

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 047 - FOLDER -004

[03/18/1999]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 02:57:18.00

SUBJECT: IDEA - Federal Spending

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

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

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

TEXT:

Jon and I wanted to flag some issues around increased federal investments for IDEA in the context of the tobacco proposal, IDEA/class size measure in the Senate Ed-Flex bill, and a proposed DNC resolution. We are continuing to have discussions with OMB and ED to determine the impact of increases in federal spending on the state/local share of the costs of educating children with disabilities. Attached is a draft memo that summarizes information from OMB and ED on the relevant IDEA funding provisions and outlines our current understanding of how these provisions would impact the ability of state/locals to use federal increases in IDEA funding.

I am also forwarding an email from OMB/David Rowe that goes into more detail on the MOE/Trigger/40% provisions (see below). David is out his week, but we will connect with him next week.

----- Forwarded by Tanya E. Martin/OPD/EOP on 03/17/99
11:28 PM -----

Leslie S. Mustain
03/15/99 11:39:52 AM
Record Type: Record

To: Tanya E. Martin/OPD/EOP, Jonathan H. Schnur/OPD/EOP
cc:
Subject: IDEA MOE, Trigger, and 40% "Commitment"

Hopefully these explanations will help you.
----- Forwarded by Leslie S. Mustain/OMB/EOP on 03/15/99
11:39 AM -----

David Rowe
03/11/99 10:31:47 PM

Record Type: Record

Included in this email is a summary of the following:

The Maintenance of Effort (MOE) requirement in the IDEA statute.

The IDEA funding "trigger" when appropriations exceed \$4.1 billion.

The 40 percent federal funding "commitment" for IDEA.

When I refer to "Part B" grants in this email, I mean IDEA, Part B Grants to States. This is the largest piece of federal special education funding (in FY 1999, it made up \$4.3 billion of the \$5.3 billion total for special education), the piece Congress has been outbidding the Administration on, and the piece for which the "trigger" applies. The FY 2000 Budget increases federal special education spending by \$116 million, but provides only a \$3 million increase to Part B Grants to States.

Maintenance of Effort (MOE)

The IDEA statute only requires that States do not reduce their financial support for special education and related services below the preceding fiscal year's financial support. If a State doesn't meet this requirement, then the State's following year Part B allocation is reduced by the same amount by which the State did not meet the requirement. States do not need to match federal IDEA dollars or increases to federal spending.

At the local level, LEAs are also required to not reduce their expenditures for students with disabilities from the previous fiscal year, except under certain circumstances (e.g., the number of students with disabilities in the LEA decreases). Again, there is no required match to receive these funds. This MOE requirement is enforced by each State's educational agency.

The IDEA Funding "Trigger"

In general, it is safe to say that:

Of every dollar the federal government spends on Special Education State Grants that exceeds \$4.1 billion, LEAs could use up to 20 cents (i.e., 20 percent) to supplant, not supplement, their own spending on special education.

The IDEA "trigger" goes into effect when total Part B appropriations exceed \$4.1 billion, which happened for the first time in FY 1999. Under the IDEA "trigger," LEAs can treat as local funds up to 20 percent of the increase in Part B funds it received over the amount it received the previous year. But, when determining local level expenditures for purposes of MOE in the next fiscal year, only the actual local funds are counted.

The best way to illustrate how this trigger works is with an example. Let's say an LEA received \$1 million in Part B funds in FY 1998 and spent \$3 million of its own funds for special education. In FY 1999, the first year in which the trigger is in effect, the LEA receives \$1.2 million in Part B funds. Of this total, the trigger applies to 20 percent of the \$200,000 increase, or \$40,000. So, in FY 1999, in order to meet the local MOE requirement the LEA would only have to spend \$2.96 million of its own funds for special education.

In the next year, FY 2000, let's say the LEA receives \$1.3 million in Part B funds. Of this total, the trigger applies to 20 percent of the \$100,000 increase, or \$20,000. But, the relevant local funds from the prior year is only \$2.96 million, of which \$20,000 can be covered by the LEAs Part B allocation. In FY 2000, in order to meet the local MOE requirement the LEA would only have to spend \$2.94 million of its own funds for special education, \$20,000 less than the previous year, and \$60,000 less than in FY 1998. Thus, the longer the trigger stays in effect and appropriations grow, the lower the MOE and the more money the LEA or State can spend on other, non-IDEA, purposes.

On 12/3/98 Chairman Goodling sent a letter to each school superintendents telling them about the trigger. In this letter, Goodling described the trigger as a provision that provides "direct spending relief for local school districts." "This provision," Goodling wrote, "allows your school district to reduce its level of local expenditures for special education and related services."

40 Percent "Commitment"

The IDEA authorization level for Part B is "such sums as may be necessary." The IDEA statute then states that the "maximum" Part B grant a State is entitled to in any fiscal year is the sum of the number of children with disabilities in the State receiving special education services multiplied by 40 percent of the U.S. average per-pupil expenditure (APPE) in public elementary and secondary schools. This is not in the statute and there never has been an explicit "commitment" to provide States an amount per eligible child equal to 40 percent of the national APPE.

The federal government has never come close to providing 40 percent of the APPE for each disabled child; the highest the federal government has ever provided was 12.5 percent in FY 1979 (the total State Grants appropriation that year was \$804 million).

The FY 1999 Part B appropriation covered about 11.7 percent of APPE, the FY 2000 request should cover about 11.2 percent. If the federal government were to provide the 40 percent of APPE maximum in FY 2000, it would have to provide \$15.3 billion to Part B Grants, or \$11 billion (255 percent) more than the FY 2000 Budget requests.

Note that both the number of children with disabilities and the APPE increases every year. In the past five years, the APPE has increased by an average of 2.5 percent annually, and the number of children with disabilities has increased by an average of 2.7 percent annually. So, in other words, increasing IDEA State Grant spending to \$15.3 billion in ten years would not cover 40 percent of the APPE in that 10th year. Using the above five-year averages. if the federal government wanted to cover 40 percent of the APPE for each special education child in 10 years (i.e., in FY 2009), it would have to provide about \$24.3 billion in FY 2009.

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

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Draft Memorandum

Generally, increases in federal funding for grants to states under IDEA would not result in comparable decreases in the amount that states and districts would contribute to special education funding. Under IDEA's maintenance of effort and supplement-not-supplant provisions, increases in federal IDEA funding would immediately increase the overall dollars spent on special education, but would move slowly to shift a portion of the state/local share to the federal government.

IDEA Provisions:

(1) 40% federal funding "commitment"

Under the IDEA statute, the maximum that a state can receive under the state grants program is the sum of the number of children with disabilities in the State receiving special education services multiplied by 40 percent of the national average per-pupil expenditure (APPE) in public elementary and secondary schools. This cap on federal funding is often misconstrued as a "commitment" to provide 40% of state special education costs.¹ According to OMB, if the federal government were to provide the 40 percent of APPE maximum in FY 2000, it would have to provide \$15.3 billion in state grants, or \$11 billion more than is in the FY 2000 Budget request. Since both the number of children with disabilities and the APPE increases every year, OMB estimates that covering the same 40% of APPE in FY 2009 would take \$24.3 billion

(2) Maintenance of Effort (MOE)

States cannot reduce their funding for special education below the prior year's level. If a state fails to meet this requirement, then the following year's grant is reduced by the same amount by which the state did not meet the MOE requirement. At the local level, school districts are also required to maintain their expenditures for students with disabilities from the previous fiscal year, except under certain circumstances (e.g., the number of students with disabilities in the district decreases). Federal increases in IDEA spending cannot be used by local districts to meet their MOE requirement - with a limited exception when total federal IDEA spending passes a certain level (see below). Other non-IDEA federal funds can be used by local districts to meet its MOE requirement only where the district is not accountable for the use of the federal funds. This is generally a tough requirement to meet - as most federal education funding is targeted toward specific purposes. Education suggested that impact aid (which basically functions as a block grant to districts to compensate for presence of non-taxable military facilities) might fit this non-IDEA federal funds exception. Neither states nor local districts are required to match federal increases in IDEA spending.

(3) IDEA Funding "Trigger"

Once the federal appropriations for state grants exceeds \$4.1 billion B which happened for the first time in FY 1999 - school districts can use up to 20% of a federal increase in state grants to

¹The 40% of APPE number is used as a proxy for the additional costs of providing special education services to disabled students. Education estimated that if the federal government were to provide 40% of the APPE for each disabled child in FY 2000, it would equal roughly 34% of the actual cost of special education services.

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replace their own spending on special education. Moreover, in the subsequent fiscal year, the MOE requirement for the local district is reduced by that same 20% (to reflect the amount of its own funds that the local district actually spent). Over time, continued increases in federal funding for state grants will result in decreased MOE requirements for local districts B and thus, will slowly begin to shift a portion of the local costs to the federal government.

Increases in Federal IDEA Spending

Tobacco

If funds are set aside from the tobacco settlement for IDEA and those funds are treated as a federal IDEA spending- then the increases would largely supplement, not supplant state and local funding. School districts would have to maintain their local level of spending from the prior year and would only be free to use 20% of the federal increase to supplant local spending. In order to continue to decrease the local MOE share, federal funding would have to increase in subsequent years. Each year, the local district could then reduce its spending by 20% of the increase from the prior year. A move toward meeting 40% of the average per pupil expenditure would allow local districts to slowly reduce their own spending over time (and would also help districts meet continuing increases in the cost of providing special education service). If the tobacco funds are not subject to the IDEA maintenance of effort provisions - then districts could potentially use 100% of the IDEA/tobacco set-aside to their supplant their own local funding².

