

**NLWJC - KAGAN**

**EMAILS RECEIVED**

**ARMS - BOX 044 - FOLDER -005**

**[02/06/1999 - 02/08/1999]**



DRAFT: February 6, 1999

MEMORANDUM TO THE PRESIDENT

FROM:

SUBJECT:

Last night, advisors from the DPC, the Counsel's office, Legislative Affairs, the VP's office, OMB and HHS met to discuss a time- and politically-sensitive issue: the intention of the Solicitor General (SG) and HHS to petition for a writ of certiorari to the Supreme Court in *Grijalva v Shalala* by Wednesday, February 10th. This petition was drafted to document the Department's and the SG's objection to the Court's ruling that concludes Medicare managed care plans are an extension of the government (and therefore "state" actors), thus required to provide their enrollees with Constitutional due process. HHS also objects to the Court-defined, burdensome and sometimes counter-productive patient protections, which it imposed via injunction on the Department (and, by extension, all Medicare managed care plans in the nation).

Although we understand the Departments' position and sympathize with the burdens the Court's ruling imposes, we raised serious reservations about how their petition would be received on the Hill and by many consumer advocates. Beyond handing over a public relations gift to the opponents of the Patients' Bill of Rights, we voiced our concerns about the potential impact a ruling in the Department's favor may eventually have on current law's much weaker Medicaid entitlement protections. The following provides you background information on this issue and a summary of the options we are considering.

**BACKGROUND**

**In 1997, the Ninth District Court ruled that when a Medicare HMO denies a claimed benefit for a beneficiary, the denial is tantamount to a government action. As such, the beneficiary would be entitled to full due process under the Constitution.** The District Court also found that the Medicare appeals rights in place in 1993 were wholly inadequate and unconstitutional, and entered a mandatory injunction that imposed detailed new requirements. HHS appealed this decision, and its most recent request for a rehearing at the circuit court was denied in December 1997. Thus, without any other action, this injunction will go into effect on March 4, 1999. HHS is planning to ask the Supreme Court to grant that the case be vacated and remanded to the court of appeals, on two grounds. First, they argue that a case pending before the Supreme Court -- *American Mutual Insurance Company vs. Sullivan* -- will have implications for this case, since it is also about the issue of "state action" and the Constitutional right of due process. The Solicitor General argues in the Sullivan case that, unless certain criteria are met, private government contractors are not considered state actors. Because HHS believes that Medicare HMOs should not be considered state actors and because this case has the potential to set a new standard for determining when to apply Constitutional due process rights, it will ask the Court to allow *Grijalva* to be reconsidered in light of its ruling in *Sullivan*. Second, HHS argues that the new Medicare rules, passed after the injunction and implemented quite recently, dramatically expand the

procedural protections for Medicare beneficiaries in managed care plans, thus superseding the defects in the Medicare program that prompted the initial petition.

## **DISCUSSION**

HHS's primary reason for filing this petition is its concern that the court has imposed a burdensome set of appeals process requirements inconsistent with its current policies. Its examples of these extra requirements include the obligation for a health plan to continue providing a health care service during the appeal, and the extensive notice requirements for changes and/or denials of benefits. More generally, it is concerned about the court's intrusion upon the legislative and executive branches' authority to determine Medicare's appeal processes. Privately, HHS also fears that managed care plans will pull out of Medicare at an even greater rate than last year because of increased regulatory burdens and the fear of lawsuits.

While HHS's concerns with the content of the injunction may be justifiable, it places the Administration in an extremely awkward position. The Department is, in essence, arguing that the extra protections the injunction requires are excessively burdensome to the program and would needlessly raise costs without improving quality. This is virtually the same argument private health plans are making against the Patients' Bill of Rights on the Capitol Hill. Moreover, while HMOs might argue that an unfavorable ruling would increase regulatory burdens and expose them to more litigation, the very patient protections they complain about would probably preclude problems making it to the courts. It is important to note that there have been extremely few court cases to date -- even with lesser patient protections in place.

There is also a larger question of whether private plans in Medicare -- or other Medicare contractors or Medicaid managed care plans, for that matter -- should be considered state actors. Since the Medicare statute contains enforceable rights to eligibility, benefits, and now an appeals process, it can be argued that the Constitutional due process right serves as a floor or minimum that may no longer be needed. However, it is possible that, in the future, the laws will change, leaving the beneficiary with fewer rights than the private right of action ensures.

More dangerous is the implication of this petition for Medicaid. Unlike Medicare, Medicaid relies solely on the private right of action; there is no other mechanism to remedy the denial of services, eligibility or any other statutory requirement. It is this right that we fought for in the Medicaid block grant debate in 1995, when Republicans proposed replacing it with state appeal process. Thus, if we argue that Medicare beneficiaries in private managed care plans have no private right of action, by extension, nor do the 50 percent of Medicaid beneficiaries in managed care plans. Thus, the Grijalva petition could have the unintended effect of undermining the Medicaid entitlement.

## **OPTIONS**

While HHS recognizes the risks associated with their petition, they would like to file it with a detailed argument against considering Medicare managed care plans as state actors. At our meeting last night, however, HHS implied that the Secretary would open to modifying their petition to simply reference the Sullivan case rather than make extensive arguments about its applicability to the Grijalva case. This would have the cosmetic effect of taking out controversial arguments that will inflame advocates; it could have the real effect of decreasing the likelihood that the Sullivan

case would apply in the rehearing. Bruce, xxx, think that this would .

An alternative is to not file the petition at all, and request that the circuit court modifies its injunction to include the new Medicare appeals process. This is a risk; if the court does not change the injunction, HCFA will have to change its nationwide appeals system in the course of a month. However, in the long-run it may protect a more important issue -- the private right of action in Medicare and Medicaid. Elena, Chris, xxx.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-FEB-1999 12:27:42.00

SUBJECT: grijalva memo

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

READ:UNKNOWN

TEXT:

one change -- we got a date wrong last night --

in the background paragraph, it should read:

HHS appealed this decision, and its most recent request for a rehearing at the court of appeals was denied in November 1998.

sorry.

Devorah

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-FEB-1999 13:21:49.00

SUBJECT: Re: shalala Memo

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

READ:UNKNOWN

TEXT:

thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: "Gomperts, John" ( "Gomperts, John" [ UNKNOWN ] )

CREATION DATE/TIME: 6-FEB-1999 16:43:41.00

SUBJECT: RE: AmeriCorps Conference Call

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

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

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

TO: Thurgood Marshall Jr ( CN=Thurgood Marshall Jr/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Shirley S. Sagawa ( CN=Shirley S. Sagawa/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

TO: MaryEllen C. McGuire ( CN=MaryEllen C. McGuire/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

TO: "West, Tara" ( "West, Tara" [ UNKNOWN ] )  
READ:UNKNOWN

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

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

CC: Carolyn T. Wu ( CN=Carolyn T. Wu/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

CC: "West, Tara" ( "West, Tara" [ UNKNOWN ] )

READ:UNKNOWN

TEXT:

I have a different thought on the visibility call for Monday. Our big visibility effort for this week is the University of Maryland event on Wednesday. And all of us are focused on getting that done as well as possible. I wonder if we can do the following:

1. Transform this call into a check-in call on the Wednesday event; and
2. Move it earlier in the day so that based on what gets discussed and decided, there is an opportunity to follow-up on Monday.

Is this possible. Let us know. Thanks. JG

-----Original Message-----

From: MaryEllen\_C.\_McGuire@who.eop.gov  
[SMTP:MaryEllen\_C.\_McGuire@who.eop.gov]  
Sent: Thursday, February 04, 1999 11:55 AM  
To: Gomperts, John; West, Tara; Shirley\_S.\_Sagawa@who.eop.gov;  
Karen\_Tramontano@who.eop.gov; Ann\_F.\_Lewis@who.eop.gov;  
Stacie\_Spector@who.eop.gov; Anne\_E.\_McGuire@who.eop.gov;  
Bruce\_N.\_Reed@opd.eop.gov; Elena\_Kagan@opd.eop.gov;  
Tanya\_E.\_Martin@opd.eop.gov; Thurgood\_Marshall\_Jr@who.eop.gov;  
Thomas\_L.\_Freedman@opd.eop.gov; Jennifer\_M.\_Palmieri@who.eop.gov;  
Andrew\_J.\_Mayock@who.eop.gov  
Cc: Carolyn\_T.\_Wu@who.eop.gov; Ruby\_Shamir@who.eop.gov;  
Cathy\_R.\_Mays@opd.eop.gov; West, Tara  
Subject: AmeriCorps Conference Call

Just a reminder that our next biweekly conference call on AmeriCorps Visibility will be this coming Monday, February 8th at 4:00pm. Call 757-2100 code 4129.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Leanne A. Shimabukuro ( CN=Leanne A. Shimabukuro/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME: 7-FEB-1999 15:01:13.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Pls call Leanne re: Mon. drug event. 65574. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-FEB-1999 09:01:00.00

SUBJECT: NAEP

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

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

TEXT:

I see that Sec Riley will release NAEP reading scores Feb 10 --a "slight increase " -- this is the same day as Americorps, but is there something we should do with this ?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey K. Nussbaum ( CN=Jeffrey K. Nussbaum/O=OVP [ UNKNOWN ] )

CREATION DATE/TIME: 8-FEB-1999 09:13:17.00

SUBJECT: (Now) VP's Anti drug remarks

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

READ:UNKNOWN

TEXT:

These are revised with some VP language, please give me a call at 6-9005 with comments/changes.

Jeff

REMARKS BY VICE PRESIDENT AL GORE

ANTI-DRUG EVENT

Monday, February 8, 1999

I want to start by thanking Jessica Hulse [HULL-see] for sharing her story. Just finding the courage and strength to survive and even thrive in a home where drugs -- not parents -- are in control is remarkable. But your commitment to make sure that no other child has to live through the fear and uncertainty you endured is an inspiration for us all. You are a truly exceptional young woman, and I thank you for being here today.

Sadly, we know that Jessica's story is not unique -- and that she speaks for the thousands of families who suffer through that same nightmare of powerlessness and frustration.

But one of the most important things that Jessica's story and the ads from our media campaign teach us is that we do have the power to fight drugs. If each of us takes action, at every level of government, in every community, in every house of faith, and in every home ... if we reach out to our young people -- as parents, mentors, and peers -- before drug dealers reach them ... if we join forces, united and relentless in our determination to win this war, we can make our nation stronger than ever in the 21st Century.

For years, it seemed that crime was an insurmountable and ever-increasing problem. But we put in place a tough, smart anti-crime plan, with more police, tougher punishment, and better prevention. Six years later, we know that our strategy is working -- beyond our expectations. Around the country, in cities large and small, crime is down to its lowest rates in 25 years.

We are beginning to win the war against crime, and we can win the war against drugs -- by marshaling the forces and resources of our nation. Year after year, our administration has secured the largest anti-drug budgets in history, with more money for drug enforcement agents, for border and customs control, for education and outreach, for treatment and prevention. Under the leadership of General Barry McCaffrey at the Office of National Drug Control Policy, our efforts have begun to pay off. Overall drug use by adults has dropped to more than half of its highest levels in 1979. Even drug use by our young people -- which seemed to be getting worse every year -- has finally begun to decline.

But when drug dealers still roam our streets and rob our children

of their dreams, when drug-related crime still ravages our neighborhoods, we know we must do more. With our economy the strongest in a generation and our confidence rising, we have a rare opportunity -- and an obligation -- to redouble our efforts in the war against drugs.

We must start by recognizing that our nation's drug problem was not born in isolation and does not exist in a vacuum. It is an interconnected problem -- so our solutions must also be interconnected. We must mount an all out effort to banish, crime, drugs, disorder, and hopelessness from our streets, once and for all.

#### BROKEN WINDOWS THEORY...

To deal with the drug problem, we need to do more to expand opportunity and create jobs for young people, especially in communities that have too often been passed by in good times. That's why I was so proud to recently announce our second round of Empowerment Zones, to bring the spark of enterprise back to our inner cities; and that is why I am working so hard to help people move from welfare rolls to permanent private sector jobs.

To deal with the drug problem, we need to do more to improve our schools and help all of our students to reach high standards. We need more after school and summer school programs to keep young people learning in the classroom in the hours after the school bell rings, but before the work whistle blows -- the hours when young people are more likely to fall prey to drugs.

And to deal with the drug problem, we need a comprehensive anti-drug effort that fights drugs on every front and uses every weapon we possess.

That is why I am so pleased to release our Administration's 1999 National Drug Control Strategy. This is not a short-term plan designed to produce short-lived results. It is a comprehensive, long-term strategy, with more money for drug testing and treatment ... better drug-law enforcement in our communities and better drug control on our borders ... and better anti-drug education for young people, including our media campaign.

And our plan is backed by the largest anti-drug budget ever presented to the Congress: Our Administration's balanced budget for 2000 includes nearly \$18 billion to keep drugs away from our borders, off of our streets, and out of our children's reach.

I want to say a special word about our National Youth Anti-Drug Media Campaign. We launched this campaign last year because we knew that when it comes to fighting drugs, attitudes drive actions. Young people who understand the damage drugs can do to their lives -- and the lives of the people they love -- are simply less likely to use them.

Since we kicked off the campaign in July, we have reached literally millions of young people with a powerful message: drugs are illegal, drugs are wrong, and drugs can kill you. Although it is too early to fully measure our success, we are seeing evidence that our anti-drug message is getting through.

I am particularly pleased that in addition to our general market advertising, we have launched the strongest multi-cultural communications effort ever mounted by government, focused on reaching young people of every ethnicity and national origin. Drugs speak only the language of

destruction, but with ads in 10 languages, we are speaking to all of our youth and the adults who influence their lives.

