC) Grants are for long-term programs designed to help homeless people get permanent housing and jobs to become self-sufficient. Emergency Shelter Grants provide short-term food and shelter.

ALABAMA - \$6.5 million, including: CoC - \$4.4 million and ESG - \$2 million.

ALASKA - \$1.8 million, including: CoC - \$1.6 million and ESG - \$192,000.

ARIZONA - \$13.7 million, including: CoC - \$11.9 million and ESG - \$1.8 million.

ARKANSAS-\$2.7 million, including: CoC - \$1.6 million and ESG - \$1.1 million.

CALIFORNIA - \$141.5 million, including: CoC - \$123.1 million and ESG - \$18.4 million.

COLORADO - \$7.7 million, including: CoC - \$6.2 million and ESG - \$1.5 million.

CONNECTICUT - \$6.6 million, including: CoC - \$5 million and ESG - \$1.6 million.

DELAWARE - \$2.7 million, including: CoC - \$2.4 million and ESG - \$281,000.

DISTRICT OF COLUMBIA - \$9.6 million, including: CoC -\$8.8 million and ESG - \$827,000.

FLORIDA - \$35.6 million, including: CoC - \$29.4 million and ESG - \$6.2 million.

GEORGIA - \$17.4 million, including: CoC - \$14.4 million and ESG - \$3 million.

HAWAII - \$3.1 million, including: CoC - \$2.5 million and ESG - \$637,000.

IDAHO - \$1.6 million, including: CoC - \$1.2 million and ESG - \$414,000.

ILLINOIS - \$47 million, including: CoC - \$39.5 million and ESG - \$7.5 million.

INDIANA - \$13.4 million, including: CoC - \$10.6 million and ESG - \$2.8 million.

IOWA - \$6.8 million, including: CoC - \$5.1 million and ESG - \$1.6 million.

KANSAS - \$1.2 million, including: ESG - \$1.2 million.

KENTUCKY - \$12.1 million, including: CoC - \$10.1 million and ESG - \$2 million.

LOUISIANA - \$14.4 million, including: CoC - \$11.5 million and ESG - \$2.9 million.

MAINE - \$780,000, including: ESG - \$780,000.

MARYLAND - \$17.4 million, including: CoC - \$15.2 million and ESG - \$2.2 million.

-more-

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Homeless Grant List
Page Two

MASSACHUSETTS - \$33.5 million, including: CoC - \$29 million and ESG - \$4.5 million.

MICHIGAN - \$34.1 million, including: CoC - \$28.5 million and ESG - \$5.6 million.

MINNESOTA - \$14.6 million, including: CoC - \$12.1 million and ESG - \$2.5 million.

MISSISSIPPI - \$2.2 million, including: CoC - \$650,256 and ESG - \$1.6 million

MISSOURI- \$27.8 million, including: CoC - \$24.9 million and ESG - \$2.9 million

MONTANA - \$1.3 million, including: CoC - \$1 million and ESG - 363,000.

NEBRASKA - \$4.8 million, including: CoC - \$4 million and ESG - \$828,000.

NEVADA - \$3.7 million, including: CoC - \$3.2 million and ESG - \$563,000.

NEW HAMPSHIRE - \$3.2 million, including: CoC - \$2.7 million and ESG - \$511,000.

NEW JERSEY - \$22.7 million, including: CoC - \$18.4 million and ESG - \$4.3 million.

NEW MEXICO - \$3.6 million, including: CoC - \$2.8 million and ESG - \$805,000.

NEW YORK - \$98.9 million, including: CoC - \$84.3 million and ESG - \$14.6 million.

NORTH CAROLINA - \$6.9 million, including: CoC - \$4.4 million and ESG - \$2.5 million.

OHIO - \$34.6 million, including: CoC - \$27.9 million and ESG - \$6.7 million.

OKLAHOMA - \$1.3 million, including: ESG - \$1.3 million.

OREGON - \$7.8 million, including: CoC - \$6.5 million and ESG - \$1.3 million.

PENNSYLVANIA - \$54.8 million, including: CoC - \$45.5 million and ESG - \$9.3 million.

RHODE ISLAND - \$4.5 million, including: CoC - \$3.8 million and ESG - \$712,000.

SOUTH CAROLINA - \$6.3 million, including: CoC - \$4.7 million and ESG - \$1.6 million.

SOUTH DAKOTA - \$566,325, including: CoC - \$222,325 and ESG - \$344,000.

TENNESSEE - \$11.1 million, including: CoC - \$9 million and ESG - \$2 million.

TEXAS - \$39.2 million, including: CoC - \$28.9 million and ESG - \$10.3 million.

UTAH - \$2.1 million, including: CoC - \$1.3 million and ESG - \$824,000.

VERMONT - \$1.9 million, including: CoC - \$1.6 million and ESG - \$338,000.

-more-

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Homeless Grants
Page Three

VIRGINIA - \$13 million, including: CoC - \$10.6 million and ESG - \$2.4 million.

WASHINGTON STATE - \$22 million, including: CoC - \$19.7 million and ESG - \$2.3 million.

WEST VIRGINIA - \$2.3 million, including: CoC - \$1.3 million and ESG - \$1 million.

WISCONSIN - \$15.1 million, including: CoC - \$12.3 million and ESG - \$2.8 million.

WYOMING - \$223,765, including: CoC - \$64,765 and ESG - \$159,000.

AMERICAN SAMOA, GUAM, NORTHERN MARIANAS, VIRGIN ISLANDS - \$300,000
in ESG.

PUERTO RICO - \$9.4 million, including: CoC - \$4.8 million and ESG - \$4.6 million.

