NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 043 - FOLDER -003

[01/22/1999]

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Bruce Reed to Elena Kagan re: In Chicago, the Story Behind Rising Test Scores (1 page)	01/22/1999	P6/b(6)
002a. email	Laura Emmett to Elena Kagan re: schools (2 pages)	01/22/1999	Personal Misfile
002b. email attachment	Re: Letters (11 pages)	10/16/1998	Personal Misfile
003. email	Phone No. (Partial) (1 page)	01/22/1999	P6/b(6)

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

FOLDER TITLE:
[01/22/1999]

2009-1006-F
bm85

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 08:52:04.00

SUBJECT: Re: Carper

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

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

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

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

TEXT:
Bruce, do you want to put in another pitch for Carper?
---------- Forwarded by Andrea Kane/OPD/EOP on 01/22/99 08:53 AM ----------

Fred Duval 01/22/99 08:41:49 AM

Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Lynn G. Cutler/WHO/EOP, Patrice L. Stanley/WHO/EOP
Subject: Re: Carper

it is a problem for him to come and he has asked us to try O'Bannon and Carnahan first - I have invited both and will get answers this am. If we get two nos I think Carper will break his current committments to come.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 08:54:47.00

SUBJECT:

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

TEXT:
could I get a report on Greggoire meeting? Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 09:36:26.00

SUBJECT: Senate tobacco staff mtg Monday

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

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

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

TEXT:
Conrad's staff is meeting with the Senate Dem tobacco task force on Monday afternoon, and called Caroline Frederickson to see if we could join them. I thought Caroline and I should go. What do you think?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 09:45:32.00

SUBJECT: In Chicago, the Story Behind the Rising Test Scores

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

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

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

CC: Scott R. Palmer (CN=Scott R. Palmer/OU=PIR/O=EOP [PIR])
READ:UNKNOWN

TEXT:
Maria --

The news analysis below raises very important questions about chicago example,
as I have told you. See also the front page NYT story today by Ethan, pointing
out that the strong weight of the research evidence is . . . .

Of course, DPC insists it will be done the right way, like Chicago does. But
look at the chicago practice as described below. This is bad for kids of color
and that's why it is so important for those discussions with the Leadership
Conference to be undertaken in good faith. (The meeting Bruce and Mike had was,
I understand, teriffic, but didn't cover the issue of social promotions.)

Finally, I respectfully request a copy of whatever has been given to POTUS
describing the evidence on the Chicago experience, and characterizing the state
of research and professional opinion on retention. I'm trying to figure out
what he has been told about the civil rights objections, which are based on the
social science evidence, rather than anecdote.

Thanks.

>Date: Thu, 21 Jan 1999 19:28:51 -0500
>Subject: Education Programs: In Chicago, the Story Behind the Rising Test
>Scores
>Sender: mkennedy@sover.net
>From: mkennedy@sover.net
>To: dfc1@aol.com,
> rlr@shore.net,
> kboundy@cleweb.org,
> nf1@is1.nyu.edu,
> ldh@leland.stanford.edu,

```
>    peggy.wiesenberg@state.ma.us,
>    khartkeft@aol.com,
>    mneillft@aol.com,
>    orfielga@hugse1.harvard.edu,
>    edley@law.harvard.edu,
>    abackler@aol.com,
>    kornhaber@pz.harvard.edu,
>    rriordan@bpic.org
>Reply-To: mkennedy@sover.net
>
>http://www.nytimes.com/library/politics/012199sou-chicago.html
>        [banner]
>        [toolbar]
>        [Search Now.  What you've been searching for www.nlsearch.com]
>
>          January 21, 1999
>
>          EDUCATION PROGRAMS
>
>          In Chicago, the Story Behind the Rising Test Scores
>
>          ---------------------------------------------------------
>          ---------------------------------------------------------
>          Related Article                                    [Image]
>        * The Future: Greenspan Sees Harm in Proposal
>
>          Forum
>        * Join a Discussion on The Clinton Presidency
>          ---------------------------------------------------------
>
>          By PAM BELLUCK
>
>          [C] HICAGO -- Not so long ago, Chicago's public schools
>              were considered the worst in the nation. But in his
>          State of the Union Message on Tuesday, President Clinton
>          held them up as a model.
>
>          Specifically, Clinton singled out the Chicago system's
>          eliminating the practice of promoting students even if
>          they did not meet their grade's academic standards, just
>          so they could stay with their age, or social, group. He
>          praised Chicago's decision three years ago to force
>          students who do not have basic math and English skills
>          to attend summer school, and to make them repeat a grade
>          if they do no better by the end of the summer.
>
>          Clinton seemed to suggest that these policies accounted
>          for the fact that student test scores in the Chicago
>          school system have been rising for the last three years.
>          But, as with most issues in education, the reality is
>          more complex.
>
>          Chicago's ending of the schools' so-called social
>          promotion is only one part of a major overhaul of the
>          country's third-largest school system, something the
>          city has been able to accomplish largely because the
>          Illinois Legislature in 1995 gave Mayor Richard M. Daley
>          extensive control over the schools. He appointed his
>          budget director, Paul Vallas, as the school system's new
>          chief executive officer, and Vallas has set about trying
```

> to make the public schools work with the efficacy of a
> business.
>
> Among other things, Vallas and a school board, also
> appointed by the Mayor, have revamped the school
> system's budget, removed principals from some failing
> schools and put more resources into programs like early
> childhood education. More than 100 schools were put on
> academic probation and told to improve; now only 58
> remain on the list.
>
> Vallas, a former teacher, believes that the elimination
> of social promotion is another important part of the
> package.
>
> "Social promotion kills an educational system," he said.
> "When we came in, 9,700 of the previous year's 27,000
> graduates were reading at sixth-grade level or below. If
> you're a teacher, what are you to do? You have to lower
> your standards. You have to dummy down the curriculum.
> The children who are behind never get caught up. The
> children at grade level get taught to inferior
> standards."
>
> Yet, as other cities follow Chicago's example, experts
> say it is still too early to rate the effectiveness of
> the policy against social promotion.
>
> Begun with just eighth graders in 1996, it now applies
> to third, sixth and ninth graders as well. If students
> do not score above a cutoff on the Iowa Test of Basic
> Skills or, in ninth grade, if they fail subjects like
> math and reading, they are required to go to summer
> school. If they still do not pass, they must repeat the
> grade and receive at least an hour of extra instruction
> each day.
>
> About a quarter of the students in these grades were
> required to attend summer school last year -- about the
> same percentage as in previous years. The results were
> not universally encouraging.
>
> Of the 10,000 third graders who attended mandatory
> summer school, 5,500 are now repeating third grade, said
> Blondean Davis, the school system's Chief of Operations.
> Of those, 964 are repeating third grade for a second
> time.
>
> In the sixth and eighth grades, the results were a
> little better, with just under 40 percent of the
> mandatory summer-school students held back a grade. Dr.
> Davis said the eighth-grade results were not quite as
> disappointing, however, because eighth-graders had a
> higher minimum test score this year.
>
> Still, "the hopes have been that far larger numbers of
> kids going through the summer school would move from
> scores that weren't adequate up to the promotion level,"
> said G. Alfred Hess, the director of Center for Urban
> School Policy at Northwestern University.

>
> Professor Hess said that while the program seemed to
> have helped many students, "larger proportions than any
> of us had hoped have not made it to that level."
>
> He said it was not yet clear whether the policy had
> yielded another hoped-for benefit: that the threat of
> going to summer classes and being held back would force
> students to take school more seriously.
>
> The Chicago policy has its critics.
>
> "It's a grossly unsuccessful policy," said Suzanne
> Davenport, the acting executive director of Designs for
> Change, a school reform, research and advocacy
> organization in Chicago. "Of all the things to quote
> about improvements in the Chicago school system, this is
> not what we would pick out."
>
> Ms. Davenport said her organization did not advocate
> social promotion. But she said some studies showed that
> holding students back a grade did not help.
>
> "Even if kids show any short-term gains, they don't last
> very long," she said. "And secondly, students are much
> more likely to drop out if they are held back."
>
> The solution, she said, was significantly improving
> other aspects of the schools, like curriculum, teaching,
> class size. Struggling students should be promoted, she
> said, but given extra help in their new grade.
>
> At one Chicago school today, teachers said they
> supported mandatory summer school and the end of social
> promotion.
>
> "A lot of older kids see retention as a reality, all of
> a sudden, and it has lit a fire under a lot of them,"
> said Julie Hines, a computer teacher at Louis J. Agassiz
> Elementary School on the North Side.
>
> James Starzynski, a reading specialist and curriculum
> coordinator at the school, said: "I think it took a lot
> of courage to do such a thing, but the alternative is
> awful. You can't have 16-, 17-, 18-year-old social and
> economic liabilities walking around the streets of
> Chicago."
>
> [Search Now. What you've been searching for www.nlsearch.com]
> ---
>

>
> Copyright 1999 The New York Times Company

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 09:54:45.00

SUBJECT: Draft Q and A on farmers

TO: J. Eric Gould (CN=J. Eric Gould/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

TEXT:
should we support, strongly support or commend the effort by the Governors?