One big reason for this success is the remarkable response of the private sector to our challenge to join our fight against drugs. In six months, our campaign has generated more than \$165 million in matching contributions for paid anti-drug ads. Virtually every major network has produced high profile anti-drug public service announcements with their best known celebrities -- you just saw a few of those -- and donated air time to scores of non-profit organizations for their own anti-drug PSAs.

I am so proud of all of our efforts -- especially at the ONDCP -- to fight drugs. But making our anti-drug strategy work is not a job for just one agency, but for every agency, 365 days of the year. That is why President Clinton has called on every single Cabinet agency to redouble their efforts in our fight against drugs.

Next week, President Clinton will travel to Mexico, a critical partner in the fight against drugs. A major portion of the drugs that come into our country come through Mexico, across the 2,000 mile border we share. This illegal drug trade endangers Mexicans and Americans -- and it is in our nations' mutual interest to work together to shut it down.

The Alliance Against Drugs that President Zedillo and President Clinton adopted in 1997 is making progress -- and we are committed to building on that progress. I am very pleased that last Thursday, the Mexican government announced it will be spending \$400 to \$500 million over three years to buy new planes, ships, radar and law enforcement equipment. By sharing resources, information, and experience, we can secure a safer future for both of our nations.

Our battle against drugs is a fight to the finish -- and it is not a job for government alone. It will take all of our efforts and energy, all of our courage and compassion. It will take every one of us, looking ahead to a day when the scourge of drugs no longer threaten our children, our communities, or our collective future. I believe that we will reach that day, together, and I look forward to working with all of you to build a stronger nation for the 21st Century.

Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Clara J. Shin ( CN=Clara J. Shin/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-FEB-1999 09:32:02.00

SUBJECT: Race Report: Promising Practices

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

CC: MaryEllen C. McGuire ( CN=MaryEllen C. McGuire/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

James T. Edmonds ( CN=James T. Edmonds/OU=PIR/O=EOP [ PIR ] )  
READ:UNKNOWN

TEXT:

If you have comments on the chapter in the Race Report entitled "The Community We Must Build," please forward them to me by the end of the day. Maria circulated the chapter through Staff Secretary on February 1. If you would like more time to review or need another copy, please let me know. Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-FEB-1999 09:39:06.00

SUBJECT: enclosed draft Riley testimony on ESEA -- OMB has asked for comments by lp

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I have included the bilingual education portion in the e-mail below. Attached is the Secretary's entire testimony.

#### SUPPORTING STUDENTS WITH LIMITED ENGLISH PROFICIENCY

Students with limited English proficiency (LEP) are the fastest growing population served by the Elementary and Secondary Education Act. According to State educational agency data, the number of LEP students grew 24 percent between 1992 and 1995.

Many of the fastest growing LEP student populations are in States and communities that have little prior experience in serving these students. For example, ten States (Alabama, Georgia, Idaho, Indiana, Nebraska, Nevada, North Carolina, Oregon, Tennessee, and Virginia) reported increases in the numbers of LEP students greater than 46 percent between 1992 and 1995.

Our clear goal is that LEP students should be able to speak and read English after three consecutive years in our schools. We are equally committed to ensuring that LEP students reach challenging academic standards in all content areas.

Our reauthorization proposal for the Title VII bilingual education provisions seeks to achieve these two very important goals by emphasizing the same two key strategies we are pursuing throughout the ESEA: improving teacher quality and strengthening accountability.

To increase teacher quality, for example, all institutions of higher education applying for Title VII grants, would be required to show that their teacher education programs include preparation for all teachers serving LEP students.

To strengthen accountability and ensure that LEP students reach our three-year goal of learning English, both Title VII grantees and Title I schools would be required to annually assess LEP student progress in attaining English proficiency.

LEP students who have been in a U.S. school for less than three years would continue to be included in the Title I assessment system, but after three years reading assessments would be conducted in English. Schools and districts will be held accountable, as part of the larger ESEA

accountability provisions, for their progress in ensuring that LEP students reach the three-year English language proficiency goal.

I also believe that America's children need to become much more fluent in other languages. We are very far behind other nations when it comes to giving our students a mastery of other languages. There are teenagers in Europe who can easily speak three languages. I am certain we can do a much better job at giving our students at least a fluency in English and one foreign language. There are currently over 200 two-way bilingual education programs that teach English and a foreign language and allow all students to truly develop proficiency in two languages.

- eseats-1.doc

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

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

TEXT:

WPCL

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The 1999 Reauthorization of the Elementary and Secondary Education

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The 1999 Reauthorization of the Elementary and Secondary Education

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Good morning Mr. Chairman and Members of the Committee.

I appreciate this opportunity to present the Administrations views on the upcoming reauthorization of the Elementary and Secondary Education Act (ESEA). The Administration is working on a detailed reauthorization proposal that we plan to submit for your consideration next month. The Department will also soon submit to Congress several reports evaluating the implementation and impact of Title I, other ESEA programs, and Goals 2000. Today I will provide an overview of our reauthorization efforts, as well as some of our specific recommendations.

If there is one overriding principle that defines what we hope to accomplish, it is to end the tyranny of low expectations.

Style0#XX2PQXP##XP\ P6QXP#Let me begin by urging the Committee to develop a single, comprehensive bill reauthorizing the Elementary and Secondary Education Act. Some have suggested a titlebytitle approach that could lead to a dozen or so separate bills. This concerns me, because we have worked very hard with the Congress in recent years to develop a comprehensive approach to Federal support for education reform. If our efforts are to be successful, it is very import

ant for all the pieces to fit together, complementing and reinforcing each other, and working together to help States, school districts, and schools to make the changes needed to raise achievement for all students. This is why the Administration is developing a single, integrated reauthorization proposal, and I hope you will do the same.

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Style0#XX2PQXP##XP\ P6QXP#I also want to point out that with the nearly simultaneous reauthorization of the Departments Office of Educational Research and Improvement, we have a unique opportunity to align our research agenda with the practices and priorities in elementary and secondary education. We should make every effort to develop researchbased solutions to the many challenges we face in elementary and secondary education, and to get the best information on what works into the hands of parents, teachers, principals, and superintendents across the Nation.

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This is, of course, this Administrations second opportunity to work with Congress on improving the ESEA. The 1994 reauthorization"the Improving Americas Schools Act"took direct aim at transforming a Federal role that for too long had condoned low expectations and low standards for poor children. Along with the Goals 2000: Educate America Act, the 1994 reauthorization reflected a bipartisan effort to raise expectations for all children by helping States and school districts to set high standards and establish goals for improving student achievement. The 1994 Act included provisions to improve teaching and learning, increase flexibility and accountability for States and local school districts, strengthen parent and community involvement, and target resources to the highest poverty schools and communities.

There is strong evidence that these changes, particularly the emphasis on high standards, have helped States and school districts carry out the hard work of real education reform. States that led the way in adopting standardsbased reforms"like Kentucky, Maryland, North Carolina, Oregon, and Texas"found new support from Federal programs that helped them to raise reading and math achievement.

In other States, the new ESEA and Goals 2000 encouraged and supported improvements in teaching and learning tied to high standards. For example, in a very positive report on Goals 2000 by the General Accounting Office (GAO), we were most pleased that State officials described Goals 2000 as a significant factor in promoting their education reform efforts and a catalyst for change.

Title# k\ P6Q P##^ P6QP#Signs of Progress  
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Partly as a result of changes at the Federal level and our new partnerships with the States, 48 States have developed statelevel standards and two States have pushed for standards at the local level. More importantly, there are promising signs of real progress toward meeting these higher standards. The National Assessment of Educational Progress (NAEP), for example, has shown significant increases in the percentages of 4th grade students scoring at both the basic and proficient achievement levels in mathematics, particularly among students in highpoverty schools. The National Education Goals Panel reported that between 1990 and 1996, 27 States significantly increased the percentage of 8th graders scoring at either the proficient or the advanced level on the NAEP math test.

Tomorrow the National Center for Education Statistics will release its national report card on reading, and I understand we will see some improvement. Over the past few years a strong, bipartisan consensus has emerged on the importance of helping all children to master reading as the key prerequisite for all further learning. Title I provides substantial resources to help States and school districts improve reading instruction, and last year, Congress on a bipartisan basis passed the Reading Excellence Act to strengthen State and local effort

rts to improve reading in the early grades. We also now have some 20,000 College WorkStudy students serving as reading tutors.

#^ \ P6QP# □ Leading Edge States □  
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Turning from the national to the State level, individual States have made notable progress in a very short period of time. Texas, for example, increased the percentage of its 4th grade students scoring at the proficient or advanced levels on the NAEP math test from 15 percent in 1992 to 25 percent in 1996. North Carolina more than doubled the percentage of its 8th graders reaching the same standard in mathematics achievement, from 9 percent in 1990 to 20 percent in 1996.

The National Education Goals Panel issued a report authored by the Rand Corporation that examined the North Carolina and Texas experience. The report found that the most plausible explanation for the test score gains was an organizational environment and incentive structure based on an aligned system of standards, curriculum, and assessments; holding schools accountable for improvement by all students; and critical support from business. As I will explain shortly, we will be trying in this reauthorization to speed up reform by encouraging other States to follow the example of North Carolina and Texas.

#^ \ P6QP# □ New Flexibility at the Federal Level □  
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The 1994 reauthorization also brought real change to the way we do business at the Department of Education. We made a very determined effort to give States and school districts greater flexibility to make innovations that help all students reach high standards. Our regulatory reform effort, for example, systematically examined every Department regulation and set very specific criteria for regulating only when absolutely necessary. The Office of Management and Budget and other Federal agencies have since adopted this approach as a model. Under our new regulatory guidelines, only five of the programs included in the 1994 ESEA reauthorization truly required regulations; thus we eliminated a full two-thirds of regulations previously covering elementary and secondary education.

Another major improvement was the adoption of a single, consolidated State application for the majority of ESEA programs. Moreover, States submit their single plan just once during the life of the authorization cycle, with brief yearly updates to ensure accountability. Not surprisingly, States reported in fiscal year 1996 that the consolidated application slashed paperwork requirements by 85 percent. I should add that the consolidated applications also encourage a comprehensive approach to planning for the use of Federal funds.

The Department also has vigorously implemented waiver provisions that were included in the 1994 reauthorization, which permit States, school districts, and schools to request waivers of statutory and regulatory requirements that present an obstacle to innovative reform efforts. We set up a Waiver Hot Line and provided comprehensive waiver guidance at our site on the World Wide Web.

Since the reauthorization of ESEA in 1994, the Department has received 648 requests for waivers from States and local districts and granted a total of 357 waivers. Overall, the Department has approved 55 percent and disapproved 8 percent of all waivers requested. The waiver authority has also demonstrated that ESEA is very flexible even without the authority. In fact, 28 percent of waiver applications were withdrawn largely because districts learned that they had sufficient latitude or flexibility under existing law to proceed without a waiver.

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Another approach to flexibility is the EDFLEX demonstration, which allows the Department to give Statelevel officials authority to approve waivers of certain Federal statutory and regulatory requirements that stand in the way of effective reform at the local level. Under this pilot project, 12 States have been authorized to participate.

We are proposing to expand EDFLEX to allow all eligible States to participate. I believe such an expansion should be considered in the context of reauthorization, our emphasis on accountability for results, and other programmatic issues. EDFLEX can be an important tool for accelerating the pace of real reform in our schools, but it must be done thoughtfully. In particular, we must be sensitive to civil rights concerns and be absolutely sure that all protections currently in law are maintained.

Body Text#&J\ P6Q&P##XP\ P6QXP#One final issue I want to touch on is the Department's performance in getting Federal education dollars to the local level where they can do the most good. There have been a number of dollars to the classroom proposals over the past two years based on the assumption that the Department of Education retains a significant portion of Federal elementary and secondary appropriations to pay for administrative costs.

The truth is that over 95 percent of all the dollars appropriated by Congress for Federal elementary and secondary programs already goes to local school districts. If that number sounds familiar, it is because some of those proposals I mentioned promise to send 95 percent of Federal dollars to the classroom.

I recognize that some may argue about whether the local level is the same as the classroom. My view is that once the funds reach the local level, it is up to local elected school boards to decide how best to spend them to achieve the purposes of the programs enacted by the Congress. We in Washington should not attempt to bypass local school boards and deny them their lawful responsibility to determine how to meet the educational needs of their students.

I believe that these accomplishments" widespread adoption of standards, promising achievement gains nationally and even more improvement in leading edge States, along with new flexibility for States and school districts" show that we were on the right track in 1994. The evidence demonstrates a clear connection between raising standards and raising student achievement. The record also shows, however, that many States and districts are still phasing in the 1994 reforms.

Taken as a whole, this experience provides a compelling argument for the Administration and Congress to keep working together to help States and school districts get high standards into the classroom, and to push for improved incentives and strengthened accountability mechanisms to ensure that these reforms take hold.

#^\ P6QP# THE NEXT STEP: TEACHER QUALITY AND  
HIGH STANDARDS IN THE CLASSROOM\#XP\ P6QXP#

I want to begin by laying out a broader context for our ESEA reauthorization proposals. In 1994, we broke sharply with the past and made a significant policy shift in putting an end to the practice of giving students a watered down curriculum. I strongly believe that the tyranny of low expectations" and it is tyranny" has been one of the great flaws of American education. We vigorously oppose the idea of dumbing down American education. Instead of dumbing down, we want to achieve up.