##

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Paul J. Weinstein Jr.@EOP@LNGTWY@LNGTWY (Paul J. Weinstein Jr.@EOP@LNGTWY@

CREATION DATE/TIME:22-DEC-1998 19:15:49.00

SUBJECT: Weekly Report Winners

TO: Devorah R. Adler@EOP@LNGTWY@LNGTWY (Devorah R. Adler@EOP@LNGTWY@LNGTWY [OPD]
READ:UNKNOWN

TO: Todd A. Summers@VAXGTWY@LNGTWY@LNGTWY (Todd A. Summers@VAXGTWY@LNGTWY@LNGTWY [
READ:UNKNOWN

TO: Jonathan H. Schnur@VAXGTWY@LNGTWY@LNGTWY (Jonathan H. Schnur@VAXGTWY@LNGTWY@LNG
READ:UNKNOWN

TO: Bruce N. Reed@VAXGTWY@LNGTWY@LNGTWY (Bruce N. Reed@VAXGTWY@LNGTWY@LNGTWY [OPD
READ:UNKNOWN

TO: Tanya E. Martin@VAXGTWY@LNGTWY@LNGTWY (Tanya E. Martin@VAXGTWY@LNGTWY@LNGTWY [
READ:UNKNOWN

TO: Jennifer L. Klein@EOP@LNGTWY@LNGTWY (Jennifer L. Klein@EOP@LNGTWY@LNGTWY [OPD
READ:UNKNOWN

TO: Elena Kagan@VAXGTWY@LNGTWY@LNGTWY (Elena Kagan@VAXGTWY@LNGTWY@LNGTWY [OPD])
READ:UNKNOWN

TO: Jose Cerda III@VAXGTWY@LNGTWY@LNGTWY (Jose Cerda III@VAXGTWY@LNGTWY@LNGTWY [OP
READ:UNKNOWN

TO: Julie A. Fernandes@VAXGTWY@LNGTWY@LNGTWY (Julie A. Fernandes@VAXGTWY@LNGTWY@LNG
READ:UNKNOWN

TO: Cynthia Dailard@VAXGTWY@LNGTWY@LNGTWY (Cynthia Dailard@VAXGTWY@LNGTWY@LNGTWY [
READ:UNKNOWN

TO: Sarah A. Bianchi@VAXGTWY@LNGTWY@LNGTWY (Sarah A. Bianchi@VAXGTWY@LNGTWY@LNGTWY
READ:UNKNOWN

TO: Leanne A. Shimabukuro@EOP (Leanne A. Shimabukuro@EOP [OPD])
READ:UNKNOWN

TO: Jay Eric Gould@EOP@LNGTWY@LNGTWY (Jay Eric Gould@EOP@LNGTWY@LNGTWY [OPD])
READ:UNKNOWN

TO: Neera Tanden@VAXGTWY@LNGTWY@LNGTWY (Neera Tanden@VAXGTWY@LNGTWY@LNGTWY [WHO]
READ:UNKNOWN

TO: Mary L. Smith@VAXGTWY@LNGTWY@LNGTWY (Mary L. Smith@VAXGTWY@LNGTWY@LNGTWY [OPD
READ:UNKNOWN

TO: Cynthia A. Rice@VAXGTWY@LNGTWY@LNGTWY (Cynthia A. Rice@VAXGTWY@LNGTWY@LNGTWY [
READ:UNKNOWN

TO: Nicole R. Rabner@VAXGTWY@LNGTWY@LNGTWY (Nicole R. Rabner@VAXGTWY@LNGTWY@LNGTWY
READ:UNKNOWN

TO: Jeanne Lambrew@VAXGTWY@LNGTWY@LNGTWY (Jeanne Lambrew@VAXGTWY@LNGTWY@LNGTWY [OP

READ:UNKNOWN

TO: Andrea Kane@VAXGTWY@LNGTWY@LNGTWY (Andrea Kane@VAXGTWY@LNGTWY@LNGTWY [OPD])
READ:UNKNOWN

TO: Christopher C. Jennings@VAXGTWY@LNGTWY@LNGTWY (Christopher C. Jennings@VAXGTWY@
READ:UNKNOWN

TO: Thomas L. Freedman@VAXGTWY@LNGTWY@LNGTWY (Thomas L. Freedman@VAXGTWY@LNGTWY@LNG
READ:UNKNOWN

TO: Laura Emmett@VAXGTWY@LNGTWY@LNGTWY (Laura Emmett@VAXGTWY@LNGTWY@LNGTWY [WHO]
READ:UNKNOWN

TO: Michael Cohen@VAXGTWY@LNGTWY@LNGTWY (Michael Cohen@VAXGTWY@LNGTWY@LNGTWY [OPD
READ:UNKNOWN

TO: Christa Robinson@EOP (Christa Robinson@EOP [OPD])
READ:UNKNOWN

TO: Cathy R. Mays@EOP (Cathy R. Mays@EOP [OPD])
READ:UNKNOWN

TEXT:

Message Creation Date was at 22-DEC-1998 19:09:00

I am please to announce the winner and final results of the weekly report
contest for 1998:

1. Child Care
2. Crime & Drugs (tie)
2. Welfare & Tobacco (tie)
3. COS
4. Education
5. Policy Planning
6. Race
7. Health Care

Although you all deserve prizes (ho ho ho) for the hard work you do, let's
face
facts, in life there are winners and losers. So, after the new year, the
members of the Child Care, Crime & Drug, and Welfare & Tobacco will be
receiving really cool prizes. In addition, Laura Emmett, who has to nag
all
the sloths who are bringing up the rear and handing in those reports late,
will
also be receiving a gift. Good work.

Now, there was a suggestion by some of the losing teams that quantity over
timeliness matters more. But, what is quantity without quality, kind of
like
Chevy Lumina vs, well you know.

Hope everyone has a great holiday.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-DEC-1998 18:58:30.00

SUBJECT: fyi

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

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

TEXT:

December 22, 1998

AMA Urges Expansion of Gun Laws

A.P. INDEXES: TOP STORIES | NEWS | SPORTS | BUSINESS |
TECHNOLOGY | ENTERTAINMENT

Filed at 6:45 p.m. EST

By The Associated Press

CHICAGO (AP) -- Laws barring felons from buying guns should be expanded to prospective buyers who have committed misdemeanors, researchers say in Wednesday's Journal of the American Medical Association.

Their study found that handgun purchasers with a prior misdemeanor conviction were nearly five times as likely as gun buyers without a criminal record to be charged with new offenses involving firearms or violence.

A critic of the study said its methods were flawed and that its authors and underwriters are activists favoring gun bans regardless of science.

But Jim Brady, the former presidential press secretary who was wounded in an assassination attempt on Ronald Reagan, supported the study's conclusions in an editorial accompanying the findings.

The editorial, co-written by Brady's wife, Sarah, and by Dr. Thomas B. Cole of JAMA's editorial staff, said California has successfully stopped would-be gun buyers if they have convictions for violent misdemeanor crimes.

"The findings (of the study) strongly suggests there are compelling reasons to do so," the editorial said.

The study was led by Dr. Garen J. Wintemute of the University of California, Davis, and underwritten in part by the California Wellness Foundation.