Q. What is the Administration's response to the trust fund for tobacco farmers announced yesterday in North Carolina?

A. While complete information is not yet available, the Administration strongly supports the effort by Governors Hunt, Patton and others to provide much needed resources to tobacco farmers. The Administration remains commited to protecting tobacco farmers and their communities, a commitment the President re-affirmed in his State of the Union address this week. We look forward to working with all parties as this process continues, including Members of Congress, to ensure the financial well-being of tobacco farmers, their families, and their communities. Farmers who never marketed cigarettes to children and worked hard to sell a legal crop should be protected.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karin Kullman (CN=Karin Kullman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 09:57:02.00

SUBJECT: Worker Re-Training event site ideas

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

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

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

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

TEXT:
This info. is for the NEC event next Thursday, but scheduling wanted to make sure no one in our office had a problem with any of these sites. Let me know if anyone is very opposed. Thanks!
---------- Forwarded by Karin Kullman/WHO/EOP on 01/22/99 08:58 AM ----------

Aviva Steinberg 01/21/99 04:16:38 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Charles J. Payson/WHO/EOP, Dominique L. Cano/WHO/EOP, Ruby Shamir/WHO/EOP, Chandler G. Spaulding/WHO/EOP
Subject: Worker Re-Training event site ideas

Listed below are the potential sites for next Wednesday's worker re-training event. Please take a look and have these sites vetted through NEC, DPC and Dept. of Ed. Also, let me know which of these sites (two or three) are peoples favorites on paper. An advance person will be looking at the top candidates tomorrow.

1. University of the District of Columbia, Skills Development Institute, Adult Education

UDC is the official state /adult education office for DC. It just took over these responsibilities this year to help turn the programs around. They have a Skills Development Institute for adult learners. The SDI lab has computers, occupational training courses, adult basic education and GED prep courses. POTUS could tour the Skills Development Center and then make remarks.

2. Martin Luther King Library - - DC State Literacy Resource Center (9011 G St., NW)

Literacy Resource Center classes offered, GED prep etc... a YWCA (located next door) also has literacy programs for women and they work w/ MLK library on programs/events. MLK library is hosting a DC Family/Worker Literacy Conference on Feb. 25.

3. Academy of Hope (1501 Columbia Rd, NW)

Excellent service provider organization - adult education courses day and night for levels of learning. Computer assisted training. This is where Miss America Tara Holland launched her literacy platform and program

4. DC Link & Learn (401 M St. SW)

Computer and information technology training center. Parent company is the Foundation for Educational Innovation which seeks to implement strategies for creating and sustaining skilled technical manpower across America's rural and urban communities. Center is open for everyone and has programs in many high-tech computer skills. It has partnerships with Roosevelt High School, Garfield Terrace Public Housing Complex, Shiloh Family Life Center, Woodson High School and Ballou High School. Many corporate sponsors to this program such as: Microsoft, Nationsbank, Freddie Mac, Bay Networks etc..... Sounds like a great place and Jay Dunn has much more detailed info.

Message Sent
To:

Ann F. Lewis/WHO/EOP
Stephanie S. Streett/WHO/EOP
Jeffrey A. Forbes/WHO/EOP
Stacie Spector/WHO/EOP
Douglas B. Sosnik/WHO/EOP
George G. Caudill/WHO/EOP
Jonathan A. Kaplan/OPD/EOP
Karin Kullman/WHO/EOP
Anne M. Edwards/WHO/EOP
Elisa Millsap/WHO/EOP
Patrice L. Stanley/WHO/EOP
Lisa J. Levin/WHO/EOP
Cecilia E. Rouse/OPD/EOP
Joshua S. Gottheimer/WHO/EOP
Jake Siewert/OPD/EOP
Jackson T. Dunn/WHO/EOP

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Bruce Reed to Elena Kagan re: In Chicago, the Story Behind Rising Test Scores (1 page)	01/22/1999	P6/b(6)

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

FOLDER TITLE:
[01/22/1999]

2009-1006-F
bm85

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 10:28:11.00

SUBJECT: Tobacco Strategy Meeting

TO: J. Eric Gould (CN=J. Eric Gould/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:
You are invited to a meeting to discuss tobacco legislative strategy on Tuesday, January 26, at 2:30 p.m. in Bruce Reed's office. HHS and Treasury are also invited to this meeting.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karin Kullman (CN=Karin Kullman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 10:33:16.00

SUBJECT: Re: Welfare dad

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

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

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

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

TEXT:
fyi
---------- Forwarded by Karin Kullman/WHO/EOP on 01/22/99 09:35 AM ----------

Robert B. Johnson
01/22/99 10:24:26 AM
Record Type: Record

To: Marjorie Tarmey/WHO/EOP
cc: Minyon Moore/WHO/EOP, Jocelyn A. Bucaro/WHO/EOP, Karin Kullman/WHO/EOP
bcc:
Subject: Re: Welfare dad

According to Jocelyn, Minyon feels the same as I on the issue. This is a positive story about a welfare father that goes against the stereotype of abandoning responsibility. We believe It will work. You can go with a black father. I also checked with others in the black community and they agree on this approach as well.

Marjorie Tarmey
01/22/99 10:06:40 AM

Record Type: Record

To: Karin Kullman/WHO/EOP, Robert B. Johnson/WHO/EOP
cc:
Subject: Welfare dad

Maria would like you to check with Minyon

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 10:58:16.00

SUBJECT: Program for 1/25 -- Plan B

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

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

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

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

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

TEXT:
given that Minyon and Bob are OK with African American father, and that our African American small business owner is out-of-pocket in Arizona today, we're proposing to go w/ the following line up (order and length of each remarks needs to be determined):

- Governor (Ridge, Carper, Carnehan or O'Bannon)
- County Commissioner (McLaughlin from Hennepin County, Minneapolis)
- Robert Higgins, President of Fleet Bank (will bring a diverse group of 3 women who have moved from welfare to work in his company -- can acknowledge in his or POTUS remarks, sit on stage or in audience)
- Father (either Af Am or Hispanic from either LA, Wisconsin, Colorado or Chicago. Minneapolis is a long shot. may have White just in case since people are hunting now)
- POTUS

We'll keep trying to locate Sam Bishop, the Af American businessman,just in case, and we could always invite and acknowledge him as an example of a small, high tech business that is hiring welfare recipients

Karin Kullman
01/22/99 10:31:39 AM
Record Type: Record

To: Andrea Kane/OPD/EOP, Cynthia A. Rice/OPD/EOP, Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc:
Subject: Re: Welfare dad

fyi
---------- Forwarded by Karin Kullman/WHO/EOP on 01/22/99 09:35 AM ----------

Robert B. Johnson
01/22/99 10:24:26 AM
Record Type: Record

To: Marjorie Tarmey/WHO/EOP
cc: Minyon Moore/WHO/EOP, Jocelyn A. Bucaro/WHO/EOP, Karin Kullman/WHO/EOP
bcc:
Subject: Re: Welfare dad

According to Jocelyn, Minyon feels the same as I on the issue. This is a positive story about a welfare father that goes against the stereotype of abandoning responsibility. We believe It will work. You can go with a black father. I also checked with others in the black community and they agree on this approach as well.

Marjorie Tarmey
01/22/99 10:06:40 AM

Record Type: Record

To: Karin Kullman/WHO/EOP, Robert B. Johnson/WHO/EOP
cc:
Subject: Welfare dad

Maria would like you to check with Minyon

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 11:30:17.00

SUBJECT: Rats

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

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

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

TEXT:
DOJ Lawsuit: The Coming Federal Settlement. Search For Closure Continues.

Gary Black (212) 756-4197
Jon Rooney (212) 756-4504
January 21, 1999

"You feed one rat, and six more rats come out of the sewer." A tobacco company CEO to this analyst

HIGHLIGHTS

1. Once the appeals are exhausted and reality sets in, we believe the industry will agree to a $150 billion-$200 billion settlement with the federal government for smoking-related claims, where the industry would get credits for claims paid out on personal injuries. This plan, pitched for months by Dick Scruggs, would give the industry the closure envisioned by framers of the June 20 accord.

2. Unlike many of our peers, we have always believed that the Medical Recovery Act of 1962 (MCRA) gives the federal government the statutory authority to sue the industry for direct recovery of smoking-related injuries. Absent a settlement, however, we believe the Justice Department's efforts to recover funds from the tobacco industry will fail at trial:

   Federal government's lawsuit would have to be brought in federal rather than state court, which have tended to favor the industry.
   Unlike the states, the federal government can't claim ignorance about the dangers of tobacco, given federally-mandated warning labels since 1966, Surgeon General's reports since 1964, and the government's own research into the dangers of smoking since the 1950s.
   Unlike the states, where the trade pays the excise tax, the industry has paid the federal government trillions in excise taxes since the 1880s.