To support this effort we have developed a comprehensive threepart strategy of (1) targeting investments to disadvantaged children, with particular attention to the early years of schooling; (2) improving teacher quality, and (3) real accountability. All these pieces need to fit together if we want to raise achiev

ement levels.

First, our investments in the Reading Excellence Act, ClassSize Reduction, education technology, and afterschool programs"to name just a few"are all part of our effort to get teachers and principals the resources they need to raise achievement. We have put a real emphasis on the early years of schooling because research and common sense tells you that if a young person can master the basics early on they get off to a much better start in their education. We want to improve academic achievement for all students, with a special emphasis on closing the gap upward between poor and minority students and other students. This is why, for example, we are such strong supporters of reducing class size in the early grades. Research from the Tennessee STAR study demonstrated that reducing class sizes in the early grades led to higher achievement for all students, with poor and minority students showing the greatest gains.

Second, we think it is absolutely essential to put a highly qualified, dedicated teacher in every classroom in America. John Stanford, the inspiring former superintendent from Seattle who recently passed away, had this marvelous slogan that summed up his philosophy: the victory is in the classroom. If we are going to achieve many more victories in the classroom we simply have to raise teacher quality and get many more certified teachers into our TitleI schools. This is why we asked the Congress to fund a strong teacher quality initiative in reauthorizing the Higher Education Act last year. Our intent here is to make high standards part of every teachers daily lesson plans. I will discuss this part of our proposal in greater detail later on in my testimony.

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#^ \ P6QP#Accountability

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Improved accountability is the third part of our broad strategy of improvement.

We believe that effective accountability measures"what business leaders call quality control measures"can make sure that our new investments are used wisely and actually produce the desired results. It seems to me that if a school district using Federal dollars doesnt act to raise achievement levels and squanders taxpayers dollars the only responsible thing to do is to begin withholding the money. Here it is important to recognize that we are not talking about more regulations. We want better results. There is both a moral and a fiscal dimension to being more accountable. We cannot afford to lose the talents of one child, and we cannot waste the substantial resources entrusted to us by American taxpayers.

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Style0We recognize that a complete accountability system should be multidimensional and include high expectations and accountability for everyone in the system. All of us are responsible for ensuring that all students reach high standards. The accountability measures in our reauthorization proposal are designed to (1)help school districts and states provide students with a high quality education, (2)focus on continuous improvement; and (3)hold students, teachers, principals, schools, and districts to high standards.

It is important to note that our proposed accountability measures reinforce and build on similar provisions approved in 1994, and on what many States are already doing. For example, the underlying structure of the Title I accountability provisions is sound, and States like North Carolina and Texas are emphasizing continuous improvement and holding schools and principals accountable for results. Many States, however, have not fully implemented the TitleI provisions and have moved only tentatively to make other changes based on high standards and accountability. We are proposing several measures to speed up the process.

#^ \ P6QP#□Meeting State Standards□

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First, we would retain the current law requirement that States establish conten

t and performance standards and assessments aligned to the standards by the 2002 school year. States must also define adequate yearly progress for Title I schools and local school districts in a manner that would result in continuous and substantial progress toward meeting State standards within a reasonable time frame.

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 #^ \ P6QP#Turning Around the Lowest Performing Schools□  
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Second, States would be encouraged to take immediate corrective action to turn around the lowest performing schools. Currently, there are over 6,500 schools and 1,300 school districts designated under Title I as in need of improvement. These schools and districts were placed in school improvement status after making little or no improvement over a period of three years. Many of these schools are still showing no improvement despite receiving additional support. We are saying that enough time has passed with our children in lowperforming schools "it is time to take action now.

States should quickly identify the lowest performing schools and provide additional support and assistance. If any school continues to show no improvement, States should take bold action such as reconstituting the school or closing the school down entirely and reopening it as a fresh new school. The Department's 2000 budget request includes a \$200million setaside to help jumpstart this process of State and district intervention in the lowest performing schools.

#^ \ P6QP#Annual Report Cards□  
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Third, we would require annual report cards at the State, district, and school levels as a condition of receiving ESEA funds. The report cards should provide information on improvement over time or the lack thereof. They should include information on student achievement and other indicators, such as teacher quality, class size, school safety, attendance, and graduation requirements. The report cards should be easily understood by and widely distributed to parents and the public. While 36 States already require report cards, most parents and the majority of teachers say that they have never seen the report cards. Our proposal is intended to give parents a tool they can use to join the debate over bringing high standards into the classroom, to advocate on behalf of their children and their childrens schools, and to work with teachers and principals to make improvements.

Style0#XX2PQXP##XP \ P6QXP#  
 Style0I assure you, if parents find out that their children are going to an unruly or unsafe school there will be standingroom only at the next school board meeting and that is a very good thing. If parents discover that test scores are down at their school but up at a nearby school they will start asking questions and spark reform. In short, a good, honest report card gives parents a real accountability tool that allows them to make a difference in the education of their children.

#^ \ P6QP#Ending Social Promotion□  
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Fourth, all States receiving ESEA funds should end the practice of social promotion. I want to be clear that we are against both a policy of social promotion and a policy of retaining students in grade. We are for a policy of preparing children to achieve to high standards. That is why we have pushed so hard for programs like Class Size Reduction, the Reading Excellence Act, and 21st Century Community Learning Centers afterschool initiative, which invest in the early years and help to minimize the number of children at risk of retention in grade.

The Presidents call for an end to social promotion is designed to tell students that performance counts, and to encourage districts and schools to take aggressive

ssive action to help all students meet promotion standards on time. States should target their efforts at key transition points, such as the 4th, 8th, and 10th grades. Strategies to end social promotion include early identification and intervention for students who need additional help, extended learning time for students who need extra help, and intensive intervention designed to prevent a student from having to repeat an entire grade.

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P6QP#□Ensuring Teacher Quality□

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Fifth, we would encourage States and school districts to do more to ensure teacher quality. Less than two weeks ago, we released our first biannual report on Teacher Quality. In releasing this first biannual report, we are making a statement that we are going to keep coming back to the issue of teacher quality again and again. This reports tells us that less than half of Americas teachers feel very well prepared to teach in the modern classroom. Teachers cited four areas of concern: using technology, teaching children from diverse cultures, teaching children with disabilities, and helping LEP students. This study really is a cry for help and we need to respond□.□

I know the Members of this Committee share our concern about teacher quality, and we want to work with you to address that concern. Research shows that qualified teachers are the most important inschool factor in improving student achievement. Far too many classrooms are led by teachers teaching out of field, individuals granted emergency certificates who do not meet State certification standards, and even teacher aides with no more than a high school diploma. All of these individuals are trying to do their best"and many are excellent aides"but as long as they do not have the skills of a proven teacher we are shortchanging our students.

Highpoverty urban schools are most likely to suffer from unqualified teachers.

In Los Angeles, for example, 60 percent of the new teachers hired last year did not have a teaching license. Even when urban districts succeed in hiring qualified teachers, attrition rates during the first five years often reach 50 percent. Partly as a result of difficulties in recruiting and retaining teachers, Title I schools are hiring teacher aides at twice the rate of certified teachers, and an increasing number of aides are providing direct instruction without a teachers supervision.

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P6QXP#Our ESEA reauthorization proposal would begin to address these problems by encouraging States to adopt challenging, competency examinations for all new teachers that would include assessments of subjectmatter knowledge. We would also work to phase out the use of teacher aides as instructors in Title I schools and urge States to make significant progress in reducing both the number of teachers with emergency certificates and the number of teachers teaching subjects for which they lack adequate preparation. Our proposal also would encourage States and school districts to build career ladders to encourage paraprofessional to become certified teachers.

The issue of improving teacher quality is also of great importance to all of us who want to improve the education of children with disabilities. ESEA is meant to serve all children and there are growing numbers of children with disabilities who have been successfully mainstreamed into regular classrooms. ESEA and the Individuals with Disabilities Education Act can work together to make a real difference for many more of these children. The Teacher Quality report told us that the majority of our teachers do not feel as wellprepared as they should to teach children with disabilities. We want to work very hard to make sure that teachers have the skills and the tools they need to teacher these children

to high standards.

We made a good start in improving teacher quality last year when Congress passed "with strong bipartisan support" the new teacher training and recruitment provisions in Title II of the reauthorized Higher Education Act. Our ESEA reauthorization plan would build on this success by providing resources to help states strengthen teacher certification standards and develop new ways to evaluate and compensate teachers. It also will include increased investment in the high quality professional development teachers tell us they need to help all students meet challenging new State standards.

Just as we have real concerns about improving teacher quality, we need to recognize the growing shortage of qualified principals. I was struck by a statistic in a recent article in The Washington Post, which indicated that about 50 percent of all schools face a shortage of qualified principal candidates. That is a very heavy statistic. In response to this and other evidence about the need for better training for principals and other school leaders, our reauthorization proposal will address the issue of developing the next generation of talented principals.

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!Plain Text! I have described some of the key, crosscutting measures for getting high standards into all classrooms. Now I would like to outline some programs specific issues and recommendations, beginning with Title I, which is the largest Federal investment in elementary and secondary education. This \$7.7 billion program reaches more than 45,000 schools in over 13,000 school districts. With the expansion of schoolwide projects following the last reauthorization, the program now serves over 11 million students. In the 1996-97 school year, 36 percent of the children served were white, 30 percent were Hispanic, and 28 percent were African American. Seventeen percent of the children served were limited English proficient.

Historically, Title I has been the single largest source of federal funding targeted to raising the achievement levels of students in high poverty schools and helping to close the achievement gap between these children and their more advantaged peers. The 1994 reauthorization focused on helping children in high poverty schools reach the same high standards expected of all students through several specific approaches. In particular, States were required to develop content and performance standards in reading and math, with aligned assessments to measure student progress toward meeting the standards.

The 1994 act also improved targeting of resources, expanded the schoolwide approach, and strengthened the focus on parental involvement. With regard to targeting, the GAO recently reported that Federal programs are much more targeted than State programs. On average, for every \$1 a State provided in education aid for each student in a district, the State provided an additional \$0.62 per poor student. For every \$1 of Federal funding districts received for each student, they received an additional \$4.73 in Federal funding per poor student. We believe targeting works, and we recommend leaving in place the Title I allocation formula adopted by the Congress in 1994.

The 1994 Act expanded schoolwide programs by permitting schools with poor children making up at least 50 percent of their enrollment to use Title I funds in combination with other Federal, State, and local funds to upgrade the instructional program of an entire school. To date, the number of schools implementing schoolwide programs has more than quadrupled, from 3,500 to approximately 16,000. And a growing number of parents are more fully involved in their children's education through the use of parent compacts encouraged by the 1994 Act.

I also want to stress that getting parents involved in the process of school reform is often the spark that makes the difference. I have been a strong advocate of increased parental involvement in education for many years and there is a good reason for it. Parents are childrens first teachers and they set the expectations that tell children how hard they should strive to achieve. And teachers tell us again and again that parents are too often the missing part of the education success equation. If you look at the attached chart entitled Making the Grade you will see why we are placing such a strong emphasis on developing compact between parents and schools for our Title I children.

Four years ago, we created the Partnership for Family Involvement in Education with 40 organizations. This Partnership has since grown to 4,700 organizations and it continues to grow quite rapidly. Last month, the Partnership sent out its latest publication a guide that tells teachers how to work better with parents.

#^ \ P6QP# Progress Since the 1994 Reauthorization  
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Current information on Title I indicates progress on several fronts. Title I has contributed to the rapid development of challenging State standards that apply to all students in Title I schools. Teachers in Title I schools are increasingly reporting that standards are helping to guide instruction. Moreover, preliminary data gathered for this reauthorization from States that have implemented the Title I standards and assessment provisions generally show increased achievement levels in highpoverty schools. For the 199798 school year, seven of the 10 States with standards and aligned assessments in place for two years report increasing percentages of students meeting proficient and advance performance standards in schools with poverty rates of at least 50 percent. This Statelevel data is particularly encouraging since final assessments are not required to be in place until school year 20002001. Soon to be released data indicates that Title I is seen as driving standardsbased reform in poor districts and schools. This and other information, including data indicating that TitleI is driving standardsbased reform in poor districts and schools, will be discussed in greater detail in the Congressionally mandated National Assessment of Title I scheduled for release in late February.

Despite these initial signs of progress, I will be the first to tell that we are not anywhere near where we need to be in turning around the thousands of lowperforming high poverty schools that are served by Title I. This is why the President is so strong for improved teacher quality and increased accountability.

We know that there is a great deal of disparity in achievement levels at the state level. As I mentioned earlier in my testimony, a very significant number of paraprofessionals are functioning as teachers and they simply do not have the skills they need to do the jobs demanded of them.

We are not going to turn around the long, sorry history of setting low expectations for our Nations poorest children in just four years. We are on the right course in aligning Title I with the best efforts of State and local school systems. We simply need to stay the course in fitting all the pieces together to raise achievement levels.

In looking at TitleI and its impact, we should keep in mind that despite its size and prominence at the Federal level, Title I represents less than 2 percent of national spending on elementary and secondary education. Title I is effective only when it works in partnership with much larger State and local resources. Nevertheless, Title I can and should do more to assist State and local efforts to raise the educational achievement level of poor and minority children, and this is what we are trying to achieve through our reauthorization proposals.

#^ \ P6QP# Proposed Changes to Title I

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Building on what we have learned since 1994, our reauthorization proposal would continue to hold at risk children in high-poverty schools to the same high standards expected of all children, to tie Title I to State and local reforms based on high standards, to target resources to areas of greatest need, to support flexibility at the local level to determine instructional practice, and to encourage more effective implementation of schoolwide programs.