The researchers did a 15-year study of 5,923 randomly chosen people in California who legally purchased handguns in 1977, based on state records. The researchers were able to track 5,177 for the full study period, while the others could not be verified as continued residents of California.

Of the 2,735 subjects convicted before their gun purchases of at least one misdemeanor, 1,379 (50.4 percent) were subsequently charged with new crimes. Only 239 purchasers out of 2,442 who had no prior criminal history were subsequently charged (9.8 percent).

Counting only the worst crimes -- murder and non-negligent manslaughter, forcible rape, robbery and aggravated assault -- 421 people with previous convictions (15.4 percent) were subsequently charged compared with 60 of people with no criminal history (2.5 percent), researchers said.

But Dr. Edgar A. Suter, chairman of Doctors for Integrity in Policy Research, a nonprofit group that has countered medical research vilifying guns, said the study was politically skewed.

"The individuals involved with this want to make guns look as bad as they can," Suter said Tuesday from San Ramon, Calif., where he is a family practitioner. He said the study failed to fully examine the population of gun buyers because many with clean criminal records had been pared from state files of gun purchasers.

The authors said including such buyers would not have changed

the results

substantially. They said the public has the misperception that laws requiring

background checks of prospective gun buyers ``prohibit gun purchase by

all but the law-abiding.

``In fact, many thousands of persons with a history of criminal activity

legally purchase firearms every year,'' they added, citing previous

research.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-DEC-1998 18:46:23.00

SUBJECT: Press Plan for Holdiay Week

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Julie B. Goldberg (CN=Julie B. Goldberg/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: Laura Emmett (CN=Laura Emmett/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: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

TO: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP @ EOP [NSC])
READ:UNKNOWN

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

TEXT:
Please find a attached a DRAFT press plan for stories to be leaked/events to be framed for the next week. This is a draft working document and I will update it as we go along. So please e-mail me any comments/updates. I will be out of the office Wednesday and Monday morning, so in the interim please e-mail any changes to Amy Weiss.

Thanks, all. ===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D73]MAIL45589575N.326 to ASCII,
The following is a HEX DUMP:

FF575043B0040000010A02010000000205000000890F000000020000CDDDB49865D9A38FB4C4137
39C0D029ABD35308E4FC16230CEA23F9066B3711EFC2F3EB2E6715BE4622BAEEEE035F38A3331AA
3C4F909FA644D34D6F86C27D76D2562CAA1405486CC82984D15D3CEC8BD6B3D7671EF414BD61EB

PRESS PLAN FOR HOLIDAY WEEK

Saturday, December 26 -- Drunk Driving Radio Address

- Slater on TV for Saturday morning, Saturday night (Neschis)

Sunday, December 27 -- Bioterrorism

- Leak bioterrorism story to NYT Saturday for Sunday (Jennings/Clark)
- Shalala on Sunday night TV (Neschis)

Monday, December 28 -- Y2K

- Leak Social Security/Y2K story to USA Today (Gribben)
- Apfel on Monday morning shows (CNN) (Neschis)

Tuesday, December 29 -- Violence Against Children

- Package New Haven success story for TODAY (Neschis/Cerda/Robinson)

Wednesday, December 30 -- AIDS Budget

- Leak AIDS Budget numbers to AP and Knight-Ridder Tuesday for Wednesday (Kagan)
- Thurman on TV (Neschis)

Thursday, December 31 -- Welfare to Work

- Leak Welfare to Work to LA Times?/NY Times? Wednesday for Thursday (Kagan/Reed)

Friday, January 1 -- Y2K

- Pitch Koskinen to networks for pre-packaged Y2K stories (Neschis)

Saturday, January 2 -- Millennium Radio Address/Food Safety

- Leak food safety story Friday for Saturday (Spector/Kagan/Balderston)
- Glickman on weekend TV (Neschis)

Sunday, January 3 -- Military Readiness

- Leak story Saturday for Sunday to NY Times (Bennet?) (Mathews)

Monday, January 4 -- Long-Term Care

- Leak story Sunday for Monday to LA Times, NY Times and Washington Post (Kagan/Jennings)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 18:19:26.00

SUBJECT: Livable & Clean Community Bonds

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

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

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

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

CC: Elizabeth J. Potter (CN=Elizabeth J. Potter/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

CC: Pieter J. Boelhouwer (CN=Pieter J. Boelhouwer/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

CC: Bradley M. Campbell (CN=Bradley M. Campbell/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

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

TEXT:

The following issues have been raised as concerns regarding the proposed Livable & Clean Community Bonds (LCCBs) -- more commonly known as "green bonds." (Yes, we are surveying what is the best name for these new bonds).

ISSUE #1: Some have raised concerns about who should run the competition for this program -- These individuals believe that Secretary

Babbit and the Department of the Interior would be the best poster child for the bond program because they argue the agency is relatively non-controversial and that their discretionary budget will include a large chunk of livable communities money.

Others have suggested that EPA should be responsible for running the bond competition for the following reasons: 1) The activities for which the bonds can be used fit better with EPA's mission; 2) EPA has a direct relationship with the mayors of our largest cities and many of the suburbs who will be most positively affected by this program. This relationship is built upon EPA's 228 brownfield sites and other activities. Interior does not have this kind of relationship nor with the types of regions where we want to promote metropolitan-wide planning; 3) EPA's FY2000 budget is currently \$600 million below last year's enacted level. Giving EPA the authority to run the LCCB competition will help relieve some of the criticism that will come from sectors of the environmental and public health community. These folks will not view the increase in Interior's budget as compensation for the drastic cut in EPA's budget for 2000. LCCBs, on the other hand, will provide some compensation; 4) Because of their experience with the "brownfields expensing provision" -- specifically their role in working with State Environmental Departments in certifying IRS compliance, EPA is more fluent in tax policy matters than Interior; 5) EPA has played a lead role in developing this proposal, Interior is not familiar with the idea; 6) The activities that the bonds are to be used for are most suited to EPA's current policy mandate.

Staff at OMB and NEC have indicated support for EPA, OMB's argument based mainly on the issue of EPA's budget problems. OVP has indicated interest in Interior. While we recognize the validity of arguments on both sides, DPC would favor EPA as well.