3. Our Washington sources say that DOJ is 6 -12 months away from bringing its claim. DOJ's first action will be to ask Congress to pass legislation that clarifies the current statutory authority that permits claims for third party recovery of Medicare claims without triggering the dollar-for-dollar offset provision found in Section 10 of the new AG settlement. Republicans are unlikely to object.

4. Moreover, Republicans are likely to support DOJ's efforts to bring a federal recovery claim, since it eliminates the need to pass the $.55/pack excise tax increase proposed by Clinton, and lends support to new legislation being introduced by Rep. Bilirakis (R-FL) and Senator Hutchison (R-TX) to block the federal government from taking its average 60% share of the state settlement proceeds. Yesterday, House Budget Committee Chair Kasich warned Clinton that any proposal to raise cigarette taxes was "dead on arrival."

5. The biggest obstacle to a new settlement with the federal government that gives the industry credits for personal injury claims is again the renegade issue. The AG settlement gave the renegades a $.45/pack cost advantage vs. the majors. A $150-$200 billion settlement with the federal government would give the renegades an additional $.35-$.40/pack cost advantage. Brooke Group's LeBow has been cooperating with DOJ on its criminal investigation for two years, and is likely to be excluded from a civil action.

6. We believe RJR management would cite the threat of a federal recovery action as a reason to hold off on the Nabisco spinoff. We believe an Icahn-led slate would push for the spinoff despite the likely legal challenges. We find no evidence in the history of corporate America of any company that is both solvent and without judgments being blocked from spinning off assets. Last week, The Treasury announced it is considering doing away with some of the tax-free aspects of corporate spinoffs in its F2000 budget.

INVESTMENT CONCLUSIONS

We rate Philip Morris, RJR, and UST outperform. We expect tobacco stocks to remain weak near-term, although we expect a bounce following yesterday's overreaction. Our continued near-term caution is based on the uncertainty associated with four separate trials underway during February (Henley in California; Engle Phase I in Florida; Newcombe/Karney in Memphis; Ohio Iron Workers in Ohio). We see a possible silver lining in the DOJ announcement, since it may alter the conventional wisdom by many in the industry who thought the AG settlement would, by itself, lead to multiple expansion, and hence, higher valuations. Our view remains that in the absence of spinoffs and other restructuring actions, settling simply invites more lawsuits -- which seems to be happening.

ADDITIONAL DETAILS

1. Federal government's authority to bring a claim does not guarantee success.. Unlike many of our peers, we believe that the Medical Cost Recovery Act of 1962 (42 USC õ 2651), or MCRA, provides the federal government with the right to pursue either a direct or a subrogated action against the tobacco industry for medical

expenses incurred by the federal government for smoking related illnesses. As with the state□,s Medicaid suits, if the state has a direct or independent cause of action, the industry could not use the defenses of contributory negligence or assumption of risk by individual smokers. The industry, could however, argue that the federal government itself was contributorily negligent based on the government's own awareness of the dangers of tobacco.

The relevant part of the MCRA statute reads:

> (a) ...In any case in which the United States is authorized or required by law to furnish hospital, medical, surgical, or dental care and treatment to a person who is injured or suffers a disease,...under circumstances creating a tort liability upon some third person, ...the United States shall have a right to recover from said third person the reasonable value of the care and treatment...and shall, as to this right, be subrogated to any right or claim that the injured or diseased person ...has against such third person to the extent of the reasonable value of the care and treatment...
>
> (b) The United States may, to enforce such right, (1) intervene or join in any action...brought by the injured or diseased person... against the third person who is liable for the injury or disease; or (2) if such action...is not commenced within six months after the first day in which care and treatment is furnished by the United States in connection with the injury or disease involved, institute and prosecute legal proceedings against the third person who is liable for the injury or disease, in a State or Federal court, either alone...or in conjunction with the injured or diseased person....

This statute provides three ways for the government to recover the costs of medical and hospital care: (1) by subrogation; (2) by intervening or joining in any action brought by the injured person; and (3) by instituting such action itself or in conjunction with the injured or diseased person.1 Title 42 USC õ 2651 creates an independent federal cause of action, and certain defenses are therefore not available.2 If the federal government pursues an independent right of action under õ 2651, then federal law applies. The United States can pursue an independent cause of action even if the injured person has already filed his own action.3

Our conclusion that the federal government has the authority to bring an independent action against the industry does not suggest that we believe the industry would lose such a claim at trial. Instead, we believe that the federal judge who gets the case is unlikely to dismiss the government's claim outright, and would not rule for the industry on motion for summary judgment. Unlike the state suits, the federal government cannot claim that was not aware of the dangers of smoking, or was "duped" by the industry in paying for injuries caused by smoking. Unlike the states, there is a voluminous paper trail that the federal government has long been aware of the dangers of smoking (federal government put warning labels on packs in 1966,

U.S. Surgeon Generals reports warning of dangers of smoking since 1964; government's own research into the dangers of smoking dates back to the 1950s).

2. The search for closure. Dick Scruggs' invisible hand. As we have written about before, last Fall, plaintiff counsel Dick Scruggs tried to convince players on both sides to consider using a lawsuit by the federal government as a settlement vehicle that would give the industry resolution of the AG claims, and resolution of the personal injury claims as well. Scruggs' plan was to have the federal government bring a direct action for recovery of federal moneys paid under Medicare, Veterans, CHAMPUS, and other federal programs. DOJ and the industry would then enter into a consent decree whereby the industry would agree to drop its challenge to FDA jurisdiction, and agree to pay to the federal government some $368 billion over 25 years, including some $200 billion to resolve the state AG claims. The federal government would have taken the remaining $170 billion, but gave the industry offsets for personal injury judgments and settlements, and any other litigation judgments (international claims, labor union claims, etc.) paid out by the industry. In essence, the government would be acting as insurer for the industry's litigation exposure. The industry would agree to a fixed payment stream to the government, and the government would incur the risk that claims paid out did not exceed the fixed premiums (if payouts exceeded the fixed premiums in any given year, the excess would be carried over to the following year). The main virtue of this settlement was that no action by Congress was needed, given DOJ's clear authority to enter into a consent decree with any industry. With both federal and state courts ruling that class actions are inappropriate in tobacco cases, and with the industry's largely perfect record in individual cases, expected offsets to the governments payment stream would likely have been minimal. Moving forward to the present, a new settlement with the federal government, where the industry receives offsets for personal injury judgments and some portion of settlements, would, combined with the just-completed AG settlement, get the industry very close to the litigation certainty provided by the failed June 20 accord.

Mary Aronson, of Aronson Washington Research, contributed to this report.

1. Palmer v. Sterling Drugs, Inc., 343 F.Supp. 692 (E.D. Pa. 1972).
2. United States v. Housing Authority of Bremerton, 415 F.2d 239 (9th Cir. 1969); United States v. Greene, 266 F. Supp. 96 (N.D. Ill. 1967); Government Employees Ins. Co. v. Bates, 414 F.Supp. 658 (E.D. Ark. 1975).
3. United States v. York, 398 F.2d 582 (6th Cir. 1968).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karin Kullman (CN=Karin Kullman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 13:20:11.00

SUBJECT: Update on Monday's WTW event

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

TEXT:
Due to some confusion I just wanted to clear up with everyone where we stand right now for Monday's event. The speaking program would be as follows:

Gov. Carnahan
Fleet Bank President & COO
Father tbd
POTUS

We would have the 5 Cabinet secretaries on stage, as well as 3 success story employees from Fleet Bank.

Unfortunately there is not a "catchy" chart that we can use for the cutaway. So I think, we will stick with the Presidential Seal recommendation from Communications in terms of backdrop.

Let me know if anyone has a questions. Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karin Kullman (CN=Karin Kullman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 13:33:45.00

SUBJECT: Education Event in Boston

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

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

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

TEXT:
I understand that in yesterday's message meeting it was decided that we would do an Education Event in Boston on February 2nd. Mayor Menino's office has been sending people ideas of what he would like to do on education, and I will get you all copies of their suggestions. Do we have a sense of what we want to do? Advance teams will leave next Tuesday, so I would like to be able to give the scheduler a sense on Monday of what our specific message is, so they can start looking for good sites.

I'll drop-off the Menino stuff, and look forward to hearing back soon. Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 14:01:39.00

SUBJECT: Re: Tobacco Strategy Meeting

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

TEXT:
I've invited the OMB folks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 14:02:42.00

SUBJECT: Listeria update

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

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

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

TEXT:
USDA is likely to announce a major recall from a second plant this afternoon. They have sent Lockhart (and I) q and a's on the original Sara Lee plant, and will follow up with a press release on the second plant this afternoon.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lynn G. Cutler (CN=Lynn G. Cutler/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 15:09:22.00

SUBJECT: Feb. 2nd

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

TEXT:
What is the education event in Boston? They've asked me to call the mayor for location ideas, but I need more guidance on what we're going to be talking about. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 16:12:00.00

SUBJECT: draft welfare to work remarks -- comments before close of business if poss

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

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

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

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

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

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

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

TEXT:
Draft 01/22/99 4:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON WELFARE-TO-WORK INITIATIVES
THE WHITE HOUSE
January 25, 1999

Acknowledgments: Secs. Cuomo TBD, Herman, Shalala, Slater; Janice LaChance , Dir. of OPM; Aida Alvarez, Administrator of SBA; Gov. Mel Carnahan; father TBD; Fleet National Bank COO TBD

This new year, 1999, is just about my twentieth year of work on the welfare issue. As governor, I used to invite welfare recipients to talk to me and other governors about their experiences, and about the difference that work -- something as basic as a full-time job -- could make in their lives. We had to take their word for it, back then, because there were not many success stories of the transition from welfare-to-work. Welfare, as it existed then, seemed to promote dependence rather than independence. It seemed, to many Americans, to reward the wrong attitude while punishing the right one. Welfare wasn□,t working; and, it almost went without saying, welfare recipients weren□,t working.