Class-Size/IDEA

Although our strategy on dealing with this measure is focused on eliminating it in conference, we thought it was worth examining how this provision would work - as it may yield additional substantive arguments against the Jeffords measure and it is fair to expect that Republicans may try a similar maneuver at a later point. It is not clear whether the IDEA maintenance of effort/supplement provisions would apply to class size funds that districts used for special education as permitted under the current Senate Ed-Flex bill.

According to a preliminary read by ED, the language in the amendment stating that class size funds may be used for special education services "in accordance with the requirements of IDEA" suggests that the MOE provisions would apply. If so, then school districts that used their class size allocation for special education costs would have to treat it as a federal IDEA increase -- and thus, would at most only be able to reduce their local share of special education funding by 20% of amount of their class size allocation. This somewhat weakens the Republican argument that shifting class size funding to special education would reduce the local burden and allow school districts to use their funds for class size, after school, dropout prevention -- since in reality the amount local districts would have to contribute for special education would be reduced only slightly next fiscal year. However, over time and with continued federal increases, the local school district's MOE requirement would continue to decrease. If the ability to spend

²This could be the case because (1) the tobacco funds are not considered "federal" funds and are treated as local dollars, or (2) the tobacco funds fit the exception allowing the use of other non-IDEA federal funds to supplant local IDEA spending, or (3) the tobacco legislation contains a provision to allow the IDEA set-aside to be used to supplant local spending.

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class size dollars on special education is not considered an increase in federal IDEA spending, then school districts could seemingly use 100% of their class size allocation to supplant their local IDEA spending. Education thinks that the class size federal funds would not fit the "other non-IDEA federal funds" exception that allows for local supplanting because districts are held accountable for the use of class size dollars.

DNC resolution

Jon mentioned that he (and you, he thought) had received a memo from Minyon Moore asking for feedback on a possible DNC resolution calling for federal funding of IDEA up to the 40% of average per pupil expenditure level within three years. If the IDEA provisions apply, increased federal funding would cause an immediate increase in overall special education spending, but states/locals would still have to maintain their same level of spending and use all but 20% of the increase for special education. If the IDEA provisions either do not apply, or an additional exemption for supplanting is created than local districts would be able to more significantly reduce their own spending. The position we take here should be in accordance with our strategy/response regarding federal increases in IDEA spending in the tobacco/class size contexts.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jeanne Lambrew (CN=Jeanne Lambrew/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-MAR-1999 07:48:27.00

SUBJECT:

TO: BRUCE N. (Pager) #REED (BRUCE N. (Pager) #REED [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

post decided to wait until after lew piece for altman-tyson oped/likely tomorrow

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 08:37:56.00

SUBJECT: guidance

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

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

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

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

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

TEXT:

can we get updated and more extensive medical marijuana guidance for both
Joe's briefing and the president's briefing book? thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 09:05:29.00

SUBJECT: Data Collection Proposal

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Below is a brief description of the approach which we have had some success selling to the core relevant parties over the last 12 hours. We haven't shown it in writing to anyone and it could blow up when/if we circulate. Basically, it spells out the process by which Daschle's provision would have to be implemented, requiring EEOC to conduct a process considering what gaps in relevant data there is now, and considering factors like burden on business, what is an appropriate trigger for requesting data, and what is the best vehicle for collecting data (perhaps EEO-1, perhaps not). But it leaves discretion up to EEOC. I need to do the next round of vetting with actual words in hand but so far: Orszag (surprisingly) said he thought Commerce would go for it, Caroline F. said she thought Daschle and probably the groups would, Ida said "OK, check with Ellen Vargyas," Ellen V. sounded a bit pessimistic but said we should check with the groups, OMB I don't think will like it. The argument I've made to people who think it leans towards too much data collection is that we will have an internal OMB review to see if this is the best way a rule could be fashioned when the time comes to collect data-- an argument Orszag buys. The argument to supporters of the original Daschle provision is that this just spells out the argument EEOC would have to make to revise the EEO-1 form anyway -- prove they need the data and this is the best method.

My goal is to pin down support for this from Treasury/Commerce and read it to Caroline F. and have her say she thinks Daschle would support. Then have you or I talk to Greenburger/Nussbaum and say this is a good deal. Then move back to the other players. What do you think?

The legislation would:

1. Create the Division of Research, Evaluation, and Statistics within EEOC. Charged generally with using existing data and collecting new data as necessary to aid in reducing the gender pay gap and enforcing the EEO generally.

- authorized with such funds as necessary to do the following:

- within one year evaluate the current knowledge and sources of data available to federal government relating to the gender pay gap;

- identify gaps in the available data;

- consult with relevant agencies including Departments of Labor, Treasury, and Commerce;

- incorporate existing ORIP office (already in EEOC).

2. Implementation

-- within one year of passage report results of above evaluation of what pay data is available;

-- within 1 year and 6 months from passage of the legislation identify the best method for collecting necessary data for enforcing the Equal Pay Act and EEO considering factors including:

- * Enforcing relevant laws;
- * Imposition of burden on business to enforce law;
- * Use of appropriate data collection vehicles and preliminary techniques to identify business from which the data is most likely to be useful to EEOC and/or OFCCP.

3. Utilize pilot studies, sampling, and/or other means as deemed necessary by EEOC in implementation period.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 09:36:45.00

SUBJECT: PBOR

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

READ:UNKNOWN

TEXT:

I understand Loretta is having a 3pm meeting on PBOR today, mainly to discuss what's going on on the Hill. From what I can tell it's not specifically about the April 9th event, but I wanted to see if you wanted me to attend also. Let me know what you think.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 09:50:25.00

SUBJECT: Pls call Cynthia re: OMB/tobacco/Specter. Cynthia 62846

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

READ:UNKNOWN

CC: 4697 (4697 @ WHCA [UNKNOWN])

READ:UNKNOWN

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 09:57:46.00

SUBJECT: guidance

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

tobacco - supp amendment and USA Today story on lawsuits for fires

ed-flex - if anything new from yesterday after instructions to conferees

medicare - anything new?

thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 09:58:36.00

SUBJECT: one more! sorry

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

and PBOR - if anything to add from mark-up

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 10:05:08.00

SUBJECT: Nursing Home Bill

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

As I indicated on my message schedule update email yesterday, there was interest in doing something with the Nursing Home bill. I wanted to make you aware of the current situation with the bill.

Originally people talked about maybe using this for next week's radio address. However there are many complications with this. Next week's radio address will be taped on the road in Las Vegas, and Leg. Affairs is looking to do something here with Members and press. Also, we have now received the bill, and deadline for signing is next Monday (March 29). The only days POTUS is here before then are next Tuesday, Wednesday, and the morning of Thursday, all of which currently have message events scheduled. If we want to do something with this bill, I think our only options are to try to push for a secondary event on Tuesday or Wednesday (which may be difficult considering the number of other secondary events already scheduled on those days), or push for this being the message event on Thursday morning (which would bump Consumer Financial Right to Know again).

I generally wanted to just give you an update on this, but let me know if there's something more you would like me to find out/explore. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 10:26:34.00

SUBJECT: Charter Schools Guidance

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Jon called in and asked me to let you know that the charter schools program guidance was distributed (without the q&a on religion and desegregation issues), but that the civil rights guidance was not released (dept had considered releasing it in draft from with unresolved questions deleted). During the conference, participants raised several questions about issues that the civil rights guidance will address (e.g. admissions - when can preferences be used). When Jon returns to the office, we will work closely with ED to get the civil rights guidance in final form for release.

As a side note, Jon also mentioned that ED is frustrated that the civil rights guidance did not go out -- and that the review process led to a last minute decisions. Jon thinks that Mike Smith and others at the Department might not have been aware that he turned around program guidance comments quickly but that his comments weren't declined by ED staff until late Thursday evening, and that the civil rights guidance wasn't sent over at all until Thursday afternoon (which we both reviewed that day). After a multi-hour conference call on Friday, it became apparent that only a Bruce-Mike call was going to resolve some of the key differences. We will work with ED to identify more efficient ways to plug us into their review process so that our comments can be resolved - or kicked up - earlier.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 10:30:13.00

SUBJECT: Re: one more! sorry

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

READ:UNKNOWN

TEXT:

sorry - normally i am able to get all requests in by 9:00 - unflrtunately
- this week i am wearing three hats and have not been as prompt.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 10:51:59.00

SUBJECT: Hate Crimes

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

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

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

TEXT:

OPL has tentatively scheduled hate crimes as an event on Friday, April 2 or the radio address for Saturday the 3rd. The idea was to get religious leaders' support over the Easter weekend. We would prefer, however, to have it as a radio address because other than supporting the legislation, we probably won't have much to announce in terms of policy. We're trying to work with Justice to come up with something.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 11:01:58.00

SUBJECT: medical marijuana Q&A

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

TO: Courtney O. Gregoire (CN=Courtney O. Gregoire/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

TEXT:

===== ATTACHMENT 1 =====
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Medical Marijuana Study
March 18, 1999

Q: Yesterday, the Institute of Medicine (IOM) released its study on medical marijuana. Can you tell us what it says and whether you will adopt its recommendations?

A: Yesterday, IOM released its report on medical marijuana. The ONDCP Director McCaffrey asked for the study in January 1997, and we have been awaiting the report since then.