However, I believe the following compromise would assuage some of the political concerns raised about EPA running the bond program. Under this proposal, EPA would chair a subgroup of the Community Empowerment Board (CEB). The subgroup would include Treasury, Interior, HUD, FEMA (?), and USDA. EPA would consult with each of these agencies, all of which have relevant expertise related to the bond program, and then the Administrator would allocate the bonds to the winners of the competition. By making this a subgroup of the CEB, we insure that the VP is the name most associated with this program and that distressed communities will get fair treatment (an issue raised by Treasury). In addition, by requiring consultation with other agencies, we broaden the message and the audience for the proposal, reinforce that this is an administration-wide initiative, and strengthen the regionalism and planning aspects of the program. Finally, by placing EPA in charge of the selection process, we effectively deal with the issues raised in paragraph three of this email.

ISSUE #2: Do we include Brownfields commercial redevelopment as one of the eligible activities for the bonds?

There has been some concern expressed regarding allowing some of those brownfields in urban areas to be redeveloped for commercial purposes and not solely for open spacesould reduce open spaces and parks. Several of us, NEC, CEQ, EPA, and DPC believe that we should allow some development of brownfields in urban, distressed areas for commercial purposes because 1) it will reduce sprawl by drawing development back to urban centers and away from suburban and rural outlying areas; 2) promote job and business creation, which is a core component of this proposal and which is essential to building support on the Hill among Democrats and Republicans who will oppose this idea if it is just seen as a enviro idea; 3) will

help target the proposal towards distressed communities, since brownfields are predominantly located in low-income neighborhoods.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 11:20:44.00

SUBJECT: New drafts

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D44]MAIL47694065E.326 to ASCII,
The following is a HEX DUMP:

FF575043AE030000010A0201000000002050000009B120000000200000B2F776ED8486F3C577F7E8
34EA4952D1731E80446A64C4ECB521A6F98D099B6FD69BC46BDC72C619BA6A47A252DBFA4B7174
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***PRESIDENT CLINTON ANNOUNCES \$850 MILLION IN GRANTS
TO HELP MORE THAN 330,000 HOMELESS AMERICANS***

December 23, 1998

Today President Clinton will announce \$850 million in grants to help more than 330,000 homeless people obtain housing and receive vital social services to reach self-sufficiency. The grants, issued by the Department of Housing and Urban Development (HUD), are part of President Clinton's Continuum of Care strategy to create safe, affordable housing and break the cycle of homelessness.

Continuum of Care Grants for the Homeless

The President will announce \$700 million in Continuum of Care competitive grants to help homeless persons in 307 communities located in 46 states, the District of Columbia, and Puerto Rico. The grants provide homeless people with transitional and permanent housing and fund social services such as job training, child care, substance abuse treatment, and mental health services. The grants are provided under the Stewart B. McKinney Homeless Assistance Act and fund 1420 individual projects including more than 1000 non-profit organizations. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities.

Emergency Shelter Grants

The President will also announce \$150 million in funding for the Emergency Shelter Grants program. Under this program, states and cities select local projects to receive funding for emergency shelter and other homeless needs. The funds are distributed through a formula based on a community's housing and poverty needs. Attached is a state by state list of funds that will be distributed under the Continuum of Care and Emergency Shelter Grants program.

President Clinton's Continuum of Care Program to End the Cycle of Homelessness

President Clinton's Continuum of Care program, initiated in 1993, requires local public and private agencies to work together to create a comprehensive plan to address the needs of poor and homeless people, and to coordinate services to use resources most efficiently. The goal of the Continuum of Care strategy is to give communities the decision-making authority to craft plans that move away from short-term emergency measures and toward permanent solutions that help homeless people become self-sufficient. The key elements are outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing. Under the Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of the strategy for addressing homelessness, including the coordination and involvement of federal, state and local

agencies, nonprofit organizations, homeless persons, and in many cases, local businesses. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance. In 1998, Harvard University's Kennedy School of Government and the Ford Foundation recognized the Continuum of Care policy as one of the 25 finalists in Innovations in American Government.

Automated Records Management System
Hex-Dump Conversion

Homeless Event Q&As
12/23/98

Automated Records Management System
Hex-Dump Conversion

Q: What did the President announce today?

A: Today President Clinton announced \$850 million in federal government grants to help more than 330,000 homeless persons located in all fifty states obtain transitional housing, permanent housing, and other services. The grants from the Department of Housing and Urban Development (HUD) are part of President Clinton's ongoing Continuum of Care strategy to help break the cycle of homelessness and to create safe, affordable housing for those who need it most.

Q: *What will the grants do?*

A: The Continuum of Care grants include \$700 million to fund 1420 individual projects, including state and local governments and more than 1000 non-profit organizations who work with the homeless. These competitive grants enable organizations to provide homeless people with transitional and permanent housing and fund supportive services such as job training, child care, substance abuse treatment, and mental health services. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities. In addition, the President announced \$150 million of grants under the Emergency Shelter Grants program. This program assists communities in providing temporary emergency shelter and essential services, and preventing homelessness. Grants are allocated to States, metropolitan cities and urban counties based on a formula which uses several objective measures of community need, including poverty, population, housing overcrowding, age of housing, and growth.

Q: How much total grant money did Baltimore receive?

A: Under the Continuum of Care grants, Baltimore received \$6.6 million in 1997 and will receive \$7.3 million this year. Under the Emergency Shelter Grant Program, Baltimore received 1,360,000 last year and will receive \$1,040,000 this year. In total for this year, Baltimore will receive approximately \$8.3 million.

Q: How many persons are homeless in the United States? Why are they homeless?

A: The Administration's Priority: Home! The Federal Plan to Break the Cycle of Homelessness states that there are as many as 600,000 homeless men, women, and children in the United States on any given night. The homeless population is a diverse group whose homelessness has been caused by a complex array of factors ranging from

economic difficulties and lack of access to affordable housing to mental illness and problems with substance abuse. Approximately 20-25% of the homeless population is made up of families with children. An estimated one-third of the homeless population is experiencing mental illness, while at least 50% of those who are homeless may have substance abuse issues. Some have become homeless as a result of domestic violence, while others were forced into homelessness by a health crisis, such as HIV/AIDS. Roughly a third of the entire male adult homeless population are veterans, and as many as half of all homeless adult men have some kind of military experience.

Q: What has the Clinton Administration done up till now to address homelessness?

A: President Clinton has made addressing homelessness a top priority. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance, and the Administration has implemented the Continuum of Care approach to homelessness. This approach encourages communities to plan comprehensively for the full range of needs of poor and homeless people, and to coordinate services in a way that maximizes the impact of existing resources.