In the past six years we have done much to change all that. When I became President, I worked with 43 states to craft their own programs to move Americans from welfare to work; and, in 1996, I signed the landmark bipartisan welfare reform law, ending the old system as we knew it. I said then that □&our nation□,s answer to the problems of poverty will no longer be a never-ending cycle of welfare; it will be the dignity, the

power, and the ethic of work.□8

Today, already, even our greatest hopes are being surpassed. Welfare rolls are the smallest in 30 years, down by 44 percent since I took office. More single parents are joining the workforce. Meanwhile, more welfare recipients are working than ever before; the number has tripled since 1992, and 1.5 million who were on welfare in 1997 were working in 1998.

The welfare system is no longer holding people back, it is moving them ahead, to a better future. Welfare reform alone did not achieve that; more was required of us, and that is why have continued to support health care and child care for low-income families. That is why, back in 1993, we doubled the Earned Income Tax Credit, a targeted tax cut that is especially generous to low-income working families. For a family of four with an annual income of less than $30,000, that tax cut is worth about $1,000.

I have said that if we are going to require able-bodied people to take jobs, we have to make sure as a nation that there are jobs for them to take. In our strong and growing economy, the true engine of job growth is the private sector. Two years ago, I asked five companies to lead a national effort to hire people off welfare. Tonight, our Welfare to Work Partnership includes 10,000 companies who have hired hundreds of thousands of people. We□,ve heard some of those success stories this morning; and I know, between Eli Segal and companies like Fleet, we will be hearing many more in the years to come.

Smaller caseloads and bigger paychecks are important signs of progress. But they are not the only ones. The sense of pride, the sense of security of newly working Americans -- these are the best measures of our success. As more Americans gain the confidence that a full-time job can bring, we gain confidence that our new strategy is working and strengthen our determination to do more.

We know what works. Now we must ensure that it continues to do so. In my State of the Union Address last week, I said we can help another 200,000 Americans move from welfare to work. To achieve that goal, I propose that we renew the successful Welfare-to-Work program, which is set to expire in the year 2000. My balanced budget includes $1 billion to help states and communities build upon their record of success, to turn more long-term welfare recipients into full-time workers.

Of that $1 billion in new funds, we will dedicate $150 million to low-income fathers who fulfill their duty to work, to pay child support, and to become part of their children□,s lives again. Every father has that responsibility to his children and the mother of his children. And if every father paid the support they should, [TK] million women would go off the welfare rolls immediately. But some fathers have difficulty getting a job, and that is why many states are using some of their Welfare-to-work funds to help committed fathers of children on welfare -- fathers who sign personal responsibility contracts -- to get jobs. My balanced budget will help ensure every state can support fathers who support their families.

There is more we must do. Welfare recipients who remain on the rolls, in many cases, face the greatest challenges to entering the workforce. We know that if you can□,t get to work, you can□,t go to work. Two-thirds of new jobs are in the suburbs, but three-quarters of welfare recipients live in cities or rural areas. Most don□,t own cars --

and public transportation isn□,t much help when you□,re working nights or weekends. That is why my balanced budget will double funding to get workers to the workplace. I am also announcing a 50 percent increase in housing vouchers -- to help families find affordable homes, avoid those difficult commutes, and to get them closer to a new job and a better, brighter future.

Thanks to the efforts of companies like Fleet, officials like Governor Carnahan, and working Americans like [TK], more families are enjoying that kind of future. I urge Congress to renew an investment that is expanding opportunity and rewarding responsibility for millions of Americans. If we do so, we will continue to make good on what I called, two years ago, □&a historic chance to make welfare what it was meant to be: a second chance, not a way of life.□8 We will go farther toward fulfilling our nation□,s basic bargain -- to reward the hard work of its citizens, and to give them the tools to succeed in changing and exciting times. Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 16:50:20.00

SUBJECT: weekly report 1/22/99

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

TEXT:
everything except for Medicare Commission========== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D41]MAIL47421242K.036 to ASCII,
The following is a HEX DUMP:

FF57504320100000010A020100000002050000 00BE6F0000000200002C8A7FFC758F771B62EDAB
07E93CD668B1024D47BB8D375EF7472839C300CEDB3527BE815256E282F3E2720C79EA829B7DA5
3CAB110BBAA30284CBCA7B959671FBB151610DC9E511E957CCE52A1ECE85E88FCCDD93B1AA2C86
A0F5804B84E9E158BDA51B9CB251E74BCD251532032303939B2964C2CC9F09481B73D4CCC990D2
BC35CF893D3E4DA9A9EC2C887AF4550D62188B8174451AEA597A47996BCB629B776F579852E241
DC68962E250F3EF16569A0530686CA785EEC1D8C8AE7025499C7BB37537BD3CB451E5AF321830A
1A2F36A7A6EDF7548BB15C8487DFF62335F8081FFB0019FA1C74C60B1F9AAD0C7DAA65C64D52F4
64FCF4F2FD54196AEEF26727B8AC3287BA0A3A01EB8685CCD9FE5EC5663CCAF3EA48EADA0622F6
EEBC62A0BA74A8EEA701850011E236AA59008A013A305BB3E34493F3F7BC3A86B7497C733CBD39
2DBE443B38DD3677FE4AB127470151439FB1E5E098832CAF0AE2E2103117708B5634A6F68822D4
DB91D41A99058F6893945064EC9654ADABE140D6A441223E09B85CF71802B68BC4869C9147BA7C
1E04C864D8FAAF1EA4A22F74624FB43819F3F5BF6FACA01373D85D6DEB8E94A2890CF151883E59
6D5D21119E69CD98C7594DFA793B13944C522BFEB53FCEB989601CE9C6E2DC55880F2C97D68F77
FC582D84060200A4000000000000000000000008230100000 00B010000F80A0000005519000000
4E000000030C000009250100000006000000510C00000B3003000000280000005 70C0000080501
000000080000007F0C000000000000000000000007F0C000000550200000 04E000000870C0000
000000000000000000000870C000000550200000 04E000000D50C000008770100000 04000000023
0D000008340100000014000000630D000008020100000 00F000000770D00000B30010000006C00
0000860D000006080100000 02D000000F20D000000550700000 04E0000001F0E000000550D0000
003C0000006D0E00000B30010000044000000A90E000000000000000000000000A90E00000000
000000000000000A90E000000000000000000000000A90E000000000000000000000000A90E00
000000000000000000000A90E000000000000000000000000A90E000000000000000000000000
A90E000000000000000000000000A90E000000000000000000000000A90E000000000000000000
000000A90E000000000000000000000000A90E000000000000000000000000A90E000000000000
000000000000A90E00000B30010000004E000000ED0E000000000000000000000000ED0E000000
000000000000000000ED0E000000000000000000000000ED0E000000000000000000000000ED0E
000000000000000000000000ED0E000000000000000000000000ED0E000000000000000000000
00ED0E000000000000000000000000ED0E000000000000000000000000ED0E000000000000000
00000000ED0E000009420200000001D0000003B0F000000000000000000000000003B0F0000000000
000000000000003B0F000000000000000000000000003B0F000000000000000000000000003B0F0000
000000000000000000003B0F000000000000000000000000003B0F000000000000000000000000003B
0F000000000000000000000000003B0F000000000000000000000000003B0F000000000000000000
00003B0F000000000000000000000000003B0F000000000000000000000000003B0F00000000000
00000000003B0F000009440200000033000000580F000009420500000002A0000008B0F00000000
000000000000000008B0F000000000000000000000000008B0F000000000000000000000000008B0F00
000000000000000000000008B0F000000000000000000000000008B0F000000000000000000000000
8B0F000000000000000000000000008B0F000000000000000000000000008B0F000000000000000
0000008B0F000000000000000000000000008B0F000000000000000000000000008B0F000000000000
0000000000008B0F000000000000000000000000008B0F000000000000000000000000008B0F000000
000000000000000008B0F000000000000000000000000008B0F000000000000000000000000008B0F
000000000000000000000000008B0F000000000000000000000000008B0F000000000000000000000

Automated Records Management System
Hex-Dump Conversion

January 23, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

Health Care -- Approval of Wisconsin's BadgerCare Program: On Friday, HHS approved Wisconsin's BadgerCare program, which is a combined Medicaid waiver and CHIP plan that expands Medicaid coverage to families with incomes below 185% of the Federal poverty level. This approval represents closure to a long-standing impasse between HCFA and Governor Thompson. Wisconsin originally proposed to use their CHIP allotment (and its higher Federal matching dollars) to cover both children and adults. Such an approach is inconsistent with the law that restricts CHIP funding to be used only for children (with limited exceptions) and was vigorously opposed by Congressional Democrats and advocates. The part of the compromise that was attractive to the Governor was the provision that allows the State to roll back coverage if it no longer has the financial resources to maintain the coverage expansion. He agreed to a Medicaid waiver rather than a CHIP waiver because he wanted his high priority BadgerCare program approved before his State of the State address next week. This action will likely be well received by Congressmen Barrett and Kletchka, who defended our opposition to the State's initial proposal but pushed us aggressively to find an acceptable conclusion. Wisconsin's program, when fully implemented, will provide health insurance coverage to over 23,000 children and 27,000 adults.