In addition to the accountability provisions that apply across the ESEA, we would improve Title I by targeting additional resources to help the lowest achieving schools and by phasing in a set-aside for professional development aligned to standards. We also would strengthen the schoolwide authority by borrowing some of the successful features of the Comprehensive School Reform Demonstration program, such as basing reforms on solid research about what works. And in response to a key recommendation of the reading study conducted by the National Academy of Sciences (NAS), we are proposing the use of diagnostic assessments in the first grade to ensure the early identification of children with reading difficulties.

Separately, we support the continuation of the Comprehensive School Reform Demonstration program, which we believe is generating some good models for improving the effectiveness of the broader Title I program and for strengthening both Title I and non-Title I schools.

The Department also is considering proposals to promote high quality professional development for early childhood educators and others to help children better develop language and literacy skills in the early years. The NAS's reading study presented strong evidence that children who receive enrichment services focused on language and cognitive development in early childhood show significantly higher reading achievement in the later elementary and middle school years. We believe that professional development based on recent research on child language and literacy development "including strategies that could be shared with parents" could make a significant contribution toward the goal of ensuring that every child can read well by the end of the third grade. This proposal would target those children most at risk of experiencing difficulty in learning to read by working with early childhood educators in Head Start and Title I pre-K programs.

Body Text #&J\ P6Q&P##^\ P6QP# HIGH STANDARDS IN THE CLASSROOM

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While every State has developed high standards, States and districts now need significant support to continue the hard work of making these high expectations into classroom realities. This is why we are proposing a new initiative called High Standards in the Classroom. This initiative would help States and school districts continue the work of aligning instruction with standards, while focusing most resources on improving teacher quality through high-quality professional development. Our High Standards in the Classroom program would replace the current Goals 2000, Title II, and Title VI programs.

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The National Commission on Teaching and America's Future found that the biggest impediment to improving teaching was the lack of access to the kinds of knowledge and skills teachers need to help students succeed. We know from the Commission that most school districts do not direct their professional development funds in a coherent way toward sustained, standards-based, practical and useful learning opportunities for teachers. We need to provide teachers with learning opportunities to change instructional practices in order to ensure that all children are taught to high standards.

Unfortunately, the education community has not done enough to support the professional growth of teachers. Currently, most school districts spend less than 3

percent of their budgets on professional development, while our best private companies spend as much as 10 percent to ensure that their employees have quality training and keep current in their work. If we expect the best from our students, we need to ensure that we are giving our teachers the best support. And, we know it works. In New York City's District 2, former Superintendent Tony Alvarado made major investments in professional development"investments that paid off in marked improvement in student achievement.

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 The 1994 reauthorization included a greater focus on researchbased principles of professional development in the Eisenhower Professional Development program. Despite this emphasis, recent evaluations of the Eisenhower professional development program found that most districts did not receive enough funding to support the kind of ongoing, intensive professional development what we know works best to improve teaching skills.

Body Text As we move into the next phase of standardsbased reform, we must give States and districts the flexibility they need to strengthen their local efforts to implement standards and to improve teacher quality. Funding for High Standards in the Classroom initiative would be allocated by formula to the States, with States retaining 10 percent of their allocations to continue the development of standards and assessments and provide leadership to districts in the work of implementing standards and improving professional development for teachers.

The remaining funds would be awarded to school districts through a State-run competitive process based on district plans to implement standards in schools and to invest in professional development in core subject areas, with a focus and a priority on science and mathematics. Distributing the funding through a competitive process would promote innovation and encourage careful planning, while ensuring that a significant number of districts have sufficient funding to implement the kind of comprehensive professional development programs that we know work. Through the success of Goals 2000, we know that competitive grants have already proved to be an effective vehicle for advancing the implementation of standards at the local level.

Funds would be used to advance teacher understanding and use of best instructional practices in one or more of the core academic content areas"with a primary focus on math and science, encourage collaboration among groups of teachers and administrators, support districtwide professional development plans designed to raise student achievement on State academic standards, help teachers integrate educational technology into classroom practice, and provide additional intensive support for new teachers during their first three years in the classroom

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 States would be required to design their grant competitions to target funds to high-poverty districts. Similarly, districts would be required to give priority to high-poverty and lower-performing schools in distributing funds at the local level.

Body Text #^ \ P6QP#□SAFE, DISCIPLINED, AND DRUGFREE SCHOOLS

#XP\ P6QXP#□

Style0#XX2PQXP##XP\ P6QXP#The Administrations plans for reauthorizing the Safe and DrugFree Schools and Communities Act have actually taken shape over the past few years in our annual budget requests. These proposals have been designed to strengthen the program by improving accountability and by targeting funds to local educational agencies with significant drug and violence prevention problems and high-quality, researchbased programs to address those problems.

Style0#C\ P6QP##XP\ P6QXP#Our reauthorization proposal would build on earlier efforts by emphasizing a schoolwide approach to drug and violence prevention. All school districts receiving funds would be required to develop a comp

prehensive Safe and DrugFree Schools plan to ensure that they have a drugfree, safe, and disciplined learning environment. These plans would have to reflect the recently established principles of effectiveness, including the adoption of researchbased strategies and setting measurable goals and objectives for drug and violence prevention.

Program funds would be distributed in larger, more effective grants by requiring States to award competitive grants to a limited number of highneed districts.

Program evaluations have consistently found that the current practice of allocating funds by formula to all districts spreads funds too thinly to have a significant impact in most districts.

Finally, we will propose a new provision authorizing the Department to provide emergency services"especially mental health and counseling services"to schools affected by the kind of violence or severe trauma we saw last year in Arkansas, Kentucky, and Oregon. This is the \$12million Project SERV (School Emergency Response to Violence) initiative included in the Presidents 2000 budget request.

Our reauthorization plan also would set aside a small amount of funding at the State level to support similar emergency response activities.

7

□?GO!w7

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endnote text#XP\ P6QXP#w7

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□?GO!#^\ P6QP#□EDUCATIONAL TECHNOLOGY□

#XP\ P6QXP#

#endnote text#Style0#XX2PQXP##XP\ P6QXP#Since the creation of Title III in the last ESEA reauthorization, the Federal government has helped States and school districts make significant progress in bringing technology into the classroom and making sure that teachers are prepared to effectively integrate technology throughout the curriculum. With the support of Congress, the Department has delivered over \$1 billion to States through the Technology Literacy Challenge Fund. This investment has helped increase classroom connections to the Internet from 3 percent to 27 percent, and has also helped decrease the studentcomputer ratio from 38 students per multimedia computer to 13 students per multimedia computer.

Style0

By early March, \$1.9 billion dollars in ERate discounts will be provided to the Nations schools and libraries. This means that over the summer, the number of poor schools that are connected to the Internet will rise dramatically. These discounts will also provide affordable access to advanced telecommunications and ensure that all of our schools are active participants in the technological revolution.

To reduce the "digital divide" that threatens to widen the achievement gap between disadvantaged students and their wealthier peers, we propose to strengthen the targeting provisions of the Technology Literacy Challenge Fund. This is one more way to reduce the disparity between technologyproficient and technologyefficient districts and schools. We know that our Federal dollars are narrowing the digital divide"highpoverty schools received over twoandonehalf times more new computers than their lowpoverty counterparts.

Body Text#&J\ P6Q&P##XP\ P6QXP# Helping teachers integrate technology into their daily lesson plans will be another special focus. Currently, only 20percent of our teachers feel qualified to integrate technology throughout the curriculum. The reauthorization proposal for Title III will focus on supporting State and local efforts to improve teacher quality, with a priority for developing partnerships between local school districts, institutes of higher education, and other entities.

Body Text

We want to strengthen our evaluation efforts to find proven and promising models of how technology is improving achievement that we can bring to scale.

As always, we will make a special effort to address the needs of rural America. Distance learning is one tool that we know can make difference for students in these areas.

endnote text#XP\ P6QXP##^\ P6QP#  
SUPPORTING STUDENTS WITH LIMITED ENGLISH PROFICIENCY  
#XP\ P6QXP#

#endnote text#Students with limited English proficiency (LEP) are the fastest growing population served by the Elementary and Secondary Education Act. According to State educational agency data, the number of LEP students grew 24 percent between 1992 and 1995.

Many of the fastest growing LEP student populations are in States and communities that have little prior experience in serving these students. For example, ten States (Alabama, Georgia, Idaho, Indiana, Nebraska, Nevada, North Carolina, Oregon, Tennessee, and Virginia) reported increases in the numbers of LEP students greater than 46 percent between 1992 and 1995.

Our clear goal is that LEP students should be able to speak and read English after three consecutive years in our schools. We are equally committed to ensuring that LEP students reach challenging academic standards in all content areas.

Our reauthorization proposal for the Title VII bilingual education provisions seeks to achieve these two very important goals by emphasizing the same two key strategies we are pursuing throughout the ESEA: improving teacher quality and strengthening accountability.

To increase teacher quality, for example, all institutions of higher education applying for Title VII grants, would be required to show that their teacher education programs include preparation for all teachers serving LEP students.

endnote text#XP\ P6QXP#  
#endnote text#Body Text#&J\ P6Q&P##XP\ P6QXP#To strengthen accountability ensure that LEP students reach our threeyear goal of learning English, both Title VII grantees and Title I schools would be required to annually assess LEP student progress in attaining English proficiency.

Body Text

LEP students who have been in a U.S. school for less than three years would continue to be included in the Title I assessment system, but after three years reading assessments would be conducted in English. Schools and districts will be held accountable, as part of the larger ESEA accountability provisions, for their progress in ensuring that LEP students reach the threeyear English language proficiency goal.

footnote ref#XP\ P6QXP#I also believe that Americas children need to become much more fluent in other languages. We are very far behind other nations when it comes to giving our students a mastery of other languages. There are teenagers in Europe who can easily speak three languages. I am certain we can do a much better job at giving our students at least a fluency in English and one foreign language. #footnote ref#There are currently over 200 twoway bilingual education programs that teach English and a foreign language and allow all students to truly develop proficiency in two languages.

#C\ P6QP#  
#^\ P6QP#EXCELLENCE AND OPPORTUNITY IN PUBLIC EDUCATION  
□

#XP\ P6QXP#As I travel around the country visiting schools I continue to see the spark of innovation and creativity in many public schools. Public education is changing quite rapidly at the ground level and offering parents many more options in the terms of the type of schools that children can attend.

This Administration is a strong advocate of public school choice as a way to encourage and stimulate the creative efforts of many schools districts to give parents the opportunity to find a school that best fits the needs of their children. Some public discussion about choice gets reduced to the idea that there is only choice outside of public education. Well, that is an assumption that I want to challenge because it really has no basis in fact.

You can go to school district after school district and find schools within schools, school to work initiatives, high schools collaborating with local colleges, option and theme schools that focus in on specialized fields like the environment, the visual and performing arts, communications and technology, back to basics, classical studies, marine science, accelerated learning, the international baccalaureate, and career related areas like finance and medical sciences.

There is a great deal of variety in public education at the local level from alternative schools, to community based learning efforts, to schools without walls, to public schools that focus in on the core knowledge approach to education.

There are public school districts like Seattle that have a completely open choice model and many other school districts that offer intradistrict choice, interdistrict choice, and controlled choice. Critics of public education would do well to recognize that many public school districts are far more in touch with parents than they think and they are giving parents the choices they seek.

I want to stress that one of the most important choices that parents can make about a child's education is the choice of subjects and not schools. The best schools in America"whether they are public, private or parochial"all share something in common: they place a strong emphasis on a rigorous academic program. This is what makes these schools distinctive, and it is what makes them work. That is why President Clinton has spent six year years advocating the idea that by raising standards and putting quality teachers into every classroom we can raise achievement for many, many more of our students"indeed, all of our students"than any private school voucher program. Private school voucher programs affect only a small number of students and take scarce resources from the public schools that serve the vast majority of students.

While the Clinton Administration strongly opposes efforts to divert public funds to private schools through vouchers or similar proposals, we want to encourage the development of new choices within the public school system. This is why we worked very closely with Congress to reauthorize the Charter School legislation that fostered creativity and accountability. This year we are considering a new choice activity that would help us identify and support new approaches to public school choice and promote a new, broader version of choice that works within all public schools.

We are interested in promoting choice programs in which the schools and programs are public and accountable for results, are genuinely open and accessible to all students, and promote high standards for all students. There are many successful public schools that can provide models for improving lower performing schools, and one of our goals should be to find way to replicate these successful models.

#^\ P6QP#CONCLUSION

#XP\ P6QXP#

Style0#XX2PQXP##XP\ P6QXP#These are just the highlights of a reauthorization proposal that will span 14 titles affecting nearly every area of Federal support

for the Nations elementary and secondary schools. I encourage you to give careful consideration to our full proposal when it is completed next month, and I look forward to discussing the specific details of our plan as your work on your legislation.

Style0

I will be happy to take any questions you may have.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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LRM ID: RJP16  
EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503-0001

Monday, February 8, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference

OMB CONTACT: Robert J. Pellicci  
PHONE: (202)395-4871 FAX: (202)395-6148

SUBJECT: HHS Testimony on the Department's FY 2000 Budget

DEADLINE: 10:00 a.m. Tuesday, February 9, 1999

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

COMMENTS: Hearing is before the Senate Budget Committee on Thursday, February 11th. Secretary Shalala is the witness.

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LRM ID: RJP16 SUBJECT: HHS Testimony on the Department's FY 2000 Budget

RESPONSE TO  
LEGISLATIVE REFERRAL  
MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:

- (1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
- (2) sending us a memo or letter

Please include the LRM number shown above, and the subject shown below.