Q: What specifically is the Continuum of Care?

A: In 1993, HUD initiated a new strategy for reducing homelessness, requiring communities to establish "Continuum of Care" plans. A Continuum of Care plan is a coordinated community approach which focuses on ensuring that homeless persons move from homelessness into jobs and permanent housing. The key elements of a Continuum of Care community plan are: outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing.

Under the innovative Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of a number of factors, including the strategy for addressing homelessness, as well as the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses.

Q: *How is the Continuum of Care approach working?*

A: The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study found that as a result of such efforts, between 4 to 14 times as many homeless persons are receiving a wide-array of assistance to help them move into jobs and housing. The study also indicated that the number of children being assisted has grown from 6,500 in 1992 to 89,000 in 1995. The report pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been

replaced by comprehensive planning and coordinated housing and service delivery. The success of the Continuum of Care approach was recently recognized when it was named one of 25 finalists for the prestigious Harvard-Ford Foundation Innovations in Government Award.

Q: How much McKinney Act funding is in the FY '99 budget?

A: HUD's McKinney Act homeless assistance is funded at \$975 million in FY 1999, an increase of \$152 million or 18 percent over the 1998 enacted level of \$823 million. This is also an increase of \$403.4 million or 71 percent over the 1993 enacted level of \$571.6 million.

Q: *What McKinney Act programs are the grants awarded under?*

A: These grants are part of the Stewart B. McKinney Homeless Assistance Act which is the main federal program addressing homelessness. These grants provide funding under four HUD McKinney Act programs: the Emergency Shelter Grants program, the Supportive Housing Program (SHP); the Shelter Plus Care (S+C) program; and the Section 8 Mod Rehab Single Room Occupancy (SRO) program.

Automated Records Management System
Hex-Dump Conversion

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-DEC-1998 18:45:38.00

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

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

TO: 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:

Yet again, the Women's Mtg has been cancelled. Sorry and Happy Holidays!!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-DEC-1998 18:40:37.00

SUBJECT: esea

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.D23]MAIL45217006X.326 to ASCII,
The following is a HEX DUMP:

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December 23, 1998

MEMORANDUM FOR THE PRESIDENT

Automated Records Management System
Hex-Dump Conversion

FROM: BRUCE REED
MIKE COHEN

SUBJECT: Progress on ESEA Reauthorization Proposal

We have been working with the First Lady's office, OMB, the Vice President's office and the Education Department to develop the strongest possible proposal to reauthorize the Elementary and Secondary Education Act, with the objective of transmitting it to Congress by March 1. While there is still much to be done to shape and finalize this proposal, we have made strides in addressing some of the most significant issues. This memo looks at how the 1994 reforms are working, where they are falling short, and what improvements we are considering. We are planning to meet with you in early January.

I. Progress Report on the 1994 Reauthorization and Goals 2000

Our reauthorization proposal will build on the framework for federal aid to elementary and secondary education established in Goals 2000 and the Improving America's Schools Act, the 1994 reauthorization of ESEA. In principle, both of these Acts overhauled federal elementary and secondary education programs by:

- *Insisting that every state set challenging academic standards that all students would be expected to reach.* Goals 2000 required states to set academic standards for all students and develop assessments aligned to those standards. Title 1 of ESEA built on this requirement by mandating that use these standards for disadvantaged students, thus ending the practice of setting lower expectations for low income students.
- *Providing schools, school districts and states with the flexibility to determine how best to educate students to meet high standards.* Goals 2000 provided states and districts with tremendous flexibility in how funds could be used, and for the first time allowed the Secretary of Education to waive federal requirements if they impeded state or local reform efforts. ESEA reduced regulations, paperwork, and reporting requirements; launched your initiative to establish 3,000 charter schools; and permitted high poverty schools (with 50% or more students eligible for Title 1) to combine funds from separate streams and use them to improve the whole school.
- *Helping to provide schools with the tools they need — well-trained teachers and up-to-date technology in particular — to educate their students effectively.* Approximately 28% of Goals 2000 funds are used to support teacher training and

professional development. The Eisenhower Professional Development program was rewritten to encourage school districts to adopt proven practices for providing professional development. Through the Technology Literacy Program in ESEA, the federal government is investing \$2 billion to help schools acquire technology, train teachers to use it, and incorporate technology into the overall effort to improve education.

- *Holding schools accountable for the results they achieve, rather than for compliance with rules and regulations.* Title 1 now requires states to set annual progress goals for each school and district relating to the number of students who reach state academic standards; report progress annually for each school (disaggregating data by demographic subgroups); and intervene in schools that fail to make adequate progress.

These programs have sparked considerable state and local education reform activity. There is, however, still much more to be done to achieve significant improvement in elementary and secondary education, especially in high poverty schools. The key lessons from the implementation of Goals 2000, ESEA, and related state and local reforms include:

- *Standards-based education reform works.* A recent Rand study of education reform in North Carolina and Texas -- the two states with the best track record of improving achievement generally and closing achievement gaps between minority and white students -- shows that a sustained, statewide approach of raising academic standards, providing schools with the flexibility and tools they need, targeting resources for extra help to low performing students and schools, and holding schools accountable for results itself produces results, particularly for disadvantaged students. Other studies also have shown that states and school districts -- including urban school districts like Philadelphia, Boston, San Francisco, Seattle and Chicago -- that have adopted similar approaches have shown significant gains in reading and math. These data indicate that our overall strategy is sound. If we maintain the direction of federal education policy while intensifying our efforts, we can improve elementary and secondary education across the nation.
- *States have adopted policies effecting standards-based education reform, but these policies do not go far enough.* Forty-eight states have set new, more challenging academic standards, and most states are working to develop or adopt new assessments aligned with these standards. Fewer states, however, have adopted accountability systems along with the standards. Only about 25 states provide for intervention in low-performing schools as required by Title 1. Only seventeen states provide extra help, such as summer school or tutoring, for students who do not meet the standards, and only 5 require students to demonstrate they have met the standards as a condition for promotion.
- *Implementation of state policies providing for standards, assessments and accountability is not proceeding as envisioned under Title 1.* Title 1 includes a series of deadlines for

implementing state policies on standards, assessments, and accountability. Although not all of the implementation deadlines have been reached, it is already clear that many states are not on track to meet them. In addition, many states are failing to implement these policies as envisioned. For example, many states have evaded the full extent of their responsibility to set goals for “adequate yearly progress” for students and schools. And although half the states have policies that provide for some kind of intervention in low performing schools, many states have shown themselves unable or unwilling to take the actions necessary to turn around these schools so that they provide an acceptable education.