Health Care -- Dingle Meeting on Medicare and Patients Bill of Rights: At a Thursday meeting, Mr. Dingle pleaded with us to provide him with a clearer sense of where we wanted the Medicare Commission to go and to expedite our analysis of the Breaux Medicare reform concept. We gave him our commitment to do so. In the meantime, we are in the process of obtaining final estimates from the Medicare actuary and will keep you appraised of new analysis and developments on this issue. Mr. Dingle also indicated his desire to work closely with us in developing a strategy to pass a strong Patients Bill of Rights through the House. Earlier in the week, Congressman Ganske refused to cosponsor Mr. Dingle's reintroduced bill because he wanted to work out an alternative in the liability / enforcement section first. This provision of the bill, now even more vulnerable in the face of a rare $116 million judgement against Aetna Health Plans of California, has appeared to unsettle some of the Blue Dog Democrats and Republicans who initially cosponsored the Dingle-Ganske bill. We are reviewing compromises now on liability and enforcement that will keep our base of supporters for the original legislation while hopefully attracting a few

more Republicans. As we do this, we will be closely consulting with Senator Daschle, Senator Kennedy, Senator Chafee and others.

Tobacco -- Tobacco Farmers: The four largest cigarette companies agreed Thursday to set up a $5.15 billion trust fund to help tobacco growers who face a shrinking market due to the state settlements that raised the price of smoking and is expected to reduce demand. The companies had agreed to meet with state officials to discuss the trust fund for farmers as part of the $206 billion state settlement last November. There are many details still to be worked out, but it was announced the funds would be distributed over 12 years. During the fund's first year, the companies would put in $380 million, (Philip Morris has already contributed $300 million, the bulk of the payment). The second year, the companies would deposit $280 million; the third year, $400 million; years four-10, $500 million a year; the 11th year, $440 million; and the 12th year, $150 million. Gov. Hunt, who helped spearhead the effort, said each state will receive a share of the fund equal to the amount of tobacco it grows. The eleven participating states are North Carolina, Ohio, South Carolina, Tennessee, Alabama, Florida, Georgia, Indiana, Kentucky, Virginia and West Virginia. News stories quoted Governor Hunt as stating: "We all leave here today winners with a positive outlook for a measure of financial assistance for our tobacco farmers." Bruce Reed spoke with the Washington Post congratulating Governor Hunt and other state leaders for this positive step and reaffirming the Administration's commitment to protecting tobacco farmers and their communities. USDA will issue a similar statement. We have also spoken with leaders of some of the leading tobacco farmer organizations to explain recent Administration proposals and our continued commitment. The farm groups have expressed concern that a federal suit and new federal tax will further decrease demand for tobacco, but privately acknowledge that the threat of further federal action has thus far probably aided their efforts in negotiating the $5 billion trust find.

Tobacco -- Lawsuit Announcement Reaction: Your announcement that the Department of Justice is preparing a plan to take the tobacco companies to court was a welcome surprise to our allies. Key member of Congress (Sens. Durbin and Kennedy) and public advocates (Campaign for Tobacco-Free Kids) vigorously defended the basis and policy for such a suit. The announcement seemed to have caught the industry off guard. A joint statement by the big three cigarette producers called the plan a "political gesture" the continuation of "a witch hunt against a legal industry." Tobacco stocks fell sharply on Wednesday and the stock prices of both Philip Morris Inc. and R.J. Reynolds Tobacco Co. were down again on Thursday.

Education -- Legislation Introduced in Senate: This week Senate Democrats introduced the Public Schools Excellence Act (S.7), which includes our school modernization and class size reduction proposals and an after school initiative which incorporates both the 21st Century Learning Program and funds for community-based after-school programs through the Child Care and Development Block Grant. The bill also includes a Teacher Excellence Act which closely tracks one we have been developing as well as relevant aspects of your accountability proposals. The bill would provide $1.2 billion to states and local school districts to help raise teacher certification

standards, recruit excellent teacher candidates, retain and support promising beginning teachers and provide veteran teachers and principals with ongoing professional development needed to help all children meet high standards. Under this teacher quality proposal, states and school districts would be accountable for reducing the number of teachers with emergency credential and out-of-field placement of teachers.

Senate Republicans also introduced a bill to extend ESEA this week. However, the bill contains only a statement of themes and principals -- returning control to parents, supporting exceptional teachers, making schools safe, directing federal dollars to the classroom, and stressing basic skills and proven practices -- that will eventually be translated into specific legislative proposals.

Education -- Ed-Flex: Chairmen Goodling and Jeffords, with strong support from the Speaker, the Senate Majority Leader and NGA, are planning to mark up Ed-Flex legislation (which would extend the authority to waive many federal education requirements to all 50 states, in exchange for a system of standards, school report cards, and state intervention in low performing schools). as early as next week, with the intention of moving it on a fast track, separate from the ESEA reauthorization. Goodling in particular has indicated a desire to work with us to fashion a bipartisan bill, ostensibly in order to set a bipartisan context for work on ESEA, though we suspect also to create some tension between us and committee Democrats who last year showed little interest in this proposal. While we would prefer to take up any Ed-Flex proposal in the context of ESEA, we believe our support for this proposal last year will make it difficult for us to oppose speedy action on it now. As we consult with Kennedy, Clay and others on the hill, our overall strategy will be to (1) emphasize our support for the principles of more accountability and more flexibility (2) stress our preference to take Ed-Flex up as part of ESEA reauthorization (3) insist that any Ed-Flex provision that moves in advance of ESEA be revisited during the reauthorization process, and be drafted so as to not permit states to waive the new accountability provisions announced in your State of the Union address.

Education -- Reaction to your accountability proposals: Overall initial reaction to your education proposals has generally been positive within the education community and in the press. The education community is supportive of your proposals, understands clearly the need to meet the challenges of raising standards, turning around failing schools, ending social promotions and the use of unqualified teachers. At the same time, many are worried about their capacity to meet these challenges, and will be looking to the Administration's budget and ESEA reauthorization proposals for financial, programmatic and technical support to carry out the needed reforms. Your proposals have also generated considerable press attention, with several stories this week in the New York Times, Washington Post, and USA Today. These stories have focused on the content of your proposals -- particularly on the pro's and con's of ending social promotion -- and on the threat that states and school systems could lose funding if

they fail to implement them. There have been a number of favorable editorials, including one by Diane Ravitch in the Wall Street Journal, NYU education professor John Zimmerman in the New York Times, and Timothy Noah in Slate magazine. Criticisms of your proposal have come from David Broder, who charges that your proposals merely replicate and add a layer of federal bureaucracy to what the states are already doing, and Lamar Alexander, Checker Finn are quoted in a number of stories criticizing your proposal as a federal takeover of state and local education systems.

Welfare Reform -- Welfare-to-Work Event Next Week: Monday's welfare to work event will give you the opportunity to celebrate the success of welfare reform and underscore the need for the new welfare-to-work initiatives in your budget. With welfare caseloads down by nearly half and over 10,000 companies committed to welfare-to-work, you will announce a new package of initiatives designed to ensure that those remaining on the welfare rolls make a successful transition from welfare to work, with a new focus on increasing the employment of low-income fathers so they can support their children. Your $1 billion Welfare-to-Work initiative will provide a minimum of $150 million to ensure every state helps fathers fulfill their responsibilities to their children by working and paying child support. Remaining funds will focus on those long term welfare recipients with the greatest challenges to employment such as limited English proficiency, substance abuse problems, and disabilities. You will also announce that your budget will contain new welfare to work housing vouchers, transportation funds, and tax credits to help those on welfare get to work and stay employed. Taken together, these initiatives will provide parents the tools they need to support their children and succeed in the workforce. Besides highlighting these initiatives, the event will provide you with the opportunity to recognize the 10,000 businesses of all sizes, industries and regions who have joined the Welfare to Work Partnership and are learning every day that hiring from the welfare rolls is good business. Since May, the number of companies in the Partnership has doubled from 5,000 to 10,000.