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The following is the response of our agency to your request for views on the above-captioned subject:

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**Testimony of**  
**Donna E. Shalala**  
**U.S. Secretary of Health and Human Services**  
**Before the**  
**Senate Budget Committee**  
**February 11, 1999**

Chairman Domenici, Senator Lautenberg, and members of the Committee:

It is with great pleasure that I appear before you today to discuss the President's fiscal year 2000 budget for the Department of Health and Human Services.

As the President said when he released his budget on February 1, the FY 2000 budget charts a progressive but prudent path to our future. For the second year in a row, it is a balanced budget that makes vital investments in the people of this country.

Nowhere is that more evident than in the budget of the Department of Health and Human Services. It is a budget designed to meet the very real challenges of the 21<sup>st</sup> century. And it is a budget that honors America's values without breaking America's bank.

Our budget contains \$400 billion in outlays, a 6.6 percent increase over the FY1999 budget approved by the Congress last year. Within that framework, we seek to keep some very important promises to American families.

The promise of retirement with dignity for all Americans.

The promise of high-quality, affordable health care for every working family.

The promise of a safe and healthy childhood.

And, the promise to mobilize America's scientific genius to make our country a healthier and safer place to live.

As we stand on the crest of the new century, the combination of our fiscal discipline, the expanding economy, and the unprecedented advancement occurring in the scientific community provide us with a unique opportunity to meet these challenges.

Let me turn first to the needs of older Americans and those who are living with disabilities. We all know that the number of Americans over the age of 65 will double by the year 2030. Providing proper care to those who will be in that group is an essential part of meeting the challenges of the new century. The President's long-term care initiative is an important step toward that objective.

Our proposal includes an historic \$1,000 tax credit for people with long-term care needs or their family members who welcome them into their own homes and provide them with care. We estimate that this will help more than two million Americans, including over one million older persons. But let me be clear, this initiative will not just help older Americans the tax credit will also benefit large numbers of working age adults with disability as well as severely disabled children.

But a tax credit is not sufficient to meet all of the needs of older and disabled Americans. That is why the HHS budget includes a \$125 million annual investment by the Administration

on Aging in a new National Family Caregiver Support Program. This will provide direct assistance to those who are caring for elderly relatives. We are also proposing a five-year \$110 million expansion of the Home and Community-Based Care program that helps to expand alternatives to institutional care for older and younger people with disabilities. And the Health Care Financing Administration will launch a new \$10 million national campaign to help inform and educate Medicare beneficiaries about their own long-term care options.

Taken together, we believe that these can be the first steps in a national effort to address the very real needs of some of our most vulnerable citizens. We look forward to working with members of both parties to assure quick approval of bipartisan legislation in this area.

Mr. Chairman, I know that you and I and the members of the committee agree that one of the cornerstones of our national commitment to older Americans is the Medicare program. In the three and a half decades since this landmark program was enacted into law, the health and security of our nation's senior citizens has markedly improved. We have raised both the length and the quality of life for our parents and our grandparents. As we look ahead to the new century, we owe it to the next generation of seniors — including you and me — to make sure that Medicare remains a rock-solid guarantee of high-quality health care.

To ensure that the promise of Medicare remains unbroken, the President has asked Congress to earmark 15 percent of the projected budget surplus for Medicare over the next 15 years. Two years ago, we worked together to extend the solvency of the Hospital Insurance

Trust Fund for another 10 years. The President's proposal to invest one in every six dollars of the surplus in Medicare will assure solvency of the trust fund for an additional decade, keeping it in the black until 2020.

The President also believes that there are additional steps that we can and should take on a bipartisan basis to modernize Medicare and achieve additional savings to strengthen the program. Like you, we look forward to seeing the final recommendations of the National Bipartisan Commission on the Future of Medicare. We also look forward to working with the Congress to ensure that any steps we take in the future meet the four main principles the President outlined last week: dedicate a portion of the surplus to secure Medicare until 2020; modernize the Medicare program to make it more competitive and efficient; guarantee a defined set of benefits without excessive new cost to beneficiaries; and use the savings from these changes to help fund a prescription drug benefit.

I am very proud of the work that the Department has done to reinvent the Health Care Financing Administration. We have tried to transform HCFA from an agency that simply paid the bills and rarely asked any questions into a prudent purchaser of health care services. We have set tough new standards for quality and patient protection. We have worked hard to inform and educate our customers about the new choices available to them. And we have worked with the Congress to update the Medicare benefit package to include important preventive services ranging from mammograms to bone density screening. We hope to work with Congress this

year to ensure that HCFA has the statutory authority necessary to adopt the best management, payment, and competitive practices used in the private sector.

We will also continue the war we have fought against waste, fraud, and abuse in both Medicare and Medicaid. With Operation Restore Trust we have instituted a policy of zero tolerance toward those who would rip off the Medicare program and its beneficiaries. The President's budget continues those efforts by asking Congress, once again, to enact new steps to fight fraud that will save the Medicare trust fund \$2.9 billion over the next five years. Our budget also includes \$165 million to ensure that all of our computers are prepared for the year 2000.

While we take care of older Americans, we also must make sure that we continue to assist working families. An estimated 43 million Americans are living day to day without the protection of health insurance. More than 80 percent of those uninsured people are full-time workers and their dependents. Two years ago, we worked with the Congress on a bipartisan basis to enact the historic Child Health Insurance Program. This year, we are asking the Congress to take another important step toward reducing the number of uninsured in this country.

We again propose to allow uninsured workers between the ages of 62 and 65 to buy into Medicare at an actuarially sound premium. We also want Americans between the ages of 55 and 62 who have lost their jobs and their insurance to have a similar opportunity.

The President also is proposing a tax credit for small businesses that seek to insure their workers through a voluntary health insurance purchasing cooperative.

Taken together, we anticipate that these proposals will reduce the number of Americans who are living without health insurance.

While we must do all that we can to reduce the number of uninsured, we also must pay attention to the needs of those who remain uncovered. I am very proud of our new five-year \$1 billion initiative to improve health care access for uninsured Americans. The money would go to community health clinics, public hospitals, and academic health centers to help them establish the infrastructure necessary to provide coordinated, comprehensive care for the working uninsured. This is a relatively small investment but it is a vital one if we are to assure that all Americans get high-quality care at the right place at the right time.

This new initiative will complement existing efforts to reach out to the uninsured and provide them with the care they need. The President's budget also includes \$945 million dollars for two major programs in the Health Resources and Services Administration. An increase of \$20 million — for community, migrant and other health centers and a total of \$1.5 billion for the Ryan White CARE Act, an increase of \$100 million dollars over last year.

We reaffirm our commitment to mental health, with a \$70 million increase - a 24 percent boost - in the mental health block grant to expand community-based programs.

While we help millions of working Americans get health insurance, we also should help millions of other Americans with insurance go back to work. Today, nearly 75 percent of working-age Americans with disabilities are unemployed. One of the major reasons they are staying out of the job market is their understandable fear of losing their health insurance — specifically their Medicare and Medicaid coverage. Last year, we all came very close to agreeing on landmark bipartisan legislation to allow Americans with disabilities to go back to work and keep their health care coverage. This year, the President is determined that we complete that task and pass a law allowing these men and women to take jobs and keep their Medicare or Medicaid coverage.

This budget provides the Indian Health Service with \$2.8 billion, including \$2.4 billion for clinical, preventive, facilities and environmental health programs. That's a \$170 million increase over last year. And we're changing the Medicaid reimbursement rate, which will infuse another \$80 million into Indian Health Service over the next two years.

Mr. Chairman, as you know I have spent most of my career as an educator and an advocate for children. That is why I am so proud of the investments this budget makes in the health and welfare of the youngest Americans.

The President's child care initiative is a lifeline of support to working parents. It will dramatically increase the availability of child care through grants to the states and investments in improving the quality of child care in this country. The President is also proposing a \$6.3

billion tax credit over five years to help parents — including mom or dads who choose to stay at home — to afford to care for their children.

And the budget includes \$5.3 billion for the Head Start program to continue the wonderful progress we have made in reaching out to infants and toddlers.

As I mentioned earlier, we are making very good progress with the states in implementing the Child Health Insurance Program. As of January, 50 plans had been approved along with eight plan amendments. Our budget includes another \$1.9 billion in federal funds to the states to provide coverage to uninsured children. It also proposes a five-year \$1.2 billion initiative to reach out to eligible children and their families to make sure they are aware of the coverage that is available to them. As part of that we will allow states to use up to 3 percent of their CHIP money to perform outreach activities in addition to the 10 percent allotment for other administrative expenses.

We are also proposing \$50 million in grants to states to test new pediatric asthma management methods and another \$40 million to support graduate medical education at our nation's children's hospitals.

Every year, 20,000 young Americans age out of foster care when they turn 18. Too many of them are not yet ready to face the challenges of adult life. This budget invests in those

young people and gives them some of the basic skills they will need to survive and to thrive.

Part of that means making sure they are insured through Medicaid until they reach 21. At a cost of only \$50 million dollars over five years, we can do that. We must do that.

It is impossible to talk about children's health without talking about tobacco. The members of this Committee are very familiar with the statistics — 3,000 American kids begin smoking every day and 1,000 of them will live shorter lives as a result. We must join together to pass a comprehensive tobacco bill that puts cigarettes out of the reach of young people, helps to teach them about the dangers of smoking, and confirm the FDA's authority over this deadly drug.

The Department of Health and Human Services also will work with the Justice Department in preparing federal litigation against tobacco companies to recoup the money spent on treating the often deadly consequences of tobacco use.

While we help young people to avoid the dangers of tobacco, we also must make sure that they are fully immunized against the preventable diseases that are, fortunately, becoming increasingly rare in this country. Working together we have made remarkable progress in making sure that children are vaccinated at a young age. As a result, cases of polio, mumps, tetanus, and measles are at an all-time low. Our budget allocates \$1.1 billion to the CDC to make further progress toward the goal of having all our children immunized.

The final area I would like to discuss with you is our investment in science and public health.

Our budget continues the bipartisan progress we are making toward meeting the President's goal of increasing the budget for the National Institutes of Health by 50 percent over five years. Last year, Congress enacted a 15 percent increase in the NIH budget and this year we make another down payment on that commitment.

We also are proposing, once again, to allow Medicare patients to enroll in cancer clinical trials so that we can help bring new, effective cancer treatments to all Americans.

We are investing in health care quality by increasing the budget of the Agency for Health Care Research and Policy by \$35 million to \$206 million. This is a major commitment to ensuring that the medical break throughs our scientists create are translated into measurable improvements in the health of the American people.

Improvement in health must also go hand in hand with providing a sense of security to Americans in their everyday life. Therefore, the threat that exists today of biological terrorism is one that we must take seriously. Bioterrorism is not just a problem for the military or for law enforcement, it's a problem for the entire public health and medical community. That's why this budget proposes a \$72 million increase for medical and public health response and preparedness for bioterrorism. This amount allows us to improve surveillance, strengthen local medical response systems and expand research on biological and chemical agents.

Part of this increase will provide \$65 million for bioterrorism and emergency response, including development and implementation of a national electronic disease surveillance system at CDC. This network will create a critical link to track influenza, food-borne illnesses, and other infectious diseases.

In addition, we are proposing a 19 percent increase in the budget of the Food and Drug Administration, the largest increase in recent years.

The requested increase comes at a critical time for the agency, which has been given many important new responsibilities in recent years but has not been given corresponding increases in its budget. Under the new leadership of Commissioner Henney, the Food and Drug Administration will be carrying out high-priority initiatives to improve the safety of the nation's food supply, to protect our children from becoming addicted to tobacco products, to ensure the safety and adequacy of the blood supply, and to strengthen agency's scientific capabilities.

Mr. Chairman, members of the Committee, I have put before you today a blueprint for health and social service systems to meet the challenges of the new millennium. The goals of making health and happiness the defining characteristic of our seniors retirement, of providing a better future for our children, and of enabling all Americans to live longer and healthier lives are ones that we all share. And like you, I am committed to achieving these goals while maintaining the balanced budget discipline we have all worked so hard to create.

Chairman Domenici and Senator Lautenberg, and members of the committee: I appreciate the support you have provided us in the past and I look forward to working with all of you to meet the challenges before us in this budget. I would be pleased to answer any questions you might have.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert J. Pellicci@EOP@LNWTWY@LNWTWY ( Robert J. Pellicci@EOP@LNWTWY@LNWTWY

CREATION DATE/TIME: 8-FEB-1999 09:46:16.00

SUBJECT: HHS Testimony on the Department's FY 2000 Budget

TO: Elena Kagan@eop ( Elena Kagan@eop [ OPD ] )

READ:UNKNOWN

TO: Christopher C. Jennings@eop ( Christopher C. Jennings@eop [ OPD ] )

READ:UNKNOWN

TEXT:

Message Creation Date was at 8-FEB-1999 09:39:00

NOTE: EOP STAFF WILL NOT RECIEVE A FAX COPY OF THE ATTACHED.

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09:00 AM -----

Total Pages: \_\_\_\_\_

LRM ID: RJP16

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

Washington, D.C. 20503-0001

Monday, February 8, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference

OMB CONTACT: Robert J. Pellicci

PHONE: (202)395-4871 FAX: (202)395-6148

SUBJECT: HHS Testimony on the Department's FY 2000 Budget

DEADLINE: 10:00 a.m. Tuesday, February 9, 1999

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

COMMENTS: Hearing is before the Senate Budget Committee on Thursday, February 11th. Secretary Shalala is the witness.

