

**NLWJC - KAGAN**

**EMAILS RECEIVED**

**ARMS - BOX 062 - FOLDER -006**

**[06/25/1997 - 06/30/1997]**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie ( CN=Eli G. Attie/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 18:31:15.00

SUBJECT: Possible 7/4 Radio Address topics

TO: Elizabeth Drye ( CN=Elizabeth Drye/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

I know the airbag idea has basically been shot down. But is there anything else we could do on auto safety or seatbelts, perhaps tied to the NEXTEA provisions? Or is there anything new we could do on food safety?

Both Rahm and Ann are eager to see what can be done on family/consumer/safety themes, following up on last year's successful July 4th food safety hit...

Thanks --

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie ( CN=Eli G. Attie/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 18:36:53.00

SUBJECT: Re: Possible 7/4 Radio Address topics

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

READ:UNKNOWN

TEXT:

That would probably be a reasonable back-up (at least in my view), but I think Rahm, and Ann are aiming for something with a more direct holiday tie-in -- e.g. lots of families will be taking long drives and going to barbecues over the long weekend, so here is something to protect average families.

Do you think anything is doable in those other areas? If not, we can float the child support idea...

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1997 13:21:56.00

SUBJECT: Calls

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

READ:UNKNOWN

TEXT:

In addition to Ruff (62632) also  
Jonathan Wroblewski called back (273-4523);  
Janet Himler (57751) called to say document is still on hold;  
and David Hoffman (479-3107) called to confirm dinner.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cheryl M. Carter ( CN=Cheryl M. Carter/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 16:13:25.00

SUBJECT: Re: Meeting request/Nat'l Cncl on Alcoholism

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

READ:UNKNOWN

TEXT:

I love it when you beg...I'll try to hold them off.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Beverly J. Barnes ( CN=Beverly J. Barnes/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 12:39:39.00

SUBJECT: Information for Advisory Board Members

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

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

TO: Ananias Blocker III ( CN=Ananias Blocker III/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

TO: James T. Edmonds ( CN=James T. Edmonds/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: Suzanne Dale ( CN=Suzanne Dale/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

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

TO: PALMIERI\_J ( PALMIERI\_J @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (WHO)  
READ:UNKNOWN

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

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

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

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

TO: Elisa Millsap ( CN=Elisa Millsap/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: Michael Waldman ( CN=Michael Waldman/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: Doris O. Matsui ( CN=Doris O. Matsui/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

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

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

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

TO: Thurgood Marshall Jr. ( CN=Thurgood Marshall Jr./O=OVP @ OVP [ UNKNOWN ] )

READ:UNKNOWN

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

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

TO: Laura K. Demeo ( CN=Laura K. Demeo/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: Dawn M. Chirwa ( CN=Dawn M. Chirwa/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

TEXT:

At yesterday's race working group meeting, we agreed that the advisory board members need to be better informed of what we are doing at the White House that relates to their initiative.

I am willing to prepare a memo or have a conversation with them to bring them up to speed, but I need your thoughts on what information to share with them.

I strongly believe that we need to communication with them as soon as possible. Please forward your ideas and any paper to me by close of business today. I will start contacting them tomorrow morning.

Rob/Dawn: Please advise whether this is best done by phone or by paper.

Bob: If your office prepares a memo on the meeting specifics (who to call to make travel arrangements, where exactly the meeting will be held, whether they should make their own dinner and breakfast plans, etc.), I can forward this at the same time. Yesterday's calls confirming a 7/14 meeting universally generated requests for specifics by the end of the week.

Thanks for everyone's help. bb

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 13:46:22.00

SUBJECT: Meeting w/Nightline - Time change

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

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

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

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

TEXT:  
You have been invited to the meeting below.  
----- Forwarded by June G. Turner/WHO/EOP on 06/25/97  
01:42 PM -----

June G. Turner  
06/25/97 12:07:34 PM  
Record Type: Record

To: See the distribution list at the bottom of this message  
cc: Lori L. Anderson/WHO/EOP, Angelique Pirozzi/WHO/EOP, Kevin S. Moran/WHO/EOP  
Subject: Meeting w/Nightline - Time change

Sylvia's meeting w/ Nightline folks (Ted Koppel, Richard Harris, Tom Bettag) on Friday, June 27 will now be at 3:00 pm (re: Race Initiative)  
. This will be in the Roosevelt Room

thanks.