Welfare -- Legal Immigrant Benefits: On Monday while in California the Vice President is going to announce the Administration's new budget proposal which restores $1.3 billion in health, disability and nutritional assistance programs for legal immigrants. This proposal builds on this progress we've already made because of your leadership: the Balanced Budget Act of 1997 restored disability and health benefits to 420,000 legal immigrants who were in this country before welfare reform became law, at an estimated cost of $11.5 billion, and the Agricultural Research Act of 1998 provided Food Stamps for 225,000 legal immigrant children, senior citizens, and people with disabilities who came to the United States by August 22, 1996. The new budget proposal will 1) restore eligibility for SSI and Medicaid to legal immigrants who enter the U.S. after the enactment of welfare reform on August 22, 1996, become disabled, and have been in the U.S. for five years (this costs approximately $930 million and will assist an estimated 54,000 legal immigrants by 2004, about half of whom will be elderly); 2) builds on the progress made in the Agricultural Research Act by allowing legal

immigrants in the United States on August 22, 1996 who subsequently reach age 65 to be eligible for Food Stamps, at cost of $60 million; and 3) provides states the option to provide health coverage through CHIP or Medicaid to legal immigrant children and pregnant legal immigrant women who entered the U.S. after August 22, 1996 (costing $325 million and serving approximately 78,000 women and children).

Civil Rights -- English Language/Civics Initiative: On Monday January 25th, while in Los Angeles, the Vice President will announce the English Language/Civics initiative that is part of your FY 2000 budget. This $70 million initiative is designed to help states and communities provide expanded access to high quality English language proficiency instruction, linked to practical instruction in civics and life skills including how to navigate the workplace, public education system, and other essentials. This initiative will both help meet the extraordinary demand for English and civics instruction in immigrant communities and will demonstrate our shared commitment to fully integrating new Americans into our social and civic life. States, community-based organizations, local education agencies, and other non-profits will compete for grants to support English proficiency and civics instruction. With $70 million, the initiative will be able to provide English language and civics instruction to approximately 150,000 people in FY 2000.

Drugs -- Republican Legislation: On Tuesday, Senate Republicans introduced an omnibus drug bill, the Drug Free Century Act. The bill's major titles cover international supply reduction, domestic law enforcement and domestic demand reduction. We are working with the agencies to review the specifics of the proposed bill. Among the bill's key provisions:

International Supply Reduction: Strengthens punishment for violent crimes committed along the border; establishes penalties for exporting contraband; provides for extradition in certain instances without a treaty; and expands penalties for and reports requirements to deter money laundering.

Domestic Law Enforcement: Doubles the number of border patrol agents to 15,000 by FY 2004; increases mandatory penalties for powder cocaine sentencing (from 5 kilograms to 500 grams for a 10-year sentence, and from 500 grams to 50 grams for a 5-year sentence); and enhances penalties for certain drug offenses committed in the presence of children.

Domestic Demand Reduction: Prohibits federal funding of needle exchange programs; authorizes a $10 million drug-free teen drivers incentive grant program; and establishes new $5 million DEA drug-free families grant program.

Funding for Counter-Drug Enforcement Agencies: Increases funding and establishes earmarks for specific Customs, Coast Guard, DEA, Treasury and Defense counternarcotic operations.

The bill contains many provisions which were introduced by Congressional Republicans last year. We also expect Senate Republicans to submit omnibus crime legislation in the coming week.

Crime -- Gun Shows: In response to your 11/6/98 directive, the Treasury and Justice Departments are ready to submit a joint report to you with their recommendations on gun shows. The report indicates that there were over 4,400 gun shows advertised in 1998, most of which were promoted by about 175 firearm collector organizations and individuals. While federally-licensed firearms dealers (FFLs) comprise 50 to 75 percent of the vendors at most gun shows -- and are required by the Brady Act to conduct background checks on prospective purchasers -- non-FFL vendors are under no legal obligation to conduct a background check or keep records on their sales, making it impossible for law enforcement to trace firearms they sell which are later recovered at crime scenes.

The report confirms that gun shows provide a forum for illegal firearms sales and trafficking, and serve as a source for firearms used in crimes. In compiling the report, Treasury and Justice reviewed 314 gun show-related investigations involving more than 54,000 firearms. The investigations span a wide range of federal firearms violations, including straw purchases, transactions by FFLs without Brady checks, and the sale of kits to modify semiautomatic firearms into automatic firearms. Over 46 percent of the investigations involving gun shows involved felons buying or selling firearms. In more than a third of the investigations, the firearms involved were known to have been used in subsequent crimes, including homicide, assault, robbery, and drug offenses. Many of the investigations involve numerous firearms: more than a third involved over 50 firearms and about one-tenth involved over 250 firearms.

In order to close the gun show "loophole", Secretary Rubin and Attorney General Reno's key recommendations include:

(1) **Broadly defining "gun shows"**, to cover not only traditional gun shows but also flea markets and other similar venues where firearms are sold.

(2) **Requiring gun show promoters to register with ATF.** Promoters would be required to provide the time and location of every gun show, a list of vendors (both FFLs and non-FFLs), ensure that all vendors are given information about their legal obligations, and require vendors to acknowledge receipt of it. Failure to fulfill these obligations could result in revocation or suspension of registration or civil or criminal penalties.

(3) **Requiring Brady background checks on all firearms transferred at gun shows.** All firearms would be transferred by, or with the assistance of an FFL. Thus, FFLs would conduct a Brady checks and retain records for all sales by a non-FFL.

(4) **Reporting information to the ATF's National Tracing Center (NTC) on firearms sold at gun shows.** This would require FFLs to submit certain information (e.g., manufacturer, serial number) on all firearms transferred at gun shows to ATF's NTC and retain such information to assist in future firearms trace requests by law enforcement.

(5) **Developing an educational campaign**, in conjunction with the firearms industry, to encourage all firearms owners to take steps to ensure that firearms do not fall into the hands of prohibited persons such as criminals or juveniles.

In addition, the Departments are continuing to review the definition of "engaged in the business" of selling firearms to make future legislative and regulatory recommendations. The Gun Control Act requires that those who seek to "engage in the business" of importing, manufacturing, or dealing in firearms must obtain a Federal firearms license. Engaging in the business without a license was involved in more than half of the 314 investigations reviewed by Treasury and Justice.

The report also recommends committing more resources to combat illegal firearms sales at gun shows. Your FY 2000 budget includes $24 million in new funds for firearms enforcement, a portion of which Treasury/ATF will use to bolster their enforcement efforts at gun shows.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 17:21:17.00

SUBJECT: revised draft remarks welfare to work -- comments to Jeff Shesol ASAP 6-27

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

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

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

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

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

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

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

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

TEXT:
Draft 01/22/99 5:00pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON WELFARE-TO-WORK INITIATIVES
THE WHITE HOUSE
January 25, 1999

Acknowledgments: Secs. Herman, Shalala, Slater, Cuomo TBD; Janice LaChance , Dir. of OPM; Aida Alvarez, Administrator of SBA; Gov. Mel Carnahan; father TBD; Robert Higgins, Fleet Bank President and Chief Operating Officer

This new year, 1999, is just about my twentieth year of work on the welfare issue. As governor, I used to invite former welfare recipients to panel discussions, to talk to me and other governors about the difference that work -- something as basic as a full-time job -- had made in their lives. We had to take their word for it, back then, because there were not many success stories of the transition from welfare to work. Welfare, as it existed then, seemed to promote dependence rather than independence. It seemed, to many Americans, to reward the wrong attitude while punishing the right one.

In the past six years we have done much to change all that. When I became President, I worked with 43 states, freeing them from federal strictures, enabling them to create new, innovative programs that move Americans from welfare to work; and, in 1996, I signed the landmark

bipartisan welfare reform law, ending the old system as we knew it. I said then that □&our nation□,s answer to the problems of poverty will no longer be a never-ending cycle of welfare; it will be the dignity, the power, and the ethic of work.□8

Today, already, even our greatest hopes are being surpassed. Welfare rolls are the smallest in 30 years, down by 44 percent since I took office. More single parents are joining the workforce. And overall, just in the past year, 1.5 million who were on welfare in 1997 were working in 1998.

The welfare system is no longer holding people back; it is helping them move ahead. Welfare reform alone could not achieve that. That is why have continued to support health care and child care for low-income families. And we have doubled the Earned Income Tax Credit, a targeted tax cut that is especially generous to low-income working families. For a family of four with an annual income of less than $30,000, that tax cut is worth about $1,000.

I have said that if we are going to require able-bodied people to take jobs, we have to make sure as a nation that there are jobs for them to take. In our strong and growing economy, the true engine of job growth is the private sector. Two years ago, I asked five companies to lead a national effort to hire people off welfare. Tonight, our Welfare to Work Partnership includes 10,000 companies who have hired hundreds of thousands of people. We□,ve heard some of those success stories this morning; and I know, between Eli Segal and companies like Fleet, we will be hearing many more in the years to come.

Smaller caseloads and bigger paychecks are important signs of progress. But they are not the only ones. The sense of pride, the sense of security of newly working Americans -- these are the best measures of our success. As more Americans gain the confidence that a full-time job can bring, we gain confidence that our new strategy is working and strengthen our determination to do more.