We will carefully review the findings and recommendations of the report and will pay special attention to the IOM's call for more research into the effects of using marijuana. This is because the IOM emphasized in its report that although cannabinoids may help control pain and nausea, smoked marijuana is a crude drug delivery system that delivers a significant number of harmful substances, and that research may yield alternative delivery systems of cannabinoids that are safer and more reliable.

More generally, our primary focus in this area is and must be to prevent youth use of marijuana by ensuring that youth know about this drug's dangers. We will continue our youth drug prevention efforts, including the Anti-Drug Media campaign, and continue to send the clear message to kids that drugs are wrong, dangerous, and can kill you.

Q: You speak a lot about the will of the voters. Doesn't this report validate the message sent by the voters in the states that passed medical marijuana initiatives?

A: Science, not the ballot box, should determine the practice of medicine. The report makes clear that there is little future for smoked marijuana as a medically-approved medicine. The report concludes that because of the health risks associated with smoking, smoked marijuana should not be generally recommended for long-term use. Although marijuana smoke delivers THC and other cannabinoids into the body, it also delivers harmful substances, including most of those found in tobacco smoke. And to the extent that the report recommends certain clinical trials of smoked marijuana, it is not with the goal of developing marijuana as a licensed drug, but as a first step toward developing delivery systems that do not involve smoking, but alternative delivery systems that can deliver cannabinoids quickly, such as inhalers.

Q: Will you reverse your position on medical marijuana or commit to more research as a result of the IOM report?

A: We will continue to rely on science and the judgment of public health officials to guide our policy. And we will continue to support bona fide medical research of marijuana. It is important to note, that obtaining funding from NIH is a highly competitive process and

Automated Records Management System
Hex-Dump Conversion

less than one-fourth of all first-time applications to the NIH were funded.

The federal government has established a process for determining the safety and efficacy of drugs. It is a process that has been in place and has proven to work and protect the American public. The IOM report provides important information on the scientific benefits and risks into marijuana -- and will allow us to move on the use of marijuana and cannabinoids for medical purposes based science, not politics.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 11:12:35.00

SUBJECT: NAS report press follow-up

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

FYI. USDA called the AP/Reuters reporters re: the coverage of the Council's response to NAS report. The Reuters reporter in particular was "defiant." Reuters said since we did not endorse a single agency, we were effectively rejecting it. A ridiculous standard. Anyway, she asked USDA to interview their point person (Cathy Wotecki) on the pros and cons of a single food agency. What do you think? The reporter may skew that interview too and we are in the middle of a process where we don't need O'hara and Wotecki going on the record. The reporter would be pissed off (they've put her off previously saying the Council report was coming out.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 11:36:23.00

SUBJECT: PBOR q&a

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

READ:UNKNOWN

TEXT:

here you go -- let me know if you need anything else.

Q: What is the President's response to the Patients' Bill of Rights legislation that is presently being marked up by the Senate Labor Committee?

A: We have not seen the details of the legislation Senator Jeffords intends to mark up today, but all indications are that it will fall far short of what is necessary to meet the needs of patients in a rapidly changing health care system. We understand that it will not cover tens of millions of Americans; that it will not have a standard to prevent HMOs from making arbitrary coverage decisions; and that it will have a wholly inadequate mechanism to enforce patients' rights. This helps explain why every major patient, doctor, and nurse advocacy organization has concluded that the Chairman's mark is flawed and will not adequately protect patients.

Clearly, we are disappointed that the Democratic substitute bill did not receive a majority vote. However, we believe that this legislation can, must, and will be improved as the legislative process proceeds. Today and tomorrow there will be a number of strengthening amendments to the underlying Chairman's mark which we hope will receive consideration. Regardless we agree with Senators Daschle and Kennedy that this bill will be improved on the Senate floor when the entire public is focused on a debate of the issues at stake.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 11:44:03.00

SUBJECT: Specter amdmt failed 71-29 (20% tob/30% health farmers). Cynthia

TO: DAN (Pager) #MENDELSON (DAN (Pager) #MENDELSON [UNKNOWN])
READ:UNKNOWN

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

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

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

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 11:50:58.00

SUBJECT: second try

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

READ:UNKNOWN

TEXT:

here you go.

Q: What is the President's response to the Patients' Bill of Rights legislation that is presently being marked up by the Senate Labor Committee?

A: The legislation Senator Jeffords intends to mark up today falls far short of what is necessary to meet the needs of patients in a rapidly changing health care system. It will not cover tens of millions of Americans; it will not have a standard to prevent HMOs from making arbitrary coverage decisions; and it will have a wholly inadequate mechanism to enforce patients' rights. This helps explain why every major patient, doctor, and nurse advocacy organization has concluded that the Chairman's mark is flawed and will not adequately protect patients.

Clearly, we are disappointed that the Democratic substitute bill did not receive a majority vote. However, we believe that this legislation can, must, and will be improved as the legislative process proceeds. Today and tomorrow there will be a number of strengthening amendments to the underlying Chairman's mark which we hope will receive consideration. Regardless we agree with Senators Daschle and Kennedy that this bill will be improved on the Senate floor when the entire public is focused on a debate of the issues at stake.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 12:07:58.00

SUBJECT: Stevens just took TANF cut out of supp/replaced it with HUD

TO: Eparker (Eparker @ acf.dhhs.gov [UNKNOWN])
READ:UNKNOWN

TO: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

TO: Francis S. Redburn (CN=Francis S. Redburn/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

TO: mbourdet (mbourdet @ os.dhhs.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

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

TEXT:

Senator Stevens just struck the TANF cut from supplemental, seems to have replaced it with a \$350 million HUD deferral (may be section 8 -- Michael/Steve could you find out)?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melinda D. Haskins (CN=Melinda D. Haskins/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:18-MAR-1999 12:31:01.00

SUBJECT: LRM MDH11 - - LABOR Draft Bill on Welfare-To-Work Grant Extension -- Comme

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

TO: Barry T. Clendenin (CN=Barry T. Clendenin/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: David E. Tornquist (CN=David E. Tornquist/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Melissa N. Benton (CN=Melissa N. Benton/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: James J. Jukes (CN=James J. Jukes/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Rosalyn J. Rettman (CN=Rosalyn J. Rettman/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Natasha F. Bilimoria (CN=Natasha F. Bilimoria/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Gail S. Zimmerman (CN=Gail S. Zimmerman/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Larry R. Matlack (CN=Larry R. Matlack/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

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

TO: Mark E. Miller (CN=Mark E. Miller/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: David J. Haun (CN=David J. Haun/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

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

TO: Robert G. Damus (CN=Robert G. Damus/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Harry E. Moran (CN=Harry E. Moran/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Richard B. Bavier (CN=Richard B. Bavier/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Maureen H. Walsh (CN=Maureen H. Walsh/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Jack A. Smalligan (CN=Jack A. Smalligan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

LRM AGRICULTURE (LRM AGRICULTURE [UNKNOWN])
READ:UNKNOWN

LRM National Council on Disability (LRM National Council on Disability [UNKNOWN])
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LRM Social Security Administration (LRM Social Security Administration [UNKNOWN])
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LRM TREASURY (LRM TREASURY [UNKNOWN])
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Karen DORSEY (Karen DORSEY [UNKNOWN])
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LRM JUSTICE (LRM JUSTICE [UNKNOWN])

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Deborah CLIFTON (Deborah CLIFTON [UNKNOWN])

READ:UNKNOWN

TEXT:

Attached below are the Department of Labor's draft legislative language for and summary of the welfare-to-work grant extension proposal. Please provide me with comments no later than 10 a.m., Monday, March 22nd.

EXOP: You will not receive a faxed copy of this LRM.

----- Forwarded by Melinda D. Haskins/OMB/EOP on 03/18/99

11:55 AM -----

LRM ID: MDH11

ATTACHMENTS (total 14 printed pages):

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

Thursday, March 18, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melinda D. Haskins

PHONE: (202)395-3923 FAX: (202)395-6148

SUBJECT: LABOR Draft Bill on Welfare-To-Work Grant Extension

DEADLINE: 10 a.m. Monday, March 22, 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: Please review the attached Department of Labor draft legislative language and descriptors.

THIS DEADLINE IS FIRM. IF WE DO NOT HEAR FROM YOU BY THE COMMENT DEADLINE, WE WILL ASSUME THAT YOU HAVE NO OBJECTION.

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EOP:

Bruce N. Reed
Elena Kagan
Barbara Chow
Barry White
Jack A. Smalligan
Anil Kakani
Michele Ahern
Larry R. Matlack
Maureen H. Walsh
Carole Kitti
Richard B. Bavier
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Natasha F. Bilimoria
Cynthia A. Rice
Andrea Kane
Robert G. Damus
Rosalyn J. Rettman
Peter Rundlet
James J. Jukes
Janet R. Forsgren
Melissa N. Benton
David J. Haun
David E. Tornquist
Janet E. Irwin
Barry T. Clendenin
Mark E. Miller
Jeffrey A. Farkas
Anne E. Tumlinson

LRM ID: MDH11 SUBJECT: LABOR Draft Bill on Welfare-To-Work Grant
Extension
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.