- *Improvements in the quality of teachers and teaching are urgently needed.* Governor Hunt’s National Commission on Teaching and America’s Future has underscored the difficulty of recruiting and retaining talented, well-prepared teachers. As the Commission found, the dearth of quality teaching is especially severe in schools with the most disadvantaged students. About 50,000 teachers each year enter the profession with emergency or substandard licenses. Nearly one quarter of secondary school teachers lack even a minor in their main teaching field, and in schools with the highest minority enrollment, students have less than a 50% chance of having a math or science teacher with a license and degree in the field. On average, 22% of new teachers leave the field within three years, and in urban areas 30-50% leave within 5 years. Paraprofessionals are widely and increasingly used to provide instruction to low achieving students in Title 1 schools, with as many as 20% of Title 1 instructional aides providing instruction without a teacher’s supervision. By one estimate, instructional aides account for roughly half (67,000) of the entire Title 1 instructional workforce, and Title 1 aides are being hired at twice the rate of Title 1 certified teachers.

The Eisenhower professional development program, the main federal program to improve teacher quality (Goals 2000 and Title 1 also provide some funds for this purpose), has failed to improve the situation in any significant way. Recent evaluation data suggest that in many districts the Eisenhower program funds activities of limited effectiveness. And even where the activities are effective, the program often fails to fund them at an adequate level.

II. Major Changes to ESEA

Our budget contains a number of initiatives to expand educational opportunity in K-12 education: school modernization, class size reduction, after-school funding connected to social promotions policy, and an increase in Title 1 funding. Our ESEA reauthorization can build on these initiatives by insisting on what the studies suggest we most need, which is accountability--for teachers, students and especially low performing schools. With this Congress, we may not be able to enact every single ESEA reform we would want, but we can put forward a bold vision of the future of school reform.

We recommend a new set of accountability requirements as a condition for any state or district to receive any ESEA funds (not just Title 1). States and school districts would be required to produce annual school report cards, end social promotions, intervene in the lowest performing schools, and end the use of unqualified teachers. Taken together, these new requirements represent a fundamental change in federal aid to elementary and secondary education. For the first time, the federal government would link investment in state and local education systems with their acceptance of the need to take the steps necessary to enable all students, teachers and schools to meet high standards. In effect, we are saying that, from now on, the best way for the federal government to help students is to insist that states and local school districts live up to their responsibilities, rather than simply continuing to compensate for their failure to do so.

We hope this overall approach will also be compelling enough to unite Congressional Democrats, the education community and the public, and to counter an expected Republican push for vouchers and block grants. Along with the investments in your budget, it represents a significant effort to close the opportunity gap by lifting achievement in low-performing schools and making sure disadvantaged students are not left behind. Over the past several weeks, we have worked with other White House offices and Mike Smith to reach tentative agreement on these proposals. Some important issues, however, still need to be worked out, and Secretary Riley has not yet reviewed our progress in detail.

A. Annual School Report Cards. Our proposal would require annual report cards, easily understood by and widely distributed to parents and the public, for each school, school district and state. The report cards would include information on student achievement, teacher quality, school safety, and class size. Where appropriate, data -- especially on student achievement -- would be broken down by subgroups, to allow a greater focus on the gaps between minority and majority, low income and more advantaged students.

B. Ending Social Promotions. Our proposal would require states and districts participating in ESEA to adopt policies that (1) require students to meet academic performance standards at key transition points in elementary and middle school and for high school graduation; (2) use objective measures -- i.e., tests valid for these purposes -- to make an initial determination if a student has met the standards; and (3) permit (or possibly require) other, non-objective factors, including teacher judgment, to enter into a final determination as to whether the student has met the standards. States and school districts would have to show how they will help students meet promotion standards by (1) strengthening learning opportunities in the classroom with steps such as clear grade-by-grade standards, small classes with well prepared teachers, high quality professional development and the use of proven instructional practices; (2) identifying students who need help at the earliest possible moment; (3) providing extended learning time, including after-school and summer school for students who need extra help; and (4) providing an effective remedial plan for students who do not meet the standards on time, so that they do not repeat the same unsuccessful experiences. This proposal would phase in this requirement in over five years, design it to fit state governance systems (allowing "local control" states to delegate responsibilities to the local school district) and base it on state or local rather

than national standards. The Secretary would review and approve each state's plan, with continued funding conditional on adequate annual progress in phasing in the plan.

To reinforce this requirement and encourage local school systems to address it even before the enactment of ESEA, your FY2000 budget contains a \$400 million increase in funding for the 21st Century Learning Center program, half of which will be reserved for after-school and summer school programs in school districts implementing policies to end social promotions.

C. Accountability for Teachers. Our proposal would require states and local school districts participating in ESEA to phase out the use of unqualified teachers over five years. In particular, states and school districts would have to end the use of (1) teachers with emergency rather than full certification; (2) secondary school teachers teaching "out of field" -- *i.e.*, teaching subjects for which they lack an academic major or minor; and (3) instructional aides serving as lead instructors. Ending these practices is particularly important for high-poverty schools, where they are most prevalent. States also would have to adopt teacher competency tests for new teachers, including tests of subject-matter expertise for secondary school teachers. States and school districts would be able to use funds from a number of ESEA programs, including Title 1, bilingual education, and a new grant program focused in part on teacher quality, to help meet these requirements.

In addition, we are working with the Education Department to fashion a requirement for states and school districts to deal with low-performing teachers. We are exploring a number of approaches, including (1) requiring periodic recertification of teachers, and (2) requiring school districts to adopt procedures to identify low performing teachers, provide them with needed help, and remove them fairly and quickly if they do not improve. We will work closely with the NEA and AFT over the coming weeks to try and fashion a provision that will meet our objectives while addressing their concerns.

D. Accountability Fund for Title 1 Schools. We recommend significantly strengthening accountability requirements in Title 1 so as to require and adequately fund immediate and significant state and local intervention in the lowest performing schools. Because the schools of greatest concern are invariably Title 1 schools and because current law already contains certain accountability provisions, we believe we should incorporate these provisions into Title , rather than imposing a broader ESEA requirement.