Message Sent  
To: \_\_\_\_\_  
Michael D. McCurry/WHO/EOP

Joseph P. Lockhart/WHO/EOP  
Ann F. Lewis/WHO/EOP  
Minyon Moore/WHO/EOP  
Stuart M. Schear/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1997 14:21:12.00

SUBJECT: Chris Edley

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

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

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

TEXT:

I called Chris to set-up a 5pm brainstorming session before our 5:30pm  
with him Any chance this works for either of you? Let me know.

Thanks,  
Jose'

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie ( CN=Eli G. Attie/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 13:40:15.00

SUBJECT: Re: Airbags?

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

READ:UNKNOWN

TEXT:

great minds think alike...

(just kidding)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1997 14:19:52.00

SUBJECT: Welfare to Work Conference

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

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

TO: Christa Robinson ( CN=Christa Robinson/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: Stephanie S. Streett ( CN=Stephanie S. Streett/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

FYI, Eli Segal called me today regarding his proposed Welfare to Work conference. He would like to move ahead with plans to do this in St. Louis on August 14 and needs to lock in on a date soon.

I told him that it would realistically be at least a week before we could give him an answer. He believes that he needs to move ahead with plans and is going to start discussions with the Mayor of St. Louis this week on the possibility of doing a conference in St. Louis on August 14. He is going to describe it as a "Welfare to Work Foundation" event -- not a Presidential event.

I asked that he hold off as long as possible before committing to the 14th in case this does not work for the President. He will let me know before he makes commitments, but is not going to be able to wait long.

He said that if the President cannot do the St. Louis event, that he could work to create another event in DC around the anniversary the President could be involved in. Again, I reiterated our interest in making St. Louis work and asked that he hold off before committing to a date.

Please let me know your thoughts on this and if you hear from Eli, too.



Draft Statement -- RFRA Case -- Boerne v. Flores

Today the United States Supreme Court held that state and local governments are not bound by the protections of religious liberty afforded by the Religious Freedom Restoration Act. This Administration sought passage of the Religious Freedom Restoration Act (RFRA) to ensure that religious liberty could not be restricted by federal, state, and local governments without compelling reason. While we are disappointed with the Court's conclusion that RFRA does not apply to state and local governments, we are gratified that RFRA will continue to prevent federal agencies, entities, and institutions from unduly burdening religious exercise.

Religious freedom is central to the American system of liberty. In the First Amendment of the United States Constitution, our nation's founders erected the twin pillars of this freedom, guaranteeing the free exercise of religion and prohibiting the establishment of religion by the state. Throughout our history, men and women have come to this nation to secure this precious liberty. We have built a nation in which religious practices and institutions have thrived because each individual has been able to choose for himself or herself whether and how to worship.

In the four years I have served as President, nothing has given me greater joy than the efforts of this Administration to support freedom of religion. We have worked in tandem with an unprecedented coalition of people with diverse backgrounds and beliefs in support of religious liberty. Our work with this coalition led not only to the passage of RFRA, but also to the issuance of guidance to public school districts on the extent of permissible prayer and other speech of religious character. We will continue to work to protect religious liberty to the fullest extent the Constitution allows.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1997 14:23:24.00

SUBJECT: FOCUS Group # 4

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

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

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

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

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

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

TEXT:

Focus Group # 4 will meet today in room 476 at 4:00. This meeting is with the Child Care Foundation Contacts. The following will attend:

Michael Levine, Carnegie Corporation of New York  
Ruby Takanashi, Foundation for Child Development  
Dee Topel, Traveler's Foundation  
Luba Lynch, A.L. Mailman Family Foundation  
Margaret Petruska, The Howard Heinz Endowment  
Mary Larner, David & Lucille Packard Foundation  
Kathleen Christensen, Alfred P. Sloan Foundation  
Randi Botnik,  
Deanna Gomby, David & Lucille Packard Foundation  
Pam Stevens, DeWitt Wallace- Readers Digest Fund  
Linda Rich, Pew Charitable Trusts