TO: Melinda D. Haskins Phone: 395-3923 Fax: 395-6148
Office of Management and Budget

Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: _____ (Date)
 _____ (Name)
 _____ (Agency)
 _____ (Telephone)

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

- _____ Concur
- _____ No Objection
- _____ No Comment
- _____ See proposed edits on pages _____
- _____ Other: _____

_____ FAX RETURN of _____ pages, attached to this response sheet=====

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

TEXT:

WPCY

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FAX RETURN of _____ pages, attached to this response sheet
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

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nactedaspartoftheBalancedBudgetActof1997toprovideemploymentrelatedservicestoass
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toemploymentandtrainingservicesforallAmericans,includinglowincomeworkers, disloc
atedworkers, andotheradultsand youth.The linkagesbetweentheWtWprogramandthebroader
workforceinvestmentssystem,withthatsystemstendattendantinformation, services, andconne
ctionstoemployers, isintendedtomaximizetheopportunitiesforhardtoemployrecipients
andnoncustodialparentstofindandkeepjobs.TheWtWprogramisakeycomponentoftheoveral
lwelfare reformeffort.Whiletherehasbeenadeclineinwelfarecaseloadsoverthelasttwoy
ears, manyoftheindividualsremainingonwelfarearelongtermrecipientswhofacesignific
antbarrierstoemployment.AstimelimitsonTANFassistancebegintotakeeffect, theseindi
vidualsareinparticularneedofthetargetedassistancelinkingthemtothelabormarkettha
tttheWtWprogramprovides.Inaddition, theWtWprogramuniquelyprovidesemploymentrelate
dassistancetononcustodialparentstoenablethemtoincreasetheircontributionstothe we
llbeingoftheirchildren.Theseamendmentsappropriate\$1billioninFY2000tocarryoutthe
WtWprogram.Thekeyprinciplesandfeaturesoftheprogramaremaintained, includingthefoc
usonwork, servicetothehardtoemploy, andadministrationthroughtheworkforceinvestmen
tsystem.Theamendmentsalsoincludeanumberofprogrammaticallyenhancements.First, theame
ndmentssimplifytheeligibilitycriteriaandprovidegreaterflexibilitytoStatesandloca
litiestoprovideassistancetoadditionalcategoriesofhardtoemploywelfare recipientssa
ndnoncustodialparents.ConcernshavebeenexpressedbyStateandlocalofficialsaprogramo
peratorsthatthecurrenteligibilitycriteriaaretoocomplexandnarrow, withtheresultth
atasignificantproportionoftheleastjobreadywelfare recipientsandnoncustodialparen
tsareexcludedfromparticipation.Specifically, thecurrentlawrequiresthatatleast70p
ercentoffundsmustbeexpendedtoassistparticipants haveatleasttwoofthreespecifiedba
rrierstoemploymentandthattherecipientorminorchildbealongtermrecipient.Thepropos
edamendmentsprovideforseparateeligibilityrequirementsforrecipientsand ,`* nonc
ustodialparents.Withrespecttorecipients, whileretainingtherequirementforlongterm
reciprocity, theamendmentsprovidethattheymustmeetatleastoneratherthantwospecified
barrierstoemployment.Thiswouldprovidegreaterflexibilitytotheprogramwhileassurin
gthat, bycombininglongtermreciprocitywithanadditionalbarriertoemployment, theprogr
amcontinuestofocusonthehardtoemploy.Inaddition, theamendmentssimplifythefirstspe
cifiedbarriertoemployment, whichcurrentlyrequiresthattherecipienthasfailedtocomp
letesecondaryschoolorobtainaGEDandhaslowskillsinreadingormath.Therhave P
beenmanyreportsthatduetopastpractices, suchassocialpromotion, asignificantnumber
ofrecipientswhohavediplomasstillhavelowbasicskillsandthoselowskillsareamajorbar
riertoemployment.Therefore, theamendmentsdividethisbarrierintotwoseparatebarrier
sthatallowassistancetorecipientswholackahighschool diploma (oraGED) orhavereading,
computingormathskillsatorbelowthe8thgradelevel.Theamendmentsalsoaddrecipientsw

with disabilities and recipients who are homeless to the categories that may be served under the WtW program. With respect to noncustodial parents, the new criteria provide that they be unemployed, underemployed, or having difficulty paying child support obligations, and that the minor child, in descending order of preference for determining which noncustodial parent to serve, meet the current requirements for long-term disability, are eligible for or receiving TANF assistance, have received TANF assistance within the preceding year but are no longer receiving assistance, or are eligible for or receiving Food Stamps or Medicaid. While providing greater flexibility to States and localities, these criteria effectively link eligibility for assistance to both the needs of the noncustodial parent and the child. Second, the amendments provide greater focus on assistance to noncustodial parents to better enable such parents to contribute child support payments and other assistance to their children. The majority of the children on welfare live with a single custodial parent and only about 20 percent receive child support from the noncustodial parent. The vast majority of such noncustodial parents are either unemployed or only able to obtain intermittent, low wage employment. Assisting these noncustodial parents in finding and keeping employment and increasing their earning is therefore critical to enhancing child support payments. Moreover, increasing the financial (and emotional) support from the noncustodial parent is essential to improving the well being of these children and strengthening their families. To promote these objectives, the amendments provide that at least 20 percent of the formula funds allotted to a State are to be used for assistance to noncustodial parents. This threshold may be met through any combination of expenditures under both the 15 percent State reserve and the 85 percent of funds allocated to local areas under the substate formula. The State plan is to describe how these projects will be coordinated. If a State submits a waiver request and provides sufficient justification to the Secretary, the Secretary may reduce or eliminate the threshold. In addition, the amendments add an important feature to strengthen the commitment of the noncustodial parent and the WtW program to increased child support. Each noncustodial parent

participating in the program is to enter into an individual responsibility agreement with the local WtW program and the State child support agency under which the noncustodial parent commits to cooperate in the establishment of paternity and in the establishment or appropriate modification of a child support order, to make regular payments of child support, and to participate in services that the program reciprocally commits to provide to assist the noncustodial parent in finding and keeping employment. This agreement makes clear the expectations and responsibilities of the parties involved and provides a framework for attaining the program objectives. Third, the amendments increase the resources available to Indian tribes. Indian communities continue to face special challenges to reducing poverty. The amendments increase the reserve for grants to Indian tribes under the WtW program from the current 1 percent of the total to 3 percent. In addition, the amendments authorize Indian tribes to apply directly to the Secretary for the competitive grants awarded by the Secretary to carry out innovative WtW projects. Fourth, the amendments further integrate the WtW program with the workforce investment system by providing that the WtW State plan is to be included as part of the 5 year strategic State workforce investment plan that is to be submitted under the WIA. Fifth, the amendments enhance the access of local areas to competitive grant funds by providing that any formula funds that are not allotted to a State due to failure to submit a State plan are to be used for competitive grants. Under current law, after subtracting the national reserves, 75 percent of appropriated funds are allotted by formula and 25 percent are awarded as competitive grants. Last year, primarily due to the requirement that States provide from State resources a one third match of the formula grant, six States did not request an allotment. However, in the two rounds of competitive grants, over 1400 applications were submitted seeking \$5 billion, more than 10 times the amount that was available for these grants. In light of the significant need for the resources, the amendments provide that, rather than returning these funds to the Treasury as currently required, unallotted formula funds are to be used to award competitive grants in the subsequent year. A preference in awarding these funds is to be provided to those local applicants from States that did not receive formula grants. Sixth, the amendments assist in building the capacity of States and local areas to effectively design and implement WtW programs. The amendments would establish a one percent reserve of FY2000 funds for technical assistance, which would include the sharing of innovative and promising practices for accomplishing the program objectives, such as strategies for effectively serving noncustodial parents. Seventh, the amendments simplify the financial and participant reporting requirements for the WtW program. States and localities have raised concerns that the current statute

ory reporting requirements are too detailed and burdensome, and that the reports must be submitted to both the Department of Labor and the Department of Health and Human Services. The amendments would eliminate the current requirements prescribed for the program and require the Secretary of Labor to establish requirements that are consistent with the financial aid participant reporting system under the WIA. This would simplify the requirements, further integrate the WtW program with the workforce investments system, and unify programmatic reporting through the Secretary of Labor. Eighth, the amendments would provide additional performance bonus grants to WtW States. Currently, \$100 million is to be distributed among the States in FY2000 based on the achievement of performance outcomes, including placement in employment, retention in employment, and earnings of participants, during FYs 1998 and 1999. The amendments would reserve \$70 million to award performance grants in FY2001 based on the performance of States in FY2000. These additional grants provide a tangible incentive for States to achieve positive employment related outcomes for WtW participants. Finally, the amendments clarify that the local workforce investment boards administering the program may enter into contracts or subgrants with child support agencies, community based organizations, faith based organizations, and other private and public entities for the provision of services. In sum, these amendments would reauthorize and enhance the WtW program. While our welfare reform efforts have resulted in some important early successes, much remains to be done. Enactment of the Welfare to Work Amendments of 1999 would provide significant opportunities to the hard-to-employ welfare recipients to make the transition to stable employment and assist noncustodial parents in making meaningful contributions to their children's well-being.

DRAFT 3/17/99

SUBTITLE E -- WELFARE-TO-WORK AMENDMENTS OF 1999

SECTION 1. SHORT TITLE.

This subtitle may be cited as the "Welfare-to-Work Amendments of 1999".

SEC. 2. APPROPRIATIONS FOR FISCAL YEAR 2000.

(a) IN GENERAL.--Clause (i) of section 403(a)(5)(I) of the Social Security Act (42 U.S.C. 603(a)(5)(I)(i)) is amended by inserting ", and \$1,000,000,000 for fiscal year 2000," after "1999".

(b) COMPETITIVE GRANTS.-- Clause (i) of section 403(a)(5)(B) of the Social Security Act (42 U.S.C. 603(a)(5)(B)(i)) is amended by striking "and 1999" and inserting ", 1999 and 2000".