Our proposal would retain current provisions for states to adopt performance standards and assessments by 2001. In addition, it would strengthen the current provisions in Title 1 relating to low-performing schools by: (1) requiring the immediate public identification of and intervention in the lowest performing schools in each state -- *i.e.*, schools with very low absolute levels of achievement that have made little or no improvement over the previous three years; (2) setting aside 2.5% of Title 1 funds to support aggressive intervention in these schools, including an external assessment of each school's needs and the implementation of needed improvements (such as addressing school safety and security needs, providing better teacher training, acquiring

up-to-date textbooks, technology, or curriculum materials, and extending learning time to help students catch up academically); and (3) requiring states to provide recognition or rewards to Title 1 schools showing the greatest improvements.

To increase the appeal of this approach, your FY2000 budget contains a significant increase in Title 1 funding, of which \$200 million is specifically dedicated to this initiative.

III. Other Changes in ESEA

A. Charter Schools and Public School Choice. Earlier this fall you signed the Charter Schools Expansion Act of 1998, which strengthened incentives for states to (1) increase the number of high-quality charter schools, (2) strengthen accountability for charter schools, (3) maximize flexibility for charter schools, and (4) provide charter schools with their proper share of federal program funds. We believe, along with most in Congress, that no further changes relating to charter schools are needed in the reauthorization process.

We do recommend, however, proposing new authority in ESEA to enable the Education Department to support other, new approaches to expanding public school choice. At present, the Department has authority only to support specific approaches to choice, such as the use of intra-district magnet schools in the context of desegregation efforts, and (as of last year) high schools on community college campuses. We will propose a new competitive grants program that will give the Education Department the authority to support a much wider range of ways to expand choice, including district-wide public school choice systems, postsecondary enrollment options, interdistrict magnet schools and other interdistrict approaches, work-site schools, and schools-within-schools.

As a first step in this direction, your FY2000 budget proposal will contain funds and necessary authorizing language for three specific choice initiatives: \$10 million in grants to school districts to establish work-site schools; \$10 million to support interdistrict magnet schools, and \$10 million to establish high schools on community college campuses.

B. Bilingual Education. We recommend changes to the Title VII Bilingual Education program and to Title 1 (which serves more than 1.1 million LEP students) consistent with statements you and Secretary Riley made in opposing California's Unz Initiative. These statements called for (1) allowing local communities to select programs they believe will best educate LEP students; (2) making sure teachers are well trained to teach LEP students; and (3) strengthening accountability for programs serving LEP students by including a goal that LEP students reach English proficiency after three years.

To expand local flexibility and parental choice, we would remove the Title VII provision in current law that limits expenditures on primarily English-language (rather than bilingual) programs to 25% of the funds available. We also would require parental approval for participation in programs funded under Title VII. To improve teacher quality, we would phase

in a requirement that schools receiving Title 1 funds provide LEP students with appropriately trained teachers. We also would strengthen the teacher training provisions in Title VII by giving funding priority to school districts and institutions of higher education that have proven programs to hire, train and support new ESL and bilingual teachers.

In Title 1, we would require that LEP students be included in the assessment and accountability requirements for each school. Assessments would be in their language of instruction and, after three years of schooling in the United States, in English. We would require schools to disaggregate data, so that they report -- and be accountable for -- both the academic achievement and the English language proficiency of LEP students. We would also require schools receiving Title 1 funds to provide alternative instructional strategies for LEP student who do not make adequate progress in English proficiency after three years. Finally, we would cut off Title VII funding to ap program after three years if it could not show that students made gains in English and academic subjects.

C. Safe and Drug Free Schools Program. As you announced at the White House Conference on School Safety, we will significantly overhaul the Safe and Drug Free Schools Program to improve its effectiveness at promoting drug-free, safe, and disciplined learning environments. Our proposal will accomplish this by (1) requiring states to allocate funds to local school districts on a competitive basis, with funds going to the districts with the greatest need and highest quality proposals; (2) requiring local school districts receiving program funds to develop and implement a rigorous, comprehensive approach to drug and violence prevention based on proven practices; (3) requiring every school district receiving funds to have a full-time program coordinator; and (4) requiring all schools to issue report cards that include data on crime, disorder and substance abuse.

D. Class Size Reduction. We will include authorization for our Class Size Reduction initiative in our ESEA package, since the provisions in last year's Omnibus Appropriations Act provide both funding and authority for only one year. Although we do not expect Congress to enact the ESEA reauthorization this year, we believe that transmitting authorization legislation will strengthen our ability to fight for additional funds for class size reduction in the FY2000 appropriations bill. Unlike the provision enacted last year, our original proposal required local school districts to provide matching funds (an average of 20%, with a sliding scale based on poverty levels). We intend to include the matching requirement in our ESEA authorizing proposal, so that we can reach our goal of providing 100,000 teachers within 7 years. In all other aspects, our proposal will reflect the agreement reached with Republicans last year, which itself was fully consistent with our original proposal.

E. School Modernization. We also intend to include our school modernization proposal, with only minor changes from the one introduced last year, in our ESEA package:

F. Ed-Flex. Our proposal to expand Ed-Flex (which gives states the authority to waive

many statutory and regulatory requirements in ESEA) to all 50 states died last year, caught between Democrats who opposed granting greater flexibility, especially outside the context of ESEA Reauthorization, and conservative Republicans who would settle only for more sweeping block grant proposals. Governors of both parties aggressively promoted Ed-Flex until the very end of the last session, and Governor Carper has indicated that the NGA will take up the cause again next year. Although we believe we should continue to support some version of Ed-Flex, we will need to think carefully about the scope of the proposal. We think it would be a mistake to allow states to waive either the accountability provisions described above or the requirement for using class size funds to reduce class size to 18 in the early grades.

G. Preschool Education. *Title 1 funds can be used to provide pre-school for eligible students, (approximately 2% of the Title 1 population are pre-school students), and the Even Start Family Literacy program focuses on children from birth through age 8. We would retain these provisions and* Our ESEA proposal would expand the Even Start Family Literacy program to reach greater numbers of children and adults. We also would strengthen the quality of pre-school programs and enhance school readiness by providing funds to local school districts, on a competitive basis, to (1) work with Head Start and other pre-school programs to identify the basic language and literacy skills that children need when they enter school and to design a curriculum to help students acquire these skills; and (2) provide professional development for child care providers and other providers of early childhood services to help children build basic language and literacy skills.