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:25-JUN-1997 12:39:19.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Howard Chang is in the West Lobby. I'll tell him you'll be a few minutes  
-Laura

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: William P. Marshall ( CN=William P. Marshall/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 13:33:46.00

SUBJECT: RFRA statement

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

TO: Elena Kagan ( CN=Elena Kagan/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: Laura K. Capps ( CN=Laura K. Capps/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TO: Serena C. Torrey ( CN=Serena C. Torrey/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: Michelle Crisci ( CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

This has been approved by DOJ. Call me if you have any questions. 6-6219

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie ( CN=Eli G. Attie/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:25-JUN-1997 13:34:13.00

SUBJECT: Re: Airbags?

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

READ:UNKNOWN

TEXT:

Thanks; understood. (I'm not sure the other people you sent this message to will know much about this, though -- it was just a thought of mine at our own staff meeting this morning...)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:26-JUN-1997 11:15:15.00

SUBJECT: Message from Sylvia

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: edley ( edley @ law.harvard.edu @ INET @ LNGTWY [ UNKNOWN ] )  
READ:UNKNOWN

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

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

TEXT:

Reminder from Sylvia that we will need a Policy Statement for the POTUS event on 7/16 or 7/17.

Thanks.



**Vocational Education:** Wednesday, on a 20-18 party-line vote, the House Education and the Workforce committee reported out HR 1853, which would reauthorize the Carl D. Perkins Vocational and Applied Technology Education Act. Committee Democrats opposed the bill largely because it would hurt urban areas through changes in the substate funding formula, a reduction in the minimum grant size for local school districts and postsecondary institutions, and the option for states to create a 10% set-aside for rural areas. In addition, many Democrats, led by Rep. Mink, objected to ending sex-equity set-asides (although the Administration proposal would do this, as well).

Aside from the funding formula issue, the Department of Education has expressed several other concerns with the bill. In particular, HR 1853 has very weak accountability provisions. It would severely limit the Secretary's ability to make judgments about the quality of state funding applications and would give the Secretary no role in developing state program performance indicators or benchmarks.

We expect there to be continuing negotiations over provisions of the bill before it reaches the floor, particularly because it is highly unlikely that there are enough Republican votes to pass it.

**California Teacher Testing Litigation:** The EEOC, Justice Department, and Education Department are considering whether the EEOC should file an appeal in a case involving basic skills testing of teachers. The Association of Mexican-American Educators and other California-based civil rights groups challenged the California Basic Education Skills Test (CBEST) in trial court, on the grounds that this employment test had a disparate impact on Latinos, African Americans and Asian Americans, lacked validity, and therefore violated Title VII of the Civil Rights Act. The court ruled against the plaintiffs, arguing that while there were different pass rates for different groups, the test was job related and adequately validated, and therefore permissible.

Though the EEOC did not participate in the trial stage, it believes that it should participate in an appeal because, in its view, the court made serious procedural errors in determining that the test is valid. According to the EEOC, these errors, if left uncorrected, would be a serious setback for Title VII enforcement. The Education Department is opposed to appealing the verdict on the grounds that the procedural errors were minor and, if corrected, would still show the test to be valid. The Education Department is also concerned that an appeal in this case would undermine the Administration's strong support for higher standards and tests for both students and teachers by creating the public perception that it opposes testing to ensure that prospective teachers have basic skills in reading, writing and math.

National civil rights groups, including the Leadership Conference for Civil Rights and the NAACP Legal Defense and Education Fund are strongly urging the Administration to file a brief supporting the plaintiff's appeal. They view the procedural issues as highly significant and setting a precedent which will affect Title VII enforcement in other areas. They have made clear that they view this case as a test of the Administration's willingness to enforce civil rights laws in testing cases, and have implied that our action in this case will affect their stance on your national testing initiative.