SEC. 3. ELIGIBILITY FOR SERVICES.

(a) HARD-TO-EMPLOY RECIPIENTS.-- Clause (ii) of section 403(a)(5)(C) of the Social Security Act (42 U.S.C. 603(a)(5)(C)(ii)) is amended:

(1) by amending the heading to read "HARD-TO-EMPLOY RECIPIENTS";

(2) in the matter preceding subclause (I), by--

(A) striking "shall expend at least 70 percent of all" and inserting "may expend", and

(B) striking ", or for the benefit of noncustodial parents of minors whose custodial parent is such a recipient,";

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(3) in the matter preceding sub-subclause (aa) of subclause (I), by--

(A) striking "2" and inserting "1",

(B) striking "apply" and inserting "applies", and

(C) striking "or the noncustodial parent";

(4) in sub-subclause (aa) of subclause (I), by striking ", and has low skills in reading or mathematics";

(5) in subclause (I), by adding at the end the following:

"(dd) The individual has English reading, writing, or computing skills at or below the 8th grade level.

"(ee) The individual is homeless.

"(ff) The individual has a disability."; and

(6) in the matter preceding sub-subclause (aa) of subclause (II) by striking "or minor child of a noncustodial parent".

(b) NONCUSTODIAL PARENTS.-- Subparagraph (C) of section 403(a)(5) of such Act (42 U.S.C. 603(a)(5)(C)) is amended--

(1) by redesignating clauses (iii) - (viii) as clauses (iv) - (ix), respectively, and

(2) by adding a new clause (iii) as follows:

"(iii) NONCUSTODIAL PARENTS.-- An entity that operates a project with funds provided under this paragraph may use the funds to provide assistance in a form described in clause (i) to noncustodial parents who meet the requirements of each of the following subclauses:

"(I) At least 1 of the following applies:

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“(aa) The noncustodial parent is unemployed.

“(bb) The noncustodial parent is underemployed.

“(cc) The noncustodial parent is having difficulty in paying
child support obligations.

“(II) At least 1 of the following applies to the minor child of the
noncustodial parent (with the following sub-subclauses to be considered
by the entity in descending order of preference with respect to the
determination of the noncustodial parents to be provided assistance under
this paragraph):

“(aa) The minor child meets the requirements of sub-
subclauses (aa) or (bb) of clause (ii) (II), or the custodial parent of
the minor child meets the requirements of sub-subclause (bb) of
clause (ii)(II).

“(bb) The minor child is eligible for, or is receiving,
assistance under the program funded under this part.

“(cc) The minor child has received assistance under the
program funded under this part within the 12-month period
preceding the date on which the determination under this sub-
subclause is made but no longer receives such assistance.

“(dd) The minor child is eligible for, or is receiving,
assistance under the Food Stamp Act of 1977 or under title
XIX of the Social Security Act.

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“(III) The noncustodial parent enters into a personal responsibility agreement with the entity that operates a project with funds provided under this paragraph and the agency responsible for administering the State plan under part D not later than 30 days after the noncustodial parent has been enrolled in the program under this paragraph, or, at the option of the State, not later than 90 days after such enrollment, and complies with the terms of such agreement, which at a minimum includes the following:

“(aa) a commitment by the noncustodial parent to cooperate, at the earliest practicable opportunity, in the establishment of the paternity of the minor child, through voluntary acknowledgement or other establishment procedures, and in the establishment of a child support order;

“(bb) a commitment by the noncustodial parent to cooperate in the payment of child support for the minor child, which may include a modification of an existing support order to take into account the ability of the noncustodial parent to pay such support and the participation of such parent in the program under this paragraph ;

“(cc) a commitment by the noncustodial parent to participate in employment that will allow the noncustodial parent to make regular child support payments, which may include

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temporary employment in community service or work experience provided under this paragraph to assist in preparation for unsubsidized employment, and for such parents under the age of 20, may also include completion of high school, a general equivalency degree, or other education directly related to employment; and

“(dd) a description of the services to be provided under this paragraph, and a commitment by the noncustodial parent to participate in such services, that are designed to assist the noncustodial parent obtain and retain employment, increase earnings, and enhance the financial and emotional contributions to the well-being of the minor child.”.

(c) RECIPIENTS WITH CHARACTERISTICS OF LONG-TERM DEPENDENCY.--

Clause (iv) of section 403(a)(5)(C) of such Act (42 U.S.C. 603(a)(5)(C)(iv), as redesignated by subsection (b)(1), is amended by--

- (1) striking the dash after “clause (i)”,
- (2) striking the subclause (I) designation and moving the text of such subclause to immediately follow “clause (i)”,
- (3) striking “; or” and inserting a period,
- (4) striking subclause (II),
- (5) moving the last sentence to immediately follow the preceding sentence, and
- (6) in the last sentence, striking “clause (ii)” and inserting “clauses (ii) and (iii)”.

SEC. 4. EXPENDITURE REQUIREMENT FOR ASSISTANCE TO NONCUSTODIAL PARENTS.

(a) 20 PERCENT MINIMUM.-- Subparagraph (A) of section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)(A)) is amended by adding at the end the following:

“(x) EXPENDITURES FOR NONCUSTODIAL PARENTS IN FISCAL YEAR 2000.--

“(I) 20 PERCENT MINIMUM.-- Subject to subclause (II), a State shall expend not less than 20 percent of the funds allotted to the State under this subparagraph in fiscal year 2000 (including the funds allocated to service delivery areas pursuant to clause (iv)(II)) to provide assistance to noncustodial parents meeting the requirements of subparagraph (C)(iii).

“(II) WAIVER OF REQUIREMENT.-- The Governor of a State may submit a request to the Secretary of Labor to waive the requirements of subclause (I), which may include a request to reduce or eliminate the minimum percentage of expenditures required under such subclause. If the Secretary of Labor determines there is sufficient justification for the request, the Secretary of Labor may grant the State a waiver.”.

(b) STATE PLAN ELEMENT.-- Subclause (I) of section 403(a)(5)(A)(ii) of the Social Security Act (42 U.S.C. 603(a)(5)(A)(ii)(I)) is amended--

- (1) in sub-subclause (dd), by striking “and” after the semicolon;
- (2) in sub-subclause (ee), by striking the period and inserting a semicolon; and
- (3) by adding at the end the following:

“(ff) contains assurances that the State will meet the expenditure requirements for assistance to noncustodial parents under clause (x) with respect to the funds allotted under this subparagraph in fiscal year 2000, and describes how the State will coordinate projects carried out with funds allocated to the service delivery areas in the State under clause (iv)(II) and projects carried out with funds reserved by the Governor under clause(iv)(III) to ensure the required expenditure level will be met; and”.

SEC. 5. ADDITIONAL STATE PLAN ELEMENTS.

(a) INTEGRATION WITH WIA STATE PLAN.-- Subclause (I) of section 403(a)(5)(A)(i) of the Social Security Act (42 U.S.C. 603(a)(5)(A)(i)(I)) is amended, in the matter preceding sub-subclause (aa), by inserting “and, for fiscal year 2000, as part of the strategic State plan submitted under section 112 of the Workforce Investment Act of 1998” after “section 402”.

(b) COORDINATION WITH CHILD SUPPORT ENFORCEMENT AGENCIES.-- Subclause (I) of section 403(a)(5)(A)(i) of the Social Security Act (42 U.S.C. 603(a)(5)(A)(i)) is further amended by adding at the end (as amended by section 4(b) of this subtitle) the following:

“(gg) contains assurances that the child support enforcement agency administering part D will participate in the planning and coordination of assistance to noncustodial parents described in subparagraph (C)(iii) of this paragraph, including the use of the procedures of the agency to determine appropriate levels of child support for such noncustodial parents and to take appropriate actions, such as a review and adjustment or suspension of child support orders, if the noncustodial parent participating activities

under this paragraph does not have the ability to pay the required amounts.”.

SEC. 6. TRANSFER OF UNALLOTTED FORMULA FUNDS TO COMPETITIVE GRANTS.

(a) TRANSFER OF FUNDS.-- Clause (ix) of section 403(a)(5)(A) of the Social Security Act (42 U.S.C. 603(a)(5)(A)(ix)) is amended to read as follows:

“(ix) TRANSFER OF UNALLOTTED FORMULA FUNDS- If at the end of fiscal year 1999 or 2000 funds available under this subparagraph remain unallotted, the Secretary shall use such funds in fiscal year 2000 or 2001, respectively, to award competitive grants in accordance with subparagraph (B)(vi).”.

(b) USE OF TRANSFERRED FORMULA FUNDS.-- Subparagraph (B) of section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)(B)) is amended by adding at the end the following:

“(vi) USE OF TRANSFERRED FORMULA FUNDS.-- The Secretary shall use any funds available from fiscal year 1999 or 2000 pursuant to subparagraph (A)(ix) to award competitive grants in fiscal year 2000 or 2001, respectively, in accordance with the requirements of clauses (i)-(iv) of this subparagraph, except that in awarding such grants the Secretary shall give a preference to applicants, including Indian tribes, located in States that were not allotted funds under subparagraph (A) in the fiscal year from which the transfer under subparagraph(A)(ix) is made.”.

SEC. 7. ELIGIBLE SERVICE PROVIDERS.

Subparagraph (C) of section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)(C)) is amended by adding at the end (as amended by section 3(b)(1) of this subtitle) the following:

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“(x) ELIGIBLE SERVICE PROVIDERS.-- The States and private industry councils or alternate administering entities allocated formula funds under subparagraph (A), and the entities awarded competitive grants under subparagraph (B), may enter into agreements and contracts with, and award subgrants to, other public and private entities, including child support enforcement agencies, community-based organizations, and faith-based organizations, for the provision of services under this paragraph.”.