We know what works. We know how to turn long-term welfare recipients into full-time workers. Now, as we move into the 21st Century, we must ensure that even more Americans move from welfare to work. In my State of the Union Address last week, I said we can help another 200,000 Americans move from welfare to work. To achieve that goal, I propose that we renew the successful Welfare-to-Work program, which is set to expire in the year 2000. My balanced budget includes $1 billion to help states and communities build upon their record of success. A little more than half of those funds will extend, for another year, the tax credits that help more employers hire more people off welfare.

I am also announcing that my budget dedicates $150 million to low-income fathers who fulfill their duty to work, to pay child support, and to become part of their children□,s lives again. Every father has that responsibility to his children and the mother of his children. And if all fathers paid the support they should, [TK] million women would go off the welfare rolls immediately. But some fathers have difficulty getting a job, and that is why many states are using some of their Welfare-to-work funds to help committed fathers of children on welfare -- fathers who sign personal responsibility contracts -- to get jobs. My balanced budget will help ensure every state can support fathers who support their families.

There is more we must do. Welfare recipients who remain on the

rolls, in many cases, face the greatest challenges to entering the workforce. We know that if you can□,t get to work, you can□,t go to work. Two-thirds of new jobs are in the suburbs, but three-quarters of welfare recipients live in cities or rural areas. That is why my balanced budget will double funding to get workers to the workplace. I am also announcing a 50 percent increase in housing vouchers -- to help families find affordable homes, avoid those difficult commutes, and to get them closer to a new job and a better, brighter future.

Thanks to the efforts of companies like Fleet, officials like Governor Carnahan, and working Americans like [TK], more families are enjoying that kind of future. Across our nation, governors and mayors and counties are joining with the private sector to develop new ways to move people from welfare to work. We do not have all the answers here in Washington. But there is at least one thing we can do -- and that is to renew an investment that is expanding opportunity and rewarding responsibility for millions of Americans. I urge the Congress to do exactly that. In that way, we can continue to make good on what I called, two years ago, □&a historic chance to make welfare what it was meant to be: a second chance, not a way of life.□8 We can go farther toward fulfilling our nation□,s basic bargain -- to reward the hard work of our citizens, and to give them the tools to succeed in changing and exciting times. Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Karin Kullman (CN=Karin Kullman/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 17:41:14.00

SUBJECT: Members of Congress Attending Welfare-to-Work Event

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

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

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

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

TEXT:
---------- Forwarded by Karin Kullman/WHO/EOP on 01/22/99 04:43 PM ----------

Elisa Millsap
01/22/99 05:37:33 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Members of Congress Attending Welfare-to-Work Event

EVENT: Welfare-to-Work
DATE: Monday, January 25, 1999
TIME: 10:15am-11:15am
LOCATION: Old Executive Office Building, Room 450

MEMBERS CONFIRMED TO ATTEND:
Rep. Ben Cardin (D-MD)
Rep. Ruben Hinojosa (D-TX)

Message Sent
To:
Alphonse J. Maldon/WHO/EOP
Janet Murguia/WHO/EOP
Tracey E. Thornton/WHO/EOP
Donald Goldberg/WHO/EOP
FOLEY_M @ A1@CD@LNGTWY
Virginia N. Rustique/WHO/EOP
Elisa Millsap/WHO/EOP
Jessica L. Gibson/WHO/EOP
Dario J. Gomez/WHO/EOP
Janelle E. Erickson/WHO/EOP
Roger S. Ballentine/WHO/EOP
Charles M. Brain/WHO/EOP

Broderick Johnson/WHO/EOP
Eli P. Joseph/WHO/EOP
Mindy E. Myers/WHO/EOP
Lisa M. Kountoupes/WHO/EOP
Jade L Riley/WHO/EOP
Marty J. Hoffmann/WHO/EOP
Matthew J. Bianco/WHO/EOP
Caroline R. Fredrickson/WHO/EOP
Courtney C. Crouch/WHO/EOP
Joel K. Wiginton/WHO/EOP
Kay Casstevens/OVP @ OVP
David R Thomas/OVP @ OVP
Paul Thornell/OVP @ OVP
William T. Glunz/OVP @ OVP
Julia M. Payne/WHO/EOP
Elizabeth R. Newman/WHO/EOP
Nanda Chitre/WHO/EOP
Jennifer M. Palmieri/WHO/EOP
Jason H. Schechter/WHO/EOP
Sarah E. Gegenheimer/WHO/EOP
Julie B. Goldberg/WHO/EOP
Roger V. Salazar/WHO/EOP
Amy Weiss/WHO/EOP
Dawn L. Smalls/WHO/EOP
Sara M. Latham/WHO/EOP
Paul E. Begala/WHO/EOP
Ann F. Lewis/WHO/EOP
Stacie Spector/WHO/EOP
Douglas B. Sosnik/WHO/EOP
Marjorie Tarmey/WHO/EOP
Maria Echaveste/WHO/EOP
Dominique L. Cano/WHO/EOP
Jeffrey A. Forbes/WHO/EOP
Tracy Pakulniewicz/WHO/EOP
June G. Turner/WHO/EOP
Karin Kullman/WHO/EOP
Paul K. Engskov/WHO/EOP
Nancy V. Hernreich/WHO/EOP
Betty W. Currie/WHO/EOP
Charles J. Payson/WHO/EOP
Steve Ricchetti/WHO/EOP
Rebecca L. Walldorff/WHO/EOP
Joshua S. Gottheimer/WHO/EOP
James T. Heimbach/WHO/EOP
Clyde E. Williams/WHO/EOP

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002a. email	Laura Emmett to Elena Kagan re: schools (2 pages)	01/22/1999	Personal Misfile

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

FOLDER TITLE:
[01/22/1999]

2009-1006-F
bm85

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002b. email attachment	Re: Letters (11 pages)	10/16/1998	Personal Misfile

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

FOLDER TITLE:
[01/22/1999]

2009-1006-F
bm85

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 18:35:34.00

SUBJECT: another item for the weekly

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

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

TEXT:
Below is a revised version of the Ed-Flex item I did earlier today. My e-mail isn't working properly, so I could send this only by attaching it to an earlier message:

Education -- Ed-Flex: Chairmen Jeffords and Goodling, with strong support from the Speaker, the Senate Majority Leader and NGA, are planning to mark up Ed-Flex legislation (which would extend the authority to waive many federal education requirements to all 50 states, in exchange for a system of standards, school report cards, and state intervention in low performing schools). as early as next week, with the intention of moving it on a fast track, separate from the ESEA reauthorization. In the Senate, Democrats may opposing any legislative activity next week. If this bill is marked up next week, Sen. Kennedy and other Democrats are planning to offer our class size reduction proposal and other Democratic initiatives as amendments, though they will ultimately support Ed-Flex in c ommittee if an acceptable version is offered. In the House, Goodling has indicated a desire to work with us to fashion a bipartisan bill. However, Mr. Clay and most other Democrats show litte enthusiasm for any version of Ed-Flex, and we think the odds of bipartisan action are slim. While we would prefer to take up any Ed-Flex proposal in the context of ESEA, we believe our support for this proposal last year will make it difficult for us to oppose speedy action on it now. As we consult with Kennedy, Clay and other key members, our overall strategy will be to (1) emphasize our support for the principles of more accountability and more flexibility (2) stress our preference to take Ed-Flex up as part of ESEA reauthorization, though we will not oppose an acceptable Ed-Flex bill that moves independent of ESEA (3) insist that any Ed-Flex provision that moves in advance of ESEA be revisited during the reauthorization process, and be drafted so as to not permit states to waive the new accountability provisions announced in your State of the Union address.

---------- Forwarded by Michael Cohen/OPD/EOP on 01/22/99 06:33 PM ----------

Michael Cohen
01/22/99 02:11:12 PM
Record Type: Record

To: Laura Emmett/WHO/EOP
cc:
Subject: another item for the weekly

as Elena requested:

Education -- Reaction to your accountability proposals. Overall initial reaction to your education proposals has generally been positive within the education community and in the press. The education community is supportive of your proposals, understands clearly the need to meet the challenges of raising standards, turning around failing schools, ending social promotions and the use of unqualified teachers. At the same time, many are worried about their capacity to meet these challenges, and will be looking to the Administration□,s budget and ESEA reauthorization proposals for financial, programmatic and technical support to carry out the needed reforms. Your proposals have also generated considerable press attention, with several stories this week in the New York Times, Washington Post, and USA Today. These stories have focused on the content of your proposals -- particularly on the pro□,s and con□,s of ending social promotion -- and on the threat that states and school systems could lose funding if they fail to implement them. There have been a number of favorable editorials, including one by Diane Ravitch in the Wall Street Journal, NYU education professor John Zimmerman in the New York Times, and Timothy Noah in Slate magazine. Criticisms of your proposal have come from David Broder, who charges that your proposals merely replicate and add a layer of federal bureaucracy to what the states are already doing, and Lamar Alexander, Checker Finn are quoted in a number of stories criticizing your proposal as a federal takeover of state and local education systems.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 20:26:15.00

SUBJECT: Fr Cynthia: when do you want to review q&a. Sunday? (they're not ready yet

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

CC: 4697 (4697 @ WHCA [UNKNOWN])
READ:UNKNOWN

TEXT:

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	Phone No. (Partial) (1 page)	01/22/1999	P6/b(6)

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

FOLDER TITLE:
[01/22/1999]

2009-1006-F
bm85

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 18:54:24.00

SUBJECT: Morial as validator for AP

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

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

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

TEXT:
From Steven Heyman and Department of Labor:

Mayor Morial's press person is Christine Gallatig
(504) 565-6580 (o)
(504) 565- 7742 (fax)
P6/(b)(6) [003]

They are ready to go. I told them they would likely get a call on Sunday for a Monday story. Hope that's right.