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Janet R. Forsgren

LRM ID: RJP16 SUBJECT: HHS Testimony on the Department's FY 2000 Budget

RESPONSE TO  
LEGISLATIVE REFERRAL  
MEMORANDUM

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- (1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
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Please include the LRM number shown above, and the subject shown below.

TO: Robert J. Pellicci Phone: 395-4871 Fax: 395-6148  
Office of Management and Budget  
Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: \_\_\_\_\_ (Date)



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

TEXT:

The following attachments were included with this message:

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TYPE	: FILE
NAME	: des.bud

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**Testimony of**  
**Donna E. Shalala**  
**U.S. Secretary of Health and Human Services**  
**Before the**  
**Senate Budget Committee**  
  
**February 11, 1999**

Chairman Domenici, Senator Lautenberg, and members of the Committee:

It is with great pleasure that I appear before you today to discuss the President's fiscal year 2000 budget for the Department of Health and Human Services.

As the President said when he released his budget on February 1, the FY 2000 budget charts a progressive but prudent path to our future. For the second year in a row, it is a balanced budget that makes vital investments in the people of this country.

Nowhere is that more evident than in the budget of the Department of Health and Human Services. It is a budget designed to meet the very real challenges of the 21<sup>st</sup> century. And it is a budget that honors America's values without breaking America's bank.

Our budget contains \$400 billion in outlays, a 6.6 percent increase over the FY1999 budget approved by the Congress last year. Within that framework, we seek to keep some very important promises to American families.

The promise of retirement with dignity for all Americans.

The promise of high-quality, affordable health care for every working family.

The promise of a safe and healthy childhood.

And, the promise to mobilize America's scientific genius to make our country a healthier and safer place to live.

As we stand on the crest of the new century, the combination of our fiscal discipline, the expanding economy, and the unprecedented advancement occurring in the scientific community provide us with a unique opportunity to meet these challenges.

Let me turn first to the needs of older Americans and those who are living with disabilities. We all know that the number of Americans over the age of 65 will double by the year 2030. Providing proper care to those who will be in that group is an essential part of meeting the challenges of the new century. The President's long-term care initiative is an important step toward that objective.

Our proposal includes an historic \$1,000 tax credit for people with long-term care needs or their family members who welcome them into their own homes and provide them with care. We estimate that this will help more than two million Americans, including over one million older persons. But let me be clear, this initiative will not just help older Americans the tax credit will also benefit large numbers of working age adults with disability as well as severely disabled children.

But a tax credit is not sufficient to meet all of the needs of older and disabled Americans. That is why the HHS budget includes a \$125 million annual investment by the Administration

on Aging in a new National Family Caregiver Support Program. This will provide direct assistance to those who are caring for elderly relatives. We are also proposing a five-year \$110 million expansion of the Home and Community-Based Care program that helps to expand alternatives to institutional care for older and younger people with disabilities. And the Health Care Financing Administration will launch a new \$10 million national campaign to help inform and educate Medicare beneficiaries about their own long-term care options.

Taken together, we believe that these can be the first steps in a national effort to address the very real needs of some of our most vulnerable citizens. We look forward to working with members of both parties to assure quick approval of bipartisan legislation in this area.

Mr. Chairman, I know that you and I and the members of the committee agree that one of the cornerstones of our national commitment to older Americans is the Medicare program. In the three and a half decades since this landmark program was enacted into law, the health and security of our nation's senior citizens has markedly improved. We have raised both the length and the quality of life for our parents and our grandparents. As we look ahead to the new century, we owe it to the next generation of seniors — including you and me — to make sure that Medicare remains a rock-solid guarantee of high-quality health care.

To ensure that the promise of Medicare remains unbroken, the President has asked Congress to earmark 15 percent of the projected budget surplus for Medicare over the next 15 years. Two years ago, we worked together to extend the solvency of the Hospital Insurance

Trust Fund for another 10 years. The President's proposal to invest one in every six dollars of the surplus in Medicare will assure solvency of the trust fund for an additional decade, keeping it in the black until 2020.

The President also believes that there are additional steps that we can and should take on a bipartisan basis to modernize Medicare and achieve additional savings to strengthen the program. Like you, we look forward to seeing the final recommendations of the National Bipartisan Commission on the Future of Medicare. We also look forward to working with the Congress to ensure that any steps we take in the future meet the four main principles the President outlined last week: dedicate a portion of the surplus to secure Medicare until 2020; modernize the Medicare program to make it more competitive and efficient; guarantee a defined set of benefits without excessive new cost to beneficiaries; and use the savings from these changes to help fund a prescription drug benefit.

I am very proud of the work that the Department has done to reinvent the Health Care Financing Administration. We have tried to transform HCFA from an agency that simply paid the bills and rarely asked any questions into a prudent purchaser of health care services. We have set tough new standards for quality and patient protection. We have worked hard to inform and educate our customers about the new choices available to them. And we have worked with the Congress to update the Medicare benefit package to include important preventive services ranging from mammograms to bone density screening. We hope to work with Congress this

year to ensure that HCFA has the statutory authority necessary to adopt the best management, payment, and competitive practices used in the private sector.

We will also continue the war we have fought against waste, fraud, and abuse in both Medicare and Medicaid. With Operation Restore Trust we have instituted a policy of zero tolerance toward those who would rip off the Medicare program and its beneficiaries. The President's budget continues those efforts by asking Congress, once again, to enact new steps to fight fraud that will save the Medicare trust fund \$2.9 billion over the next five years. Our budget also includes \$165 million to ensure that all of our computers are prepared for the year 2000.

While we take care of older Americans, we also must make sure that we continue to assist working families. An estimated 43 million Americans are living day to day without the protection of health insurance. More than 80 percent of those uninsured people are full-time workers and their dependents. Two years ago, we worked with the Congress on a bipartisan basis to enact the historic Child Health Insurance Program. This year, we are asking the Congress to take another important step toward reducing the number of uninsured in this country.

We again propose to allow uninsured workers between the ages of 62 and 65 to buy into Medicare at an actuarially sound premium. We also want Americans between the ages of 55 and 62 who have lost their jobs and their insurance to have a similar opportunity.

The President also is proposing a tax credit for small businesses that seek to insure their workers through a voluntary health insurance purchasing cooperative.

Taken together, we anticipate that these proposals will reduce the number of Americans who are living without health insurance.

While we must do all that we can to reduce the number of uninsured, we also must pay attention to the needs of those who remain uncovered. I am very proud of our new five-year \$1 billion initiative to improve health care access for uninsured Americans. The money would go to community health clinics, public hospitals, and academic health centers to help them establish the infrastructure necessary to provide coordinated, comprehensive care for the working uninsured. This is a relatively small investment but it is a vital one if we are to assure that all Americans get high-quality care at the right place at the right time.

This new initiative will complement existing efforts to reach out to the uninsured and provide them with the care they need. The President's budget also includes \$945 million dollars for two major programs in the Health Resources and Services Administration. An increase of \$20 million — for community, migrant and other health centers and a total of \$1.5 billion for the Ryan White CARE Act, an increase of \$100 million dollars over last year.

We reaffirm our commitment to mental health, with a \$70 million increase - a 24 percent boost - in the mental health block grant to expand community-based programs.

While we help millions of working Americans get health insurance, we also should help millions of other Americans with insurance go back to work. Today, nearly 75 percent of working-age Americans with disabilities are unemployed. One of the major reasons they are staying out of the job market is their understandable fear of losing their health insurance — specifically their Medicare and Medicaid coverage. Last year, we all came very close to agreeing on landmark bipartisan legislation to allow Americans with disabilities to go back to work and keep their health care coverage. This year, the President is determined that we complete that task and pass a law allowing these men and women to take jobs and keep their Medicare or Medicaid coverage.

This budget provides the Indian Health Service with \$2.8 billion, including \$2.4 billion for clinical, preventive, facilities and environmental health programs. That's a \$170 million increase over last year. And we're changing the Medicaid reimbursement rate, which will infuse another \$80 million into Indian Health Service over the next two years.

Mr. Chairman, as you know I have spent most of my career as an educator and an advocate for children. That is why I am so proud of the investments this budget makes in the health and welfare of the youngest Americans.

The President's child care initiative is a lifeline of support to working parents. It will dramatically increase the availability of child care through grants to the states and investments in improving the quality of child care in this country. The President is also proposing a \$6.3

billion tax credit over five years to help parents — including mom or dads who choose to stay at home — to afford to care for their children.

And the budget includes \$5.3 billion for the Head Start program to continue the wonderful progress we have made in reaching out to infants and toddlers.

As I mentioned earlier, we are making very good progress with the states in implementing the Child Health Insurance Program. As of January, 50 plans had been approved along with eight plan amendments. Our budget includes another \$1.9 billion in federal funds to the states to provide coverage to uninsured children. It also proposes a five-year \$1.2 billion initiative to reach out to eligible children and their families to make sure they are aware of the coverage that is available to them. As part of that we will allow states to use up to 3 percent of their CHIP money to perform outreach activities in addition to the 10 percent allotment for other administrative expenses.

We are also proposing \$50 million in grants to states to test new pediatric asthma management methods and another \$40 million to support graduate medical education at our nation's children's hospitals.

Every year, 20,000 young Americans age out of foster care when they turn 18. Too many of them are not yet ready to face the challenges of adult life. This budget invests in those

young people and gives them some of the basic skills they will need to survive and to thrive.

Part of that means making sure they are insured through Medicaid until they reach 21. At a cost of only \$50 million dollars over five years, we can do that. We must do that.

It is impossible to talk about children's health without talking about tobacco. The members of this Committee are very familiar with the statistics — 3,000 American kids begin smoking every day and 1,000 of them will live shorter lives as a result. We must join together to pass a comprehensive tobacco bill that puts cigarettes out of the reach of young people, helps to teach them about the dangers of smoking, and confirm the FDA's authority over this deadly drug.

The Department of Health and Human Services also will work with the Justice Department in preparing federal litigation against tobacco companies to recoup the money spent on treating the often deadly consequences of tobacco use.

While we help young people to avoid the dangers of tobacco, we also must make sure that they are fully immunized against the preventable diseases that are, fortunately, becoming increasingly rare in this country. Working together we have made remarkable progress in making sure that children are vaccinated at a young age. As a result, cases of polio, mumps, tetanus, and measles are at an all-time low. Our budget allocates \$1.1 billion to the CDC to make further progress toward the goal of having all our children immunized.

The final area I would like to discuss with you is our investment in science and public health.

Our budget continues the bipartisan progress we are making toward meeting the President's goal of increasing the budget for the National Institutes of Health by 50 percent over five years. Last year, Congress enacted a 15 percent increase in the NIH budget and this year we make another down payment on that commitment.

We also are proposing, once again, to allow Medicare patients to enroll in cancer clinical trials so that we can help bring new, effective cancer treatments to all Americans.

We are investing in health care quality by increasing the budget of the Agency for Health Care Research and Policy by \$35 million to \$206 million. This is a major commitment to ensuring that the medical breakthroughs our scientists create are translated into measurable improvements in the health of the American people.

Improvement in health must also go hand in hand with providing a sense of security to Americans in their everyday life. Therefore, the threat that exists today of biological terrorism is one that we must take seriously. Bioterrorism is not just a problem for the military or for law enforcement, it's a problem for the entire public health and medical community. That's why this budget proposes a \$72 million increase for medical and public health response and preparedness for bioterrorism. This amount allows us to improve surveillance, strengthen local medical response systems and expand research on biological and chemical agents.

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In addition, we are proposing a 19 percent increase in the budget of the Food and Drug Administration, the largest increase in recent years.

The requested increase comes at a critical time for the agency, which has been given many important new responsibilities in recent years but has not been given corresponding increases in its budget. Under the new leadership of Commissioner Henney, the Food and Drug Administration will be carrying out high-priority initiatives to improve the safety of the nation's food supply, to protect our children from becoming addicted to tobacco products, to ensure the safety and adequacy of the blood supply, and to strengthen agency's scientific capabilities.

Mr. Chairman, members of the Committee, I have put before you today a blueprint for health and social service systems to meet the challenges of the new millennium. The goals of making health and happiness the defining characteristic of our seniors retirement, of providing a better future for our children, and of enabling all Americans to live longer and healthier lives are ones that we all share. And like you, I am committed to achieving these goals while maintaining the balanced budget discipline we have all worked so hard to create.

Chairman Domenici and Senator Lautenberg, and members of the committee: I appreciate the support you have provided us in the past and I look forward to working with all of you to meet the challenges before us in this budget. I would be pleased to answer any questions you might have.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert J. Pellicci@EOP@LNGTWY@LNGTWY ( Robert J. Pellicci@EOP@LNGTWY@LNGTWY

CREATION DATE/TIME: 8-FEB-1999 09:47:37.00

SUBJECT: HHS Testimony on the Department's FY 2000 Budget

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

TO: Christopher C. Jennings@eop ( Christopher C. Jennings@eop [ OPD ] )  
READ:UNKNOWN

TEXT:

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503-0001

Monday, February 8, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below  
FROM: Janet R. Forsgren (for) Assistant Director for Legislative  
Reference  
OMB CONTACT: Robert J. Pellicci  
PHONE: (202)395-4871 FAX: (202)395-6148  
SUBJECT: HHS Testimony on the Department's FY 2000 Budget

DEADLINE: 10:00 a.m. Tuesday, February 9, 1999

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Office of Management and Budget  
Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: \_\_\_\_\_ (Date)



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

TEXT:

The following attachments were included with this message:

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TYPE	: FILE
NAME	: des.bud

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**Testimony of**  
**Donna E. Shalala**  
**U.S. Secretary of Health and Human Services**  
**Before the**  
**Senate Budget Committee**  
**February 11, 1999**

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Nowhere is that more evident than in the budget of the Department of Health and Human Services. It is a budget designed to meet the very real challenges of the 21<sup>st</sup> century. And it is a budget that honors America's values without breaking America's bank.