SEC. 8. PERFORMANCE BONUSES.

Subparagraph (E) of section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) is amended--

(1) in clause (i), by striking “year 2000” and inserting “years 2000 and 2001”;

(2) in sub-subclause (aa) of clause (iv)(I), by inserting “for purposes of the bonus grants awarded in fiscal year 2000, and to each State that is a Welfare-to-Work State for fiscal year 2000 for purposes of the bonus grants awarded in fiscal year 2001” before the semicolon;

(3) in sub-subclause (bb) of clause (iv)(I), by inserting “in fiscal year 2000, and \$70,000,000 in fiscal year 2001” before the period; and

(4) in clause (vi), by inserting before the period the following:

“to be awarded in fiscal year 2000. \$70,000,000 of the amount specified in subparagraph (I) for fiscal year 2000 shall be reserved for grants under this subparagraph in fiscal year 2001”.

SEC. 9. GRANTS TO INDIAN TRIBES.

(a) INCREASE IN RESERVE.-- Subparagraph (F) of section 403(a)(5) of the Social Security Act is amended by adding at the end the following sentence:

“3 percent of the amount specified in subparagraph (I) for fiscal year 2000 shall be reserved for such grants to Indian tribes.”.

(b) ELIGIBILITY FOR COMPETITIVE GRANTS.-- Clause (ii) of section 403(a)(5)(B) of Social Security Act (42 U.S.C. 603(a)(5)(ii)) is amended by inserting “, or an Indian tribe that submits a proposal” before the period

SEC. 10. FUNDING FOR EVALUATIONS.

(a) WELFARE-TO-WORK EVALUATION.-- Subparagraph (G) of section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)(G)) is amended by striking “amount so specified for fiscal year 1999” and inserting “amounts so specified for each of fiscal years 1999 and 2000”.

(b) ABSTINENCE EDUCATION EVALUATION.-- Clause (i) of section 403(a)(5)(H) of the Social Security Act (42 U.S.C. 603(a)(5)(H)(i)) is amended by inserting “, and 0.1 percent of the amount so specified for fiscal year 2000,” after “1999”.

SEC. 11. TECHNICAL ASSISTANCE.

(a) ESTABLISHMENT OF RESERVE.-- Paragraph (5) of section 403(a) of the Social Security Act (42 U.S.C. 603(a)(5)) is amended by adding at the end the following:

“(K) FUNDING FOR TECHNICAL ASSISTANCE.-- 1 percent of the amount specified in subparagraph (I) for fiscal year 2000 shall be reserved by the Secretary of Labor for technical assistance to States and localities carrying out projects under this paragraph. Such technical assistance shall include the dissemination of information regarding innovative and promising practices and approaches relating to welfare-to-work activities, including strategies for effectively serving noncustodial parents. The Secretary of Labor, in consultation with the Office of Child Support Enforcement, shall develop a

technical assistance strategy for carrying out this subparagraph that ensures coordination and promotes partnerships among States and local agencies carrying out activities under this paragraph and under this part, child support agencies, and community-based organizations serving noncustodial parents.”.

(b) CONFORMING AMENDMENTS.--

(1) FORMULA GRANTS.-- Sub-subclause (aa) of section 403(a)(5)(A)(iv)(I) of the Social Security Act (42 U.S.C. 603(a)(5)(A)(iv)(I)(aa)) is amended by striking “and (H)” and inserting “(H), and (K)”.

(2) COMPETITIVE GRANTS.-- Sub-subclause (aa) of section 403(a)(5)(B)(v)(I) of the Social Security Act (42 U.S.C. 603(a)(5)(B)(v)(I)(aa)) is amended by striking “and (H)” and inserting “(H), and (K)”.

SEC. 12. SIMPLIFICATION AND COORDINATION OF REPORTING REQUIREMENTS.

(a) ELIMINATION OF CURRENT REQUIREMENTS.-- Subparagraph (A) of section 411(a)(1) of the Social Security Act (42 U.S.C. 611(a)(1)(A)) is amended--

(1) in the matter preceding clause (i), by inserting “(except for information relating to activities carried out under section 403(a)(5))” after “part”, and

(2) by striking clause (xviii).

(b) REPORTING TO BE CONSISTENT WITH WIA.-- Subparagraph (C) of section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)(C)) is amended by adding at the end (as amended by sections 3(b)(1) and 7 of this subtitle) the following:

“(xi) REPORTING REQUIREMENTS.-- The Secretary of Labor shall establish requirements for the collection and maintenance of financial and participant information and the

reporting of such information by entities carrying out activities under this paragraph that are consistent with the information collection, recordkeeping and reporting requirements established under title I of the Workforce Investment Act of 1998.”.

SEC. 13. REPORT TO CONGRESS.

Subparagraph (C) of section 413(j)(2) of the Social Security Act (42 U.S.C. 613(j)(2)(C)) is amended--

- (1) by amending the heading to read “SUBSEQUENT REPORTS”;
- (2) by inserting “and January 1, 2002, respectively”; and
- (3) by striking “a final report” and inserting “reports”.

SEC. 14. EFFECTIVE DATES.

(a) IN GENERAL.-- Except as provided in subsection (b), the provisions of this subtitle shall take effect on October 1, 1999.

(b) TRANSFER OF FORMULA FUNDS.-- The amendment contained in section 6 shall apply with respect to funds appropriated to carry out section 403(a)(5) of the Social Security Act (42 U.S.C. 603(a)(5)) for fiscal years 1999 and 2000.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 12:40:34.00

SUBJECT: Potus Press Conference Guidance

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

A first draft of the briefing book was submitted last night. If any of the guidance needs to be updated to reflect yesterday's or this morning's news - I will need it by 2:00 - when a final version is due to staff secretary - thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Edward W. Correia (CN=Edward W. Correia/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:18-MAR-1999 12:45:15.00

SUBJECT: Re: Single Sex Education and Admissions

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

READ:UNKNOWN

CC: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Charles F. Ruff (CN=Charles F. Ruff/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

You asked me where the agencies are on single sex and college admissions. On the single sex issue, ED is delaying action on all three tracks -- the NYC Leadership School investigation, their modifications to Title IX regs, and their response to Hutchinson's amendment -- until it receives legal and policy guidance. They asked OLC for its views and OLC has been analyzing the constitutional issues for several months. As I mentioned, Chuck would like to meet on both this and the admissions issue with a group similar to the one at the earlier meeting -- DOJ (I suppose including OLC) as well as ED's General Counsel and anyone else you want to include.

On college admissions, the main investigation is the University of California law school. OCR's drift seems to be against a formal complaint, either administrative or judicial, though the possibility remains that there could be some type of voluntary settlement. That, in turn, could (and in my view probably would) be viewed as a broader statement of administration policy on the use of standardized tests in admissions. It is worth discussing alternatives to enforcement action, such as elevating the Administration's message to encourage a more individualized approach to admissions. On a related issue, the recent case involving the NCAA's Prop. 16 standard will be appealed to the Third Circuit. We have the opportunity to file an amicus on two issues -- the coverage of the NCAA under Title VI and the challenge to the standardized test. I think the first issue is easy -- we should get involved -- the second issue is much harder. That is worth discussing, too.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 13:01:16.00

SUBJECT: final two-pager on Republican budget

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Brian D. Smith (CN=Brian D. Smith/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Douglas B. Sosnik (CN=Douglas B. Sosnik/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Richard L. Siewert (CN=Richard L. Siewert/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Ashley L. Raines (CN=Ashley L. Raines/OU=OA/O=EOP @ EOP [OA])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Alison Muscatine (CN=Alison Muscatine/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Joseph J. Minarik (CN=Joseph J. Minarik/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Douglas R. Matties (CN=Douglas R. Matties/OU=OA/O=EOP @ EOP [OA])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Jacob J. Lew (CN=Jacob J. Lew/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Karin Kullman (CN=Karin Kullman/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Eli P. Joseph (CN=Eli P. Joseph/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Daniel D. Heath (CN=Daniel D. Heath/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Betty W. Currie (CN=Betty W. Currie/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Jill_M_Blickstein (Jill_M_Blickstein @ Ianmail.fanniema.com [UNKNOWN])

READ:UNKNOWN

TO: Richard B. Bavier (CN=Richard B. Bavier/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: Brenda M. Anders (CN=Brenda M. Anders/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

TO: William A. Halter (CN=William A. Halter/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

TO: jgreen@pfaw.org (jgreen@pfaw.org [UNKNOWN])

READ:UNKNOWN

TO: Andrei H. Cherny (CN=Andrei H. Cherny/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Mickey Ibarra (CN=Mickey Ibarra/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: Cathy R. Mays (CN=Cathy R. Mays/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: Bruce R. Lindsey (CN=Bruce R. Lindsey/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: Robert D. Kyle (CN=Robert D. Kyle/OU=OMB/O=EOP @ EOP [OMB])

READ:UNKNOWN

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

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

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

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

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

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

TO: MCrisci@arnellgroup.com (MCrisci@arnellgroup.com [UNKNOWN])
READ:UNKNOWN

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

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

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

TEXT:

----- Forwarded by Melissa G. Green/OPD/EOP on 03/18/99
12:59 PM -----

Charles R. Marr
03/18/99 12:45:20 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: final two-pager on Republican budget

Melissa -- can you do a blast email?