At a meeting this week with EEOC, Education, Justice, White House Counsel and DPC staff, Wade Henderson and his colleagues from the civil rights community suggested a possible compromise position. They proposed that we work to develop a brief that would strongly underscore our policy views in favor of higher standards and testing, limit the challenge to the court's decision to relatively narrow issues, and oppose only earlier versions of CBEST while not challenging the test currently in use. Representatives of all of agencies believe this was a good faith effort to assist the Administration in honoring its commitments to civil rights and to education standards, and are working to outline such a brief. However, the same representatives were unsure as to whether such a brief would be legally defensible, strategically wise, or would satisfy any of the competing values in this case. This determination will be made once the proposed outline is developed and reviewed. We expect to continue to consult with the civil rights groups before any final determination is made.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mark Hunker ( CN=Mark Hunker/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:26-JUN-1997 11:37:43.00

SUBJECT: Immigration Meeting

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

TO: MALLEY\_R ( MALLEY\_R @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (NSC)  
READ:UNKNOWN

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

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

TEXT:

Where are we on this issue? Maria has asked me about it several times. A meeting was to be set-up and a plan put together. She recently sent a memo that she was cc: on to Jose (DPC) that Rahm received from Howard Berman on the deportation of Central Americans. Please let me know what the status is.

----- Forwarded by Mark Hunker/WHO/EOP on 06/26/97 11:28 AM -----

Mark Hunker  
05/29/97 09:45:22 AM  
Record Type: Record

To: malley\_r @ a1 @ cd @ lngtwy  
cc:  
Subject: Immigration Meeting

I work with Maria Echaveste and need to get a list of the people who attend the NSC/DPC immigration meeting last week? I also attended the meeting. My EOP address is 2 FL WW.

Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-JUN-1997 17:01:16.00

SUBJECT: Sperling/Emanuel Rollout Mtg

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

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

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

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

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

TO: Robert M. Shireman ( CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TO: Brian J. Johnson ( CN=Brian J. Johnson/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

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

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

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

TO: Dale L. Murray ( CN=Dale L. Murray/OU=OA/O=EOP @ EOP [ OA ] )  
READ:UNKNOWN

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

READ:UNKNOWN

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

TO: Russell W. Horwitz ( CN=Russell W. Horwitz/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: Beth A. Viola ( CN=Beth A. Viola/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

READ:UNKNOWN

TEXT:

Gene Sperling (and Rahm Emanuel via phone) will co-chair a Budget/Tax Rollout Mtg tomorrow at 11:00am in room 231 to help prepare for Monday's Event. Thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kim B. Widdess ( CN=Kim B. Widdess/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:26-JUN-1997 11:03:55.00

SUBJECT: Women's Group - Update on PCPF issue

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CC: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

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

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

Kim B. Widdess ( CN=Kim B. Widdess/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

The press office indicated that Bob Nash is currently working on a response to the Jake Steinfeld/Flo Jo issue regarding the President's Council on Physical Fitness. They will presumably have a response prior to the 2pm briefing by McCurry in NYC, and I will get back to you with that response.

Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Ellen S. Seidman ( CN=Ellen S. Seidman/OU=OPD/O=EOP [ OPD ] )

CREATION DATE/TIME:26-JUN-1997 11:59:58.00

SUBJECT: Today's principals' meeting

TO: Cristian J. Santesteban ( CN=Cristian J. Santesteban/OU=CEA/O=EOP @ EOP [ CEA ] )  
READ:UNKNOWN

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

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

TO: William P. Marshall ( CN=William P. Marshall/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TO: Timothy J. Brennan ( CN=Timothy J. Brennan/OU=CEA/O=EOP @ EOP [ CEA ] )  
READ:UNKNOWN

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

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

TO: Jeff Bromme ( Jeff Bromme @ 301-504-0121 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: John Dwyer ( John Dwyer @ 514-0238 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Fran Allegra ( Fran Allegra @ 514-1724 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Tom McGivern ( Tom McGivern @ 622-1188 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Donald Remy ( Donald Remy