IV. The future of Goals 2000 and continuing support for standards-based reform.

Goals 2000 has been the flagship Administration initiative promoting standards-based reform, and recent studies show that it has been successful. We do not believe we should let the program expire simply because of the political opposition it faces in the Congress. At the same time, we do not believe it is wise -- either for substantive or for political reasons -- to submit a proposal that simply extends the current program. We are instead looking for a way to advance standards-based reform in a somewhat different form -- a kind of second-generation proposal that will reflect the current state of the standards movement.

Most educators agree that while states have made significant gains in developing standards, they still face great challenges in actually putting those standards into place in the classroom. This requires that schools have talented and well prepared teachers and that teachers have the tools — curriculum materials, instructional approaches, technology, and the like — to engage all students in learning to higher standards.

Four currently existing formula grant programs — Goals 2000, the Eisenhower Professional Development program, the Title VI Block Grant, and the Technology Literacy Challenge Fund -- can contribute to this objective. We are considering a number of approaches regarding these programs forward, including proposals to consolidate some or all of them into a larger program, which is designed to help move standards into the classroom and has a strong

focus on improving teacher quality. Such proposal effectively would create a “responsible block grant” with clear purposes and clear accountability. Some Congressional Democrats are also looking at this approach, in part because it would respond to the Republican push for block grants and in part because it would create a large funding stream to address issues of teacher quality.

**Automated Records Management System
Hex-Dump Conversion**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-DEC-1998 20:51:03.00

SUBJECT: scholarships

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

TEXT:

The Higher Education Act you recently signed includes a new program to help states strengthen teacher certification requirements and help school districts and colleges work together to recruit and better prepare new teachers, particularly for high poverty schools. However, funding for scholarships to help recruit teachers is limited to 10% of the total program funding, so it will be limited in its overall impact.

Page me tonight or tomorrow if you need anything.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Todd_A._Summers@oa.eop.gov (Todd_A._Summers@oa.eop.gov [UNKNOWN])

CREATION DATE/TIME:23-DEC-1998 16:18:08.00

SUBJECT: Release of FY2000 AIDS numbers

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

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

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

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

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

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

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

CC: Sarah A. Bianchi@OVP (Sarah A. Bianchi@OVP [OPD])
READ:UNKNOWN

TEXT:

Chris asked for our reaction to a possible release of FY2000 AIDS numbers. To make a long story short, we do not think that is advisable.

Ryan White

Our Ryan White number is \$100 million when last year's increase was \$260 million. Part of our response was going to be the demo program related to Jeffords-Kennedy, which will not be available for announcement so it won't be helpful in impacting advocates' responses.

Prevention

The prevention number at CDC is better, with \$10 million going to a new "get tested" campaign requested by the President's AIDS Council. However, given that we've taking a lot of heat on our prevention funding, this may not be enough to overwhelm our difficult constituency.

International

USAID estimates that it will reduce international AIDS funding from \$125 million to \$122 million based upon their anticipated budget amount (level from last year). This is not consistent with the President's statement last Friday to the Council that he would "put some money in there" when asked about our international AIDS funding.

Please don't confuse this with our dissatisfaction. We know how tough a year it was and we're very grateful for the increases. However, the community is not going to have the context of the whole budget - they're

only going to see the AIDS numbers, and our guess is that we'd have to bust our humps to get a mediocre (at best) response. With some more work, and a more complete picture to present, I think we can improve the response.

If you need me, page me through signal.

Todd

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-DEC-1998 15:12:29.00

SUBJECT:

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

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

TEXT:

Elena and Mike --

I had a phone call with the Education Department yesterday on the \$18 million Troops to Teachers (TTT) proposal we have been considering. Based on this conversation, I would recommend the following approach for Troops to Teachers (TTT), and by extension Title II of HEA. I would:

- 1) Put \$3 million in the budget for TTT. This would allow the operation to continue, paying for the national TTT center and their 20 state centers around the nation. We would propose legislation next year that would transfer authority to administer this program from the Defense Department to the Education Department. Senator Robb (the most active Dem on this issue) would support this, though he wants a higher appropriation level. The \$3 million would not cover some of the additional components that Robb wants -- i.e. new stipends to help retiring troops get the coursework they need to get certified and induction grants that would enable school districts to provide some extra support to the troops in their first year of teaching.

- 2) Use the remaining \$15 million to increase the appropriation level for Title II of HEA. This would (if coupled with a proposal to increase the percentage of Title II funding targeted to recruitment and scholarships) support recruitment efforts targeted at young people, troops, and other mid-career professionals. Partnerships interested in focusing on troops could apply for this funding on a competitive basis.

Let me know if you need more information on this.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Donald R. Arbuckle (CN=Donald R. Arbuckle/OU=OMB/O=EOP [OMB]).

CREATION DATE/TIME:23-DEC-1998 12:35:56.00

SUBJECT: seat belts

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

We are proceeding with our review and working well with DOT staff. We should be able to tie up the review by mid-January. The rule could be event-ready sometime after that.

Cheers.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:23-DEC-1998 14:20:42.00

SUBJECT:

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

TEXT:

pls call 6-2807 for barbara chow. thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:23-DEC-1998 16:14:10.00

SUBJECT: Release of FY2000 AIDS numbers

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

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

CC: Devorah R. Adler (CN=Devorah R. Adler/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

tsummers (tsummers @ oa.eop.gov @ inet [OPD])
READ:UNKNOWN

TEXT:

Chris asked for our reaction to a possible release of FY2000 AIDS numbers. To make a long story short, we do not think that is advisable.

Ryan White

Our Ryan White number is \$100 million when last year's increase was \$260 million. Part of our response was going to be the demo program related to Jeffords-Kennedy, which will not be available for announcement so it won't be helpful in impacting advocates' responses.

Prevention

The prevention number at CDC is better, with \$10 million going to a new "get tested" campaign requested by the President's AIDS Council. However, given that we've taking a lot of heat on our prevention funding, this may not be enough to overwhelm our difficult constituency.

International

USAID estimates that it will reduce international AIDS funding from \$125 million to \$122 million based upon their anticipated budget amount (level from last year). This is not consistent with the President's statement last Friday to the Council that he would "put some money in there" when asked about our international AIDS funding.

Please don't confuse this with our dissatisfaction. We know how tough a year it was and we're very grateful for the increases. However, the community is not going to have the context of the whole budget - they're only going to see the AIDS numbers, and our guess is that we'd have to bust our humps to get a mediocre (at best) response. With some more work, and a more complete picture to present, I think we can improve the response.

If you need me, page me through signal.

Todd