Message Copied

To: _____
Richard L. Siewert/WHO/EOP
Jonathan A. Kaplan/OPD/EOP
Linda Ricci/OMB/EOP
Jennifer M. Palmieri/WHO/EOP
Stacie Spector/WHO/EOP
Eli G. Attie/OVP @ OVP

Jessica L. Gibson/WHO/EOP

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D1]MAIL48317158G.036 to ASCII,
The following is a HEX DUMP:

FF575043AD0F0000010A02010000000205000000994300000002000003FEBA4B80AFAB305CECA6B
9E4071569AB6242C2EE16EEB8E61C0280F86A53270D11B0D2354E6337E43754B5183112F43C68F
2719484AAFAA017D4F80AF9B2B89C68BD43A7248BEC93505F488CC0BC30F0B2144D25C705040AA
83448DCD676700DC62666ADF060B0F8AB6F29B45DF3FDDCADC9949A2E221DFCCBC4D151128EEF8

Republican Budget Fails to Extend Solvency of Social Security and Medicare and Dramatically Cuts Key Priorities March 18, 1999

Building on the success of six years of fiscal discipline and the virtuous economic cycle it created, President Clinton has proposed a budget that includes a more than \$3.4 trillion debt reduction lock-box that extends the solvency of Social Security until 2055 and extends Medicare's solvency for more than a decade. It invests in education and a cleaner environment, and provides a pro-savings tax cut to help American families build wealth through new Universal Savings Accounts (USAs). The Republicans have responded by proposing a budget that:

- Fails to extend the solvency of Medicare and Social Security.
- Forces dramatic cuts in key priorities -- more than 10% in 2000 and more than 20% in 2004.
- Chooses instead a large tax cut targeted away from the middle class.

Fails to Extend Medicare Solvency

A year ago, in a radio address response [February 7, 1998], Chairman Domenici said, "*I believe that we should save Medicare first.*" In the Senate Budget Committee, he said, "*for every dollar you divert to some other program you are hastening the day when Medicare falls into bankruptcy.*" [Committee on Budget Mark-up, March 18, 1998] President Clinton's plan allocates 15 percent of the surplus over 15 years (or \$686 billion) to Medicare, and extends its solvency by more than a decade. Congressional Democrats share the President's determination to allocate 15 percent of the surplus for Medicare. However, the Republican budget:

- Does not extend Medicare solvency by one day.
- Does not set aside even one penny of the surplus to strengthen Medicare.

Fails to Extend Social Security Solvency

- The Republican budget would do nothing to extend the solvency of Social Security. President Clinton's plan, according to the Social Security's independent actuary, extends the solvency of Social Security until 2055. Even if the Republican budget carries out any debt reduction, it does not apply the benefits of this debt reduction to Social Security. The solvency of Social Security is not extended by one day. At the same time, the Republicans are placing top priority on a tax cut that explodes in cost right when the baby boom approaches retirement.
- The Republican lock-box's debt mechanism would "*preclude the United States from meeting its future obligations to repaying maturing debt and to honor payments -- including benefit payments -- and could also run the risk of worsening a future economic downturn.*" [letter from Secretary Rubin to Senator Daschle, March 17, 1999].

Forces Dramatic Cuts in Key Priorities: More than 10% in 2000 and roughly 25% in 2004

The Republican budget dramatically cuts the funds available for key domestic priority programs that have in the past received bipartisan support. The severity of these required cuts demonstrates that the Republican budget is unrealistic and unworkable. After factoring in Republican commitments made in their budget -- on tax cuts, defense, education, NIH -- **remaining programs would be slashed more than 10 percent in 2000 and more than 20 percent in 2004.** If cut across-the-board, the Republican budget could mean that in 2000 alone:

- Up to 100,000 children would lose access to **Head Start**.
- About 2,700 FBI agents would be cut.
- More than 1.2 million low-income women, infants, and children would lose **WIC** nutrition assistance.

- More than **73,000 summer jobs** and training opportunities would be eliminated for low-income young people.
- Implementation of IRS organizational restructuring, which was mandated by bipartisan IRS Reform, would be delayed one year.
- 1,000 meat and poultry inspectors would be laid off or furloughed, undermining **food safety**.
- Cuts to Health Resources and Services Administration's **health services** for women and children, uninsured people and people with AIDS could prevent 2.9 million people from receiving health care services.
- Tenant-based **rental assistance** would be denied to 1,300 families. Funds would be lost for new construction, rehabilitation, or acquisition of over 10,000 affordable housing units.
- About 1,350 Border Patrol agents would be cut and the number of detention beds to incarcerate criminal aliens and illegal border crossers would be reduced by 5,200.
- 7,500 low-income older Americans would lose their part-time jobs.
- Funding would be eliminated for the clean-up of 21 Superfund toxic waste sites -- needlessly jeopardizing public health for citizens living near affected sites and making it more difficult to meet the 900 site cleanup goal in 2002.
- The National Park Service budget would be cut by \$215 million. Most seasonal workers could not be hired, resulting in widespread cutbacks in visitor services, seasonal programs, and hours of operations at 378 park units serving almost 300 million visitors annually.

By 2004, the above cuts would be twice as severe -- more than 20 percent across the board. More than 200,000 children would lose access to Head Start, and more than 6,000 FBI agents would be cut -- and so on down the line.

Chooses Instead a Large Tax Cut Targeted Away from the Middle Class

The Republican budget reserves the on-budget surplus for a tax cut. Moreover, any increase later this year in CBO's surplus projections would also go for a tax cut. In a list of possible tax cuts, the first one listed is the flagship Republican tax cut -- an across-the-board income tax cut. As noted by a wide range of observers, this tax cut would be targeted away from the middle class and disproportionately benefit taxpayers with extremely high incomes:

- Citizens for Tax Justice found that the top one percent of taxpayers, who have incomes above \$301,000, would receive a tax cut of \$20,697, compared to just \$99 a year for the bottom 60 percent of families.
- The Joint Tax Committee estimates that 48 million families would receive no tax cut at all.
- As Representative Nancy Johnson (R-CT) has said, "*when you do an across-the-board cut it tends to help the top earners the most.*" [Washington Post, February 23, 1999]. And as Commentator George Will has observed: "*if you cut taxes across the board, the lion's share of the money is going to go to upper-income people.*" [ABC's This Week, 2/14/99]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Teresa M. Jones (CN=Teresa M. Jones/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:18-MAR-1999 13:25:51.00

SUBJECT: Nursing Home Enforcement

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

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

TO: Mark E. Miller (CN=Mark E. Miller/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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

CC: Gina C. Mooers (CN=Gina C. Mooers/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

TEXT:

This meeting is scheduled for Monday, March 22, 1999, from 11:00 to 12:00 in Room 476 OEOB. All participants are asked to be present.

PARTICIPANTS:

Kevin Thurm
Nancy Ann Min DeParle
Mike Hash
Elena Kagan
Dan Marcus
Jose Cerda
Leann Shimabukuro
John Bentivoglio
MT Connelly
Eric Holder

Dan Mendelson
Mark Miller
Chris Jennings & Staff

No Additions or Substitutes please.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 14:08:11.00

SUBJECT: NEW Update on Arkansas child support

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

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

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

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

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

TEXT:

In response to our questions, HHS has discovered an embarrassing (to them) fact but one that should help us provide the President a response more to his liking: Since 1992, HCFA has been interpreting the same regulation differently in Medicaid cases than ACF has been for child support. HCFA has been allowing federal match for computer systems without prior approval in certain limited circumstances (if the transaction would have been approved had prior approval been sought and if the state agrees to institute controls to ensure prior approval requirements are met in the future.) Rather astounding that they didn't discover this before Kevin met with the Governor. Anyway, HHS is pulling together their key people now to work through the implications of having a uniform agency wide policy (if ACF uses the HCFA rules for Arkansas, they may be subject to lawsuits from states they've turned down in the past). We've suggested some other possibilities too (using TANF or SSBG funds, spreading payments out over 10 quarters) for which they are examining the implications. I'll push them and keep you posted. Call me if you'd like to discuss (62846)

Cynthia A. Rice
03/18/99 12:33:15 PM
Record Type: Record

To: Maria Echaveste/WHO/EOP
cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP, J. Eric Gould/OPD/EOP
Subject: Update on Arkansas child support

Bruce asked me to send you a note on Arkansas child support. We're finishing a memo to the President but are pushing HHS to come up with some more responsive options.

Here's where things stand.

HHS policy since 1986 has been to deny federal match for contracts for which states have not received prior approval. They have never made an exception -- in fact during the last year, they've taken this position with California, Hawaii, Kansas, Nevada, Pennsylvania, South Dakota, and West Virginia. The contracts under dispute are for child support computer systems. The rationale for requiring federal approval is to ensure the contracted services meet basic programmatic requirements before the federal government commits to pay 66 percent or more of their costs.

Arkansas does not dispute that they didn't submit the contract for federal review early enough. But they've asked that the penalty be reduced or waived. HHS agrees that if the contract had been submitted earlier they would have approved it. However, HHS strongly opposes making an exception, even in this case.