-

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-JAN-1999 19:21:09.00

SUBJECT: weekly

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

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

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

TEXT:
HERE YOU GO ELENA. I THINK JOHN P. WOULD WANT MOST OF THIS, BUT I DEFER TO YOU:

Update on Senator Breaux□,s new Medicare restructuring proposal. On Friday, Senator Breaux released his draft working plan on Medicare reform. Although the 6-page outline has some positive or potentially positive concepts, it has infuriated most Democrats, largely because of its weak guarantee of defined benefits, its increase in the eligibility age (without any commensurate policy to guard against an increase in the uninsured population), and its lack of
a prescription drug benefit. This has led to an almost uncontrollable sense of mistrust of the Senator, who had promised Democrats more input into the document prior to any release.
The Democrats perceive much of the Breaux plan to be little more than the approach that is being advocated by Congressman Thomas. In addition, because we have not openly criticized Senator Breaux□,s plan, there is a growing feeling amongst the Democrats that the Administration may be sending (implicit or explicit) signals that we find his package to be acceptable. Moreover, many Democrats (wrongly) fear that Laura Tyson and Stuart Altman would support Breaux□,s current proposal. Because of the Democrats□, reaction, Senator Breaux is now publicly saying that he personally would like to see that the program has a prescription drug benefit. Although this will be generally welcomed by the Democrats, they will likely take a □&we will believe it when we see it□8 position. With each new conflict with the Democrats, Senator Breaux can be expected to request our assistance to both develop a more viable policy for him and to help attract Democratic support for the Commission□,s recommendation. We will need to make a determination with you as to the best way to respond to the potentially conflicting desires of Senator Breaux and the base Democrats, as well as to decide whether it is in our interest to use the Commission to provide cover for some potentially controversial ideas for Medicare reform.

Stem cell update. On January 19th, Dr. Varmus testified that the General Counsel for the Department of Health and Human Services ruled that the Congressional ban on human embryo research does not apply to stem cell research, since the cells cannot be considered embryos as they do not have the capacity to develop into a human being. This ruling, which means that Federally financed researchers will soon be able to work on human embryonic stem cells, was well received by Congressional Democrats, the scientific community, and advocates for the aging, who are intrigued by the potential this research has to provide cures for diseases like

diabetes and Alzheimer□,s. The only opposition came from expected sources -- the Catholic Bishops, who fear this new research will create incentives for additional abortions, and the American Society for Reproductive Medicine, who was critical that we did not take the position of repealing the ban on fetal research altogether. We believe that the roll-out went as planned and that you are positioned on this issue in a way that avoids controversy and allows for continued scientific advance in these critical areas.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey A. Shesol (CN=Jeffrey A. Shesol/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-JAN-1999 20:08:44.00

SUBJECT: final -- welfare to work remarks

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

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

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

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

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

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

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

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

CC: shesol (shesol @ aol.com @ inet [WHO])
READ:UNKNOWN

TEXT:
Final 01/22/99 7:30pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON WELFARE-TO-WORK INITIATIVES
THE WHITE HOUSE
January 25, 1999

Acknowledgments: Secs. Herman, Shalala, Slater, Cuomo TBD; Reps. Ben Cardin & Ruben Hinojosa; Janice LaChance, Dir. of OPM; Aida Alvarez, Administrator of SBA; Gov. Mel Carnahan; Robert Higgins, Fleet Bank President and Chief Operating Officer; Carlos Garcia

In 1992, when I ran for President, I told Americans that there were few things more important than reforming our welfare system. A lot of people agreed that we should change welfare, but not everybody believed that we could do it. After all, this was a system that had trapped generations in a culture of dependency; there were neighborhoods where, quite simply, no one worked. The government□,s compact with the people seemed, somehow, to have broken down. The wrong values were being rewarded; and the right ones, it appeared, were being punished.

In the past six years we have done much to change all that. When I became President, I worked with 43 states, freeing them from federal

strictures, enabling them to create new, innovative programs that move Americans from welfare to work; and, in 1996, I signed the landmark bipartisan welfare reform law, ending the old system as we knew it. I said then that □&our nation□,s answer to the problems of poverty will no longer be a never-ending cycle of welfare; it will be the dignity, the power, and the ethic of work.□8 Today, if we stay on the new path we have forged, I believe we will break that cycle of dependence for good, and it will be one of our greatest accomplishments as a nation.

Already, even our greatest hopes are being surpassed. Welfare rolls are the smallest in 30 years, down by 44 percent since I took office. In the same period, the number of welfare recipients who are working -- taking that first step toward responsibility -- has tripled. And every state is meeting the work participation standards required under welfare reform. Simply put, America is working again -- proving that something as basic as a full-time job can transform a life or a whole family.

The welfare system is no longer holding people back; it is helping them move ahead. Welfare reform alone could not achieve that. That is why have continued to support health care and child care for low-income families. And we have doubled the Earned Income Tax Credit, a targeted tax cut that is especially generous to low-income working families. For a family of four with an annual income of less than $30,000, that tax cut is worth about $1,000.

I have said that if we are going to require able-bodied people to take jobs, we have to make sure as a nation that there are jobs for them to take. In our strong and growing economy, the true engine of job growth is the private sector. Two years ago, I asked five companies to lead a national effort to hire people off welfare. Today, our Welfare to Work Partnership includes 10,000 companies who have hired, retained, and promoted hundreds of thousands of people. It□,s not a charity; it□,s good for families and good for the bottom line. We□,ve heard some of those success stories this morning; and I know, between Eli Segal and companies like Fleet, we will be hearing many more in the years to come.

Smaller caseloads and bigger paychecks are important signs of progress. But they are not the only ones. The sense of pride, the sense of security of newly working Americans -- these are the best measures of our success. As more Americans gain the confidence that a full-time job can bring, we gain more confidence that our new strategy is working -- and strengthen our determination to do more.

We know what works. We know how to turn long-term welfare recipients into full-time workers. Now, as we move into the 21st Century, we must ensure that even more Americans move from welfare to work. In my State of the Union Address last week, I said we can help another 200,000 Americans make that transition. To achieve that goal, I propose that we renew the successful Welfare-to-Work program, which is set to expire in the year 2000. My balanced budget includes $1 billion to help states and communities build upon their record of success.

My budget dedicates $150 million of those funds to low-income fathers who fulfill their duty to work, to pay child support, and to become part of their children□,s lives again. Every father has that responsibility to his children and the mother of his children. But, as Carlos Garcia just told us, some fathers have difficulty getting or keeping a job, and that is why many states are using some of their welfare-to-work funds to help committed fathers of children on welfare --

fathers who sign personal responsibility contracts -- to get jobs. My balanced budget will help ensure every state can support fathers who support their families.

But there is more we must do. America has achieved the longest peacetime expansion in our history. And as our economy continues to grow, businesses reach farther and wider to hire new talent, bringing more welfare recipients into the workplace. We can -- and must -- use this moment to make permanent our gains on welfare. Our prosperity gives us this opportunity, and makes it an obligation.

We must, therefore, do more to help welfare recipients who remain on the rolls. In many cases, they are the ones who face the greatest challenges to entering the workforce. We know that if you can□,t get to work, you can□,t go to work. Two-thirds of new jobs are in the suburbs, but three-quarters of welfare recipients live in cities or rural areas. That is why my balanced budget will double the funding to get workers to the workplace. I am also announcing a 50 percent increase in housing vouchers -- to help families find affordable homes, avoid those difficult commutes, and to get them closer to a new job and a better, brighter future.

Thanks to the efforts of companies like Fleet, officials like Governor Carnahan, and working Americans like Carlos Garcia, more families are enjoying that kind of future. Across our nation, governors and mayors and county officials are joining with the private sector to develop new ways to move people from welfare to work. I urge the Congress to renew an investment that is expanding opportunity and rewarding responsibility for millions of Americans. In that way, we can continue to make good on what I called, two years ago, □&a historic chance to make welfare what it was meant to be: a second chance, not a way of life.□8 We can go farther toward fulfilling our nation□,s basic bargain -- to reward the hard work of our citizens, and to give them the tools to succeed in changing and exciting times. Thank you.