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This new initiative will complement existing efforts to reach out to the uninsured and provide them with the care they need. The President's budget also includes \$945 million dollars for two major programs in the Health Resources and Services Administration. An increase of \$20 million — for community, migrant and other health centers and a total of \$1.5 billion for the Ryan White CARE Act, an increase of \$100 million dollars over last year.

We reaffirm our commitment to mental health, with a \$70 million increase - a 24 percent boost - in the mental health block grant to expand community-based programs.

While we help millions of working Americans get health insurance, we also should help millions of other Americans with insurance go back to work. Today, nearly 75 percent of working-age Americans with disabilities are unemployed. One of the major reasons they are staying out of the job market is their understandable fear of losing their health insurance — specifically their Medicare and Medicaid coverage. Last year, we all came very close to agreeing on landmark bipartisan legislation to allow Americans with disabilities to go back to work and keep their health care coverage. This year, the President is determined that we complete that task and pass a law allowing these men and women to take jobs and keep their Medicare or Medicaid coverage.

This budget provides the Indian Health Service with \$2.8 billion, including \$2.4 billion for clinical, preventive, facilities and environmental health programs. That's a \$170 million increase over last year. And we're changing the Medicaid reimbursement rate, which will infuse another \$80 million into Indian Health Service over the next two years.

Mr. Chairman, as you know I have spent most of my career as an educator and an advocate for children. That is why I am so proud of the investments this budget makes in the health and welfare of the youngest Americans.

The President's child care initiative is a lifeline of support to working parents. It will dramatically increase the availability of child care through grants to the states and investments in improving the quality of child care in this country. The President is also proposing a \$6.3

billion tax credit over five years to help parents — including mom or dads who choose to stay at home — to afford to care for their children.

And the budget includes \$5.3 billion for the Head Start program to continue the wonderful progress we have made in reaching out to infants and toddlers.

As I mentioned earlier, we are making very good progress with the states in implementing the Child Health Insurance Program. As of January, 50 plans had been approved along with eight plan amendments. Our budget includes another \$1.9 billion in federal funds to the states to provide coverage to uninsured children. It also proposes a five-year \$1.2 billion initiative to reach out to eligible children and their families to make sure they are aware of the coverage that is available to them. As part of that we will allow states to use up to 3 percent of their CHIP money to perform outreach activities in addition to the 10 percent allotment for other administrative expenses.

We are also proposing \$50 million in grants to states to test new pediatric asthma management methods and another \$40 million to support graduate medical education at our nation's children's hospitals.

Every year, 20,000 young Americans age out of foster care when they turn 18. Too many of them are not yet ready to face the challenges of adult life. This budget invests in those

young people and gives them some of the basic skills they will need to survive and to thrive.

Part of that means making sure they are insured through Medicaid until they reach 21. At a cost of only \$50 million dollars over five years, we can do that. We must do that.

It is impossible to talk about children's health without talking about tobacco. The members of this Committee are very familiar with the statistics — 3,000 American kids begin smoking every day and 1,000 of them will live shorter lives as a result. We must join together to pass a comprehensive tobacco bill that puts cigarettes out of the reach of young people, helps to teach them about the dangers of smoking, and confirm the FDA's authority over this deadly drug.

The Department of Health and Human Services also will work with the Justice Department in preparing federal litigation against tobacco companies to recoup the money spent on treating the often deadly consequences of tobacco use.

While we help young people to avoid the dangers of tobacco, we also must make sure that they are fully immunized against the preventable diseases that are, fortunately, becoming increasingly rare in this country. Working together we have made remarkable progress in making sure that children are vaccinated at a young age. As a result, cases of polio, mumps, tetanus, and measles are at an all-time low. Our budget allocates \$1.1 billion to the CDC to make further progress toward the goal of having all our children immunized.

The final area I would like to discuss with you is our investment in science and public health.

Our budget continues the bipartisan progress we are making toward meeting the President's goal of increasing the budget for the National Institutes of Health by 50 percent over five years. Last year, Congress enacted a 15 percent increase in the NIH budget and this year we make another down payment on that commitment.

We also are proposing, once again, to allow Medicare patients to enroll in cancer clinical trials so that we can help bring new, effective cancer treatments to all Americans.

We are investing in health care quality by increasing the budget of the Agency for Health Care Research and Policy by \$35 million to \$206 million. This is a major commitment to ensuring that the medical break throughs our scientists create are translated into measurable improvements in the health of the American people.

Improvement in health must also go hand in hand with providing a sense of security to Americans in their everyday life. Therefore, the threat that exists today of biological terrorism is one that we must take seriously. Bioterrorism is not just a problem for the military or for law enforcement, it's a problem for the entire public health and medical community. That's why this budget proposes a \$72 million increase for medical and public health response and preparedness for bioterrorism. This amount allows us to improve surveillance, strengthen local medical response systems and expand research on biological and chemical agents.

Part of this increase will provide \$65 million for bioterrorism and emergency response, including development and implementation of a national electronic disease surveillance system at CDC. This network will create a critical link to track influenza, food-borne illnesses, and other infectious diseases.

In addition, we are proposing a 19 percent increase in the budget of the Food and Drug Administration, the largest increase in recent years.

The requested increase comes at a critical time for the agency, which has been given many important new responsibilities in recent years but has not been given corresponding increases in its budget. Under the new leadership of Commissioner Henney, the Food and Drug Administration will be carrying out high-priority initiatives to improve the safety of the nation's food supply, to protect our children from becoming addicted to tobacco products, to ensure the safety and adequacy of the blood supply, and to strengthen agency's scientific capabilities.

Mr. Chairman, members of the Committee, I have put before you today a blueprint for health and social service systems to meet the challenges of the new millennium. The goals of making health and happiness the defining characteristic of our seniors retirement, of providing a better future for our children, and of enabling all Americans to live longer and healthier lives are ones that we all share. And like you, I am committed to achieving these goals while maintaining the balanced budget discipline we have all worked so hard to create.

Chairman Domenici and Senator Lautenberg, and members of the committee: I appreciate the support you have provided us in the past and I look forward to working with all of you to meet the challenges before us in this budget. I would be pleased to answer any questions you might have.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeffrey K. Nussbaum ( CN=Jeffrey K. Nussbaum/O=OVP [ UNKNOWN ] )

CREATION DATE/TIME: 8-FEB-1999 09:50:14.00

SUBJECT: Cabinet language added

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

REMARKS BY VICE PRESIDENT AL GORE

ANTI-DRUG EVENT

Monday, February 8, 1999

I want to start by thanking Jessica Hulsey [HULL-see] for sharing her story. Just finding the courage and strength to survive and even thrive in a home where drugs -- not parents -- are in control is remarkable. But your commitment to make sure that no other child has to live through the fear and uncertainty you endured is an inspiration for us all. You are a truly exceptional young woman, and I thank you for being here today.

Sadly, we know that Jessica's story is not unique -- and that she speaks for the thousands of families who suffer through that same nightmare of powerlessness and frustration.

But one of the most important things that Jessica's story and the ads from our media campaign teach us is that we do have the power to fight drugs. If each of us takes action, at every level of government, in every community, in every house of faith, and in every home ... if we reach out to our young people -- as parents, mentors, and peers -- before drug dealers reach them ... if we join forces, united and relentless in our determination to win this war, we can make our nation stronger than ever in the 21st Century.

For years, it seemed that crime was an insurmountable and ever-increasing problem. But we put in place a tough, smart anti-crime plan, with more police, tougher punishment, and better prevention. Six years later, we know that our strategy is working -- beyond our expectations. Around the country, in cities large and small, crime is down to its lowest rates in 25 years.

We are beginning to win the war against crime, and we can win the war against drugs -- by marshaling the forces and resources of our nation. Year after year, our administration has secured the largest anti-drug budgets in history, with more money for drug enforcement agents, for border and customs control, for education and outreach, for treatment and prevention. Under the leadership of General Barry McCaffrey at the Office of National Drug Control Policy, our efforts have begun to pay off. Overall drug use by adults has dropped to more than half of its highest levels in 1979. Even drug use by our young people -- which seemed to be getting worse every year -- has finally begun to decline.

But when drug dealers still roam our streets and rob our children of their dreams, when drug-related crime still ravages our neighborhoods, we know we must do more. With our economy the strongest in a generation and our confidence rising, we have a rare opportunity -- and an obligation

-- to redouble our efforts in the war against drugs.

We must start by recognizing that our nation's drug problem was not born in isolation and does not exist in a vacuum. It is an interconnected problem -- so our solutions must also be interconnected. We must mount an all out effort to banish, crime, drugs, disorder, and hopelessness from our streets, once and for all.

#### BROKEN WINDOWS THEORY...

To deal with the drug problem, we need to do more to expand opportunity and create jobs for young people, especially in communities that have too often been passed by in good times. That's why I was so proud to recently announce our second round of Empowerment Zones, to bring the spark of enterprise back to our inner cities; and that is why I am working so hard to help people move from welfare rolls to permanent private sector jobs.

To deal with the drug problem, we need to do more to improve our schools and help all of our students to reach high standards. We need more after school and summer school programs to keep young people learning in the classroom in the hours after the school bell rings, but before the work whistle blows -- the hours when young people are more likely to fall prey to drugs.

And to deal with the drug problem, we need a comprehensive anti-drug effort that fights drugs on every front and uses every weapon we possess.

That is why I am so pleased to release our Administration's 1999 National Drug Control Strategy. This is not a short-term plan designed to produce short-lived results. It is a comprehensive, long-term strategy, with more money for drug testing and treatment ... better drug-law enforcement in our communities and better drug control on our borders ... and better anti-drug education for young people, including our media campaign.

And our plan is backed by the largest anti-drug budget ever presented to the Congress: Our Administration's balanced budget for 2000 includes nearly \$18 billion to keep drugs away from our borders, off of our streets, and out of our children's reach.

I want to say a special word about our National Youth Anti-Drug Media Campaign. We launched this campaign last year because we knew that when it comes to fighting drugs, attitudes drive actions. Young people who understand the damage drugs can do to their lives -- and the lives of the people they love -- are simply less likely to use them.

Since we kicked off the campaign in July, we have reached literally millions of young people with a powerful message: drugs are illegal, drugs are wrong, and drugs can kill you. Although it is too early to fully measure our success, we are seeing evidence that our anti-drug message is getting through.

I am particularly pleased that in addition to our general market advertising, we have launched the strongest multi-cultural communications effort ever mounted by government, focused on reaching young people of every ethnicity and national origin. Drugs speak only the language of destruction, but with ads in 10 languages, we are speaking to all of our youth and the adults who influence their lives.

One big reason for this success is the remarkable response of the private

sector to our challenge to join our fight against drugs. In six months, our campaign has generated more than \$165 million in matching contributions for paid anti-drug ads. Virtually every major network has produced high profile anti-drug public service announcements with their best known celebrities -- you just saw a few of those -- and donated air time to scores of non-profit organizations for their own anti-drug PSAs.

I am so proud of all of our efforts -- especially at the ONDCP -- to fight drugs. But making our anti-drug strategy work is not a job for just one agency, but for every agency, 365 days of the year. That is why President Clinton and I have called on every single Cabinet agency to redouble their efforts in our fight against drugs.

We have asked Education Secretary Riley to build on our efforts to keep our schools safe, by strengthening the Safe and Drug Free Schools initiative, and encouraging more school districts to start afterschool programs.

We have asked Health and Human Services Secretary Shalala to help our young people stay off of drugs by increasing our efforts to promote drug treatment and prevention programs around the country.

We have asked Attorney General Reno to push forward with more drug testing of prisoners and parolees, and more police on the streets of our communities, to break the deadly cycle between crime and drugs. We have also asked her to redouble our efforts against drug trafficking by organized crime groups.

We have asked Transportation Secretary Slater to maintain the vigorous maritime interdiction operations against drug traffickers that are such an important part of our supply-side anti-drug strategy.

We have asked Treasury Secretary Rubin to step up anti-money laundering efforts and work harder than ever, along with the Justice Department, to keep drugs from crossing our borders.

We have asked Defense Secretary Cohen to intensify his on-going efforts to use the unique capabilities of our military to support our drug law enforcement efforts, especially along our Southwest border.

And we have asked Secretary of State Albright to continue our partnership with other nations -- particularly in the Western Hemisphere Drug Alliance -- to fight the global drug problem.

Next week, President Clinton will travel to Mexico, a critical partner in the fight against drugs. A major portion of the drugs that come into our country come through Mexico, across the 2,000 mile border we share. This illegal drug trade endangers Mexicans and Americans -- and it is in our nations' mutual interest to work together to shut it down.

The Alliance Against Drugs that President Zedillo and President Clinton adopted in 1997 is making progress -- and we are committed to building on that progress. I am very pleased that last Thursday, the Mexican government announced it will be spending \$400 to \$500 million over three years to buy new planes, ships, radar and law enforcement equipment. By sharing resources, information, and experience, we can secure a safer future for both of our nations.

Our battle against drugs is a fight to the finish -- and it is not a job for government alone. It will take all of our efforts and energy,

all of our courage and compassion. It will take every one of us, looking ahead to a day when the scourge of drugs no longer threaten our children, our communities, or our collective future. I believe that we will reach that day, together, and I look forward to working with all of you to build a stronger nation for the 21st Century.

Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: MaryEllen C. McGuire ( CN=MaryEllen C. McGuire/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-FEB-1999 10:18:55.00

SUBJECT: AmeriCorps Conference Call

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

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

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

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

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

TO: JGompert ( JGompert @ cns.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

TO: Thurgood Marshall Jr ( CN=Thurgood Marshall Jr/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

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

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

CC: TWest ( TWest @ cns.gov @ inet [ UNKNOWN ] )  
READ:UNKNOWN

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

CC: Carolyn T. Wu ( CN=Carolyn T. Wu/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

TEXT:

Today's AmeriCorps Conference call scheduled for 4:00pm has been moved to 1:00pm. The focus of today's call will be Wednesday's event at the University of Maryland. Please join us at 1:00pm at 757-2100 x4129.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sarah A. Bianchi ( CN=Sarah A. Bianchi/O=OVP [ UNKNOWN ] )

CREATION DATE/TIME: 8-FEB-1999 10:59:59.00

SUBJECT: Intl' Tobacco Conference

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:

Is this something that you all would recommend that the VP do. (see below pressure from Senator Durbin) We could do this as a message event -- but not sure if you think advisable to do big int'l tobacco message event in next couple months. . We could also send him to the dinner if you think he should go but don't want message. I will send you background if you do not already have. Please advise.

thanks

sb

----- Forwarded by Sarah A. Bianchi/OVP on 02/08/99 10:56 AM -----

David R Thomas  
02/08/99 10:56:08 AM  
Record Type: Record

To: Lisa A. Berg/OVP, Patricia M. Ewing/OVP, Sarah A. Bianchi/OVP  
cc:  
Subject: Intl' Tobacco Conference

Senator Durbin is pushing this event hard and he has a call into the VP. Since Durbin is pressing us, the VP will probably need to call him back soon.

Do you have an update on where we currently stand on this event.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dan Marcus ( CN=Dan Marcus/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-FEB-1999 12:30:58.00

SUBJECT: Grijalva and Medicaid

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

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

TEXT:

Kneedler expressed doubts that HHS has less ability to require the States in Medicaid to ensure beneficiaries' rights vis-a-vis HMOs than it does in Medicare. I talked to Harriet Rabb and Anna Kraus (her deputy?), who basically confirmed his suspicions: HCFA regs do require State Medicaid agencies to ensure beneficiaries procedural rights re decisions on provision of services -- including appeals from HMO decisions to the state agency -- comparable to those in Medicare. Rabb and Kraus say only real difference between Medicare and Medicaid is that there are already one or two court decisions saying Medicaid HMOs are state actors, but none as to Medicare HMOs.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-FEB-1999 12:55:39.00

SUBJECT: our suggested language on bilingual education

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

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

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

TEXT:  
(from Jon and Tanya)

Our added language is in bold -- in paragraphs 4 and 5. Based on further conversations, we think the language below will help address concerns from the groups and be consistent with Administration policy.

#### SUPPORTING STUDENTS WITH LIMITED ENGLISH PROFICIENCY

Students with limited English proficiency (LEP) are the fastest growing population served by the Elementary and Secondary Education Act. According to State educational agency data, the number of LEP students grew 24 percent between 1992 and 1995.

Many of the fastest growing LEP student populations are in States and communities that have little prior experience in serving these students. For example, ten States (Alabama, Georgia, Idaho, Indiana, Nebraska, Nevada, North Carolina, Oregon, Tennessee, and Virginia) reported increases in the numbers of LEP students greater than 46 percent between 1992 and 1995.

Our nation derives a great deal of strength from our diverse population, and we have to capitalize on the strengths and potential that every child brings to the classroom.

Our clear goal is that LEP students should be able to speak and read English after three consecutive years in our schools. We are equally committed to ensuring that LEP students reach challenging academic standards in all content areas. And we are committed to developing legislation that preserves flexibility for states and school districts to provide the most appropriate, research-based instruction for each child.

Our reauthorization proposal for the Title VII bilingual education provisions seeks to achieve these two very important goals by emphasizing the same two key strategies we are pursuing throughout the ESEA: improving teacher quality and strengthening accountability.

To increase teacher quality, for example, all institutions of higher education applying for Title VII grants, would be required to show that their teacher education programs include preparation for all teachers serving LEP students.

To strengthen accountability and ensure that LEP students reach our three-year goal of learning English, both Title VII grantees and Title I schools would be required to annually assess LEP student progress in attaining English proficiency.

LEP students who have been in a U.S. school for less than three years would continue to be included in the Title I assessment system, but after three years reading assessments would be conducted in English. Schools and districts will be held accountable, as part of the larger ESEA accountability provisions, for their progress in ensuring that LEP students reach the three-year English language proficiency goal.

I also believe that America's children need to become much more fluent in other languages. We are very far behind other nations when it comes to giving our students a mastery of other languages. There are teenagers in Europe who can easily speak three languages. I am certain we can do a much better job at giving our students at least a fluency in English and one foreign language. There are currently over 200 two-way bilingual education programs that teach English and a foreign language and allow all students to truly develop proficiency in two languages.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dan Marcus ( CN=Dan Marcus/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-FEB-1999 12:58:29.00

SUBJECT: Re: Grijalva and Medicaid

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

TEXT:

1. I don't know. I assume advocates don't trust state Medicaid agencies and HCFA to enforce beneficiary rights and want the leverage of the constitutional cause of action. But I don't know that there's a big distinction between Medicare and Medicaid in that regard.

2. I told Kneedler we'd like to see stripped-down version by tomorrow morning. I'll call back and emphasize as early as possible. He is, as you might expect, unenthusiastic and emphasizes that we must at least say 9th Circuit wrong on state action and a little bit of why.

Elena Kagan  
02/08/99 12:37:01 PM  
Record Type: Record

To: Dan Marcus/WHO/EOP  
cc:  
Subject: Re: Grijalva and Medicaid

Why, then, is everyone so insistent about the need for section 1983 actions in medicaid?

And when are we going to see a stripped-down version of the brief?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-FEB-1999 13:42:07.00

SUBJECT: Re: our suggested language on bilingual education

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

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

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

TEXT:

We spoke to a couple of staff at the Education Department who have a good sense of where the hispanic community is on this.

Also, the Department has informed us that Jeffords has asked for the testimony this afternoon, so we should give them any comments by 3 -- or 3:15 at the latest -- in order for them to be incorporated before the testimony gets sent to the hill. Please page me when you need -- I will be in a meeting until about 2:45. -- Jon

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kevin S. Moran ( CN=Kevin S. Moran/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-FEB-1999 14:19:07.00

SUBJECT: Pay Equity Meeting

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

READ:UNKNOWN

TEXT:

Elena... I'm sorry about any confusion about Wednesday's meeting. I should have included you out of habit... and I certainly didn't realize that you were focusing on the issue. Here's the request I sent out earlier. Do you think we need to gather our internal crew with John for a separate meeting tomorrow or Wednesday morning, or should we be ok with a pre-meeting immediately before? k

----- Forwarded by Kevin S. Moran/WHO/EOP on 02/08/99  
11:20 AM -----

Kevin S. Moran 02/08/99 10:51:12 AM

Record Type: Record

To: Caroline R. Fredrickson/WHO/EOP

cc: Jessica L. Gibson/WHO/EOP

Subject: Pay Equity Meeting

Caroline...

As you know, John agreed to hold a Pay Equity Meeting on Wednesday (2/10) afternoon with Senator Harkin and Rep. Eleanor Holmes Norton. I understand that this is a somewhat politically complex discussion, especially in light of the other individuals who have been invited to participate. Can I work with you today to make sure that this meeting is organized in a way to make it run as smoothly as possible? Also, do we need to hold an internal pre-meeting (and who do we want involved on our side)? An will you be preparing John a background / briefing memo for this? Thanks a lot. k

Requested Attendees:

Sen. Tom Harkin

Rep. Eleanor Holmes Norton

Peter Reinecke (Harkin Legislative Director)

Chani Wiggins (Harkin Legislative Assistant)

Susan Bianchi-Sand (Director, Committee on Pay Equity)

Karen Nussbaum (Director, AFL-CIO Working Women Division)

Martha Burke (Director, Center for the Advancement of Public Policy)

Gail Schaeffer (Director, Business and Professional Women)

Chris Turman (BPW lobbyist)

Cynthia Bradley (AFSCME lobbyist)

Holly Fechner (Minority Staff Director, Senate HELP Committee)

Evelyn Kanolle (Deputy Director, National Committee on Pay Equity)

Anne Hoffman (UNITE)



RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dan Marcus ( CN=Dan Marcus/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 8-FEB-1999 14:51:46.00

SUBJECT: Re: Grijalva and Medicaid

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

READ:UNKNOWN

TEXT:

I have a call into Westmoreland. I pressed the very reluctant Mr. K re timing. Lamkin is working on it but he and Seth need to see it and the best we can do is first thing tomorrow. I will call Seth on merits of middle course. Shalala, as you point out, has come around, but only, I suspect, as an alternative to not filing at all. Certainly Rabb, whom I will talk to again, has not told Kneeder that Shalala is now convinced stripped-down is best. I may also call Seth.

Elena Kagan

02/08/99 01:14:45 PM

Record Type: Record

To: Dan Marcus/WHO/EOP

cc:

Subject: Re: Grijalva and Medicaid

1. I'm not convinced. Why don't you talk with Tim Westmoreland? He's at the Georgetown legislation program -- Devorah Adler will be able to give you a number.

2. I'd like to see it by the end of the day. And I do not think that a stripped-down brief can include any explicit conclusions on the merits of the state action issue. If the SG can't write a brief without those conclusions, then we're really left with a choice between filing or not filing. And by the way, my understanding is that Shalala and Min now want a true stripped-down brief -- at least, that's what Thurm told Podesta this morning.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-FEB-1999 15:00:46.00

SUBJECT: fyi - for rangel

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

READ:UNKNOWN

TEXT:

White House Outlines Anti-Drug Plan

By PETE YOST Associated Press Writer

WASHINGTON (AP) -- Releasing the Clinton

administration's  
Vice President Al  
hope to  
it cracked down

plan to cut the drug problem in half by 2007,  
Gore today said that the strategy had to provide  
youngsters and treatment for prisoners even as  
on traffickers.

drug problem  
a vacuum," Gore  
our solutions must  
effort to  
hopelessness from our

"We must start by recognizing that our nation's  
was not born in isolation and does not exist in  
said. "It is an interconnected problem and so  
also be interconnected. We must mount an all out  
banish crime, drugs and disorder and  
streets once and for all."

repaired  
to those that  
Office Building next

Gore released the five-part plan, which he said  
programs that are not working and gave a boost  
do, during a ceremony at the Old Executive  
to the White House.

drugs, noting that  
1979 and that drug

He claimed some success in the fight against  
drug use by adults is at half what it was in  
use by young people has started to decline.

and rob our  
still ravages so  
barely

"But when drug dealers still roam our streets  
children of their dreams, and drug related crime  
many of our neighborhoods, we know that we have  
begun," Gore said. "We must do so much more."

billions to be spent this year to fund the drug policy. The goal is to get children to be the focal point for the drive against drugs. The White House seeks to involve parents, coaches, mentors, teachers, clergy and other role models in a broad prevention campaign," McCaffrey said in the four-volume strategy sent to Capitol Hill today.

In a message to Congress, President Clinton said that among the positive signs are a growing view among young people that drugs are risky and a continuing decline in cocaine production overseas.

"Studies demonstrate that when our children understand the dangers of drugs, their rates of drug use drop," said Clinton.

The five parts of the administration plan are educating children, decreasing the addicted population, breaking the cycle of drugs and crime, securing the nation's borders from drugs and reducing the drug supply.

The blend of strategies is aimed at reducing the use and availability of drugs by 25 percent by 2002 and 50 percent by 2007. Achieving the goal would mean just 3 percent of the U.S. population aged 12 and over would be using illegal drugs. The current figure is estimated at 6.4 percent. In 1979, the rate was near 15 percent.

Additional goals for the period ending in 2007 are to reduce by 30 percent the rate of crime associated with drug trafficking and use, and cutting the health and social costs associated with drugs by 25 percent. As of 1995, the social costs of drug use were estimated at \$110 billion, a 64 percent increase over 1990.

advertising  
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for the wide array  
those that work  
those that aren't  
  
because there were no  
Weiner, a  
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accountability, but "no  
issue and the  
bang for the buck."  
  
Army general,  
some U.S.  
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reserved. This material may not  
redistributed.

A major piece of the drug-control effort is an  
campaign that generates more than \$195 million a  
matching contributions from media companies.

A cornerstone of the strategy is accountability  
of current anti-drug programs, with boosts for  
and the ability to identify swiftly and repair t  
producing results.

"In the past, Congress had been critical  
specific measurements for success," said Bob  
spokesman for McCaffrey. "There was some real  
government" resisting demands for  
longer do we only measure the people working the  
dollars spent on it. Now you've got to prove

While head of the U.S. Southern Command as an  
McCaffrey saw first hand in South America how  
approaches to drug control succeed where others

Over a decade or more, some \$700 million was  
counter-narcotics aid in Bolivia, with no  
cocaine cultivation, said Pancho Kinney, deputy  
strategy in McCaffrey's office.

When another approach was used starting in 1995,  
immediate and has continued, Kinney added. Under  
strategy, the U.S. military passes along  
drug-carrying aircraft, which then would be  
forces of Colombia and Peru.

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CREATION DATE/TIME: 8-FEB-1999 15:13:17.00

SUBJECT: Re: Pay Equity Meeting

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

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TEXT:

Who would be best to take point? I don't understand which office is driving this issue.