As I said, we are working with HHS to develop some better options ASAP -- we'll send you more on that shortly. One issue to consider: there is apparently an on-going FBI investigation of child support contracts in Arkansas, related to contracts being awarded to members of the state legislature. The Lexis/Nexis search I did pulled up dozens of articles mentioning the investigation, which apparently began in November 1997 with a raid of State Senator Nick Wilson's office. As a result of the publicity surrounding this investigation, the legislature passed and Huckabee has signed into law new ethics rules. However, according to the press, the investigation is on-going, under the direction of US Attorney Paula Casey. I'm not saying that I have any indication that there's a connection between the contracts for which the state didn't see federal approval and this investigation, but I just wanted to flag for you that the issue of child support enforcement contracts in the state is under a great deal of scrutiny right now.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 15:18:37.00

SUBJECT: Nursing Home Bill

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I was just at an impromptu meeting about the Nursing Home bill. There was a general consensus that people want to get at least a small signing with members only on the schedule next week. However, if there is some policy to announce they were interested in doing a slightly larger event on Tuesday or Wednesday. I was asked to get back to the Communications/Press/Leg. Affairs group by the end of the day today to let them know what the prospects are. Please let me know what, if anything, we think we could do early next week.

Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 16:12:36.00

SUBJECT: Voc-Rehab - WIA Meeting

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

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

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

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

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

CC: Alison Perkins-Cohen (CN=Alison Perkins-Cohen/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: Maureen H. Walsh (CN=Maureen H. Walsh/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

TEXT:

We have scheduled a Voc-Rehab - WIA meeting for Monday, March 22 at 12:00PM in Barbara Chow's office (OEOB 260). Please let me know if you are unable to attend.

Attendees:

Ray Uhalde, DoL
Ray Barmucci, DoL
Judy Heumann, ED
Trish McNeil, ED (or someone from her office)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 16:17:34.00

SUBJECT: helms v.picard

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

READ:UNKNOWN

TEXT:

Chuck would like to get together to discuss where we go from here. Your assistant said tomorrow morning looked pretty good, so I'll shoot for that. Meanwhile, you can read all of O'Connor's opinions!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 16:53:41.00

SUBJECT: AmeriCorps Visibility 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: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP @ EOP [WHO])
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

TEXT:

Our weekly AmeriCorps Visibility call will be this coming Monday, March 22nd at 4:00pm.
Dial 757-2104, code 2846.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 17:12:17.00

SUBJECT: Roundtable Participants at Equal Pay Event on April 7

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

We're starting to have meetings with OPL to discuss the roundtable participants for the Equal Pay event on April 7. Here's what we were thinking of. What do you think?

- President
- Secretary Herman
- Ida Castro, Chairwoman of the EEOC
- 5 other panelists

For the other panelists, here are some of our thoughts:

- woman with children who has been paid unequally or man whose wife is paid unequally
- woman who has retired and who had been paid unequally -- can talk about effects on her retirement savings
- business person from company that has revamped its pay system
- economist - can talk about wage gap generally
- comparable worth woman

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 18:11:22.00

SUBJECT: Re: helms v.picard

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

TEXT:

Nope. I gather Ora has set meeting for 11:30

Elena Kagan

03/18/99 05:33:15 PM

Record Type: Record

To: Dan Marcus/WHO/EOP

cc:

Subject: Re: helms v.picard

You don't happen to have them, do you?

By the way, Judy Winston tells me the Secretary is pretty hard over on this issue (even after Judy briefed him on Seth's reasoning), though he has agreed to meet with Seth later this week or early next.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 18:36:44.00

SUBJECT: Morning Meeting Update -- Hatch Bill

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

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

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

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

TEXT:
BR/EK:

Just got a copy of Hatch's press advisory for tomorrow. He's planning a press conference on his bill for 11:30 am in SROB 325, and will be joined by Senators Nickles, Ashcroft, DeWine, Thurmond, Abraham, and unnamed "law enforcement organizations." According to his advisory, the bill will;

-- preserve the Local Law Enforcement Block Grant zeroed out by the Administration;

-- continue violent offender/truth-in-sentencing grants eliminated by the Administration;

-- increase drug penalties for meth, powder cocaine, and funding for drug interdiction and faith-based drug treatment (the Drug-Free Century Act, S.5);

-- increase funding for the Juvenile Accountability Block Grant zeroed out by the Administration;

-- expands Project Exile in an effort to reverse the Administration's dismal record on gun prosecutions (down nearly 50% between 1992 and 1997, from 7,045 to 3,765);

-- reform Miranda to allow voluntary statements in evidence, add a "good-faith" exception, and further reform the death penalty appeals process;

-- calls for ratification of a constitutional amendment on victims rights, reauthorizes VAWA, and makes improvements to mandatory restitution laws.

Stay tuned...jc3

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 19:31:13.00

SUBJECT: Voc-Rehab - WIA Meeting

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

TEXT:

Elena -- I do not think you need to go to this meeting. Eric and I can handle it. This is just the last issue in the Workforce Investment Act reg.

----- Forwarded by J. Eric Gould/OPD/EOP on 03/18/99
08:22 PM -----

Sandra Yamin
03/18/99 04:12:57 PM
Record Type: Record

To: Elena Kagan/OPD/EOP, J. Eric Gould/OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: Voc-Rehab - WIA Meeting

We have scheduled a Voc-Rehab - WIA meeting for Monday, March 22 at 12:00PM in Barbara Chow's office (OEOB 260). Please let me know if you are unable to attend.

Attendees:
Ray Uhalde, DoL
Ray Barmucci, DoL
Judy Heumann, ED
Trish McNeil, ED (or someone from her office)

Message Copied

To: _____
Laura Emmett/WHO/EOP
Barry White/OMB/EOP
Wayne Upshaw/OMB/EOP
Daniel I. Werfel/OMB/EOP
Maureen H. Walsh/OMB/EOP
Carole Kittti/OMB/EOP
Alison Perkins-Cohen/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 19:43:11.00

SUBJECT: gun directive

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

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

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

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

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

TEXT:

This latest draft contains minor changes from DOJ and Treasury.

EK: Please note that the Justice Department asked for more time on the report back, so we extended it to 90 days.

Thanks,
Leanne

65574===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D85]MAIL41329068D.036 to ASCII,
The following is a HEX DUMP:

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218B6C480A28AF0B98BC25AF8FF30A25957FFD853A292394D7A3D0AF1CE5B22109DD7E0502B361
EB94655B81FB3441CB02D3720DAC1D624820136A81FAB0A5960C2D5490CDC9ADFFD51F21DC8A0D

March 20, 1999

**MEMORANDUM FOR THE SECRETARY OF THE TREASURY
THE ATTORNEY GENERAL**

SUBJECT: Deterring and Reducing Gun Crime

Since the start of our Administration, we have developed and implemented a number of effective national strategies to reduce crime: we have provided funds to over 11,000 communities to hire and redeploy more than 92,000 local law enforcement officers; we have prevented more than a quarter of a million illegal handgun sales through Brady background checks; and we have developed a coordinated attack on the illegal sources of guns used in crime. Additionally, through the leadership and dedicated efforts of state and local police and prosecutors, mayors, U.S. Attorneys, the Bureau of Alcohol, Tobacco, and Firearms (ATF), and community leaders, dozens of other smart, tough, crime-fighting strategies have been put in place throughout the country.

During this period, the nation's crime rate has dropped by more than 20 percent, and crime committed with guns has dropped 27 percent. In certain communities, where federal, state, and local law enforcement have worked with other community leaders, violent crime rates have gone down even more dramatically. In Boston, Massachusetts, for example, when law enforcement and community leaders worked together to reduce violence by youth gangs, they reduced the number of homicides among youth by 70 percent in just two years. In Minneapolis, Minnesota, effective law enforcement and prevention efforts conducted by public-private partnerships have reduced homicides by 30 percent and summertime homicides by 75 percent. And in Richmond, Virginia, effective and coordinated law enforcement, including stepped up enforcement of gun crimes through the program known as Project Exile, has reduced the homicide rate significantly.

Still, the number of people killed with firearms remains unacceptably high: more than 14,000 people were murdered with guns in our nation in 1997. We must redouble our efforts to deter and further reduce gun crime -- and work to make every neighborhood and community free of serious gun violence.

I therefore request that you develop an integrated firearms violence reduction strategy that draws on the proven measures and innovative approaches that are working in communities throughout the country. We know that gun violence issues in each community differ, and that no single program or strategy will be right for every community. Therefore in developing the strategy you should consult closely with U.S. Attorneys and ATF Special Agents in Charge, as well as state and local law enforcement, elected officials, and other leaders. It should consider the special needs of local communities and strike an appropriate balance between federal and state law enforcement. I ask that the strategy specifically include elements to:

- (1) Increase intensive investigation and prosecution of significant firearms violations,

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Hex-Dump Conversion

including illegal possession, use, and trafficking of guns, through innovative programs such as Project Exile;

(2) Expand comprehensive crime gun tracing, analysis and mapping; increase use of ballistics identification technology; and coordinate use of crime gun information to identify illegal gun markets, gun “hot spots,” and illegal gun traffickers;

(3) Strengthen coordinated law enforcement and regulatory enforcement efforts to ensure compliance with all applicable laws by federally-licensed gun dealers and prospective gun purchasers;

(4) Implement targeted deterrence of violent offenders through improved coordination with probation and parole officials supervising such offenders and swift and certain punishment for those found to have violated the conditions of their parole or probation; and

(5) Promote problem-solving analysis and innovative strategies, such as the Boston Gun Project, to work closely with community members to identify gun criminals, remove weapons in the hands of juveniles, search for and seize crime guns, and increase the public’s knowledge of their community’s gun-related crime and violence problem.

Finally, I ask that you make recommendations on how best to allocate federal resources to support the goals of the strategy you develop. I further ask that you provide me with your first report on this integrated firearms violence reduction strategy within 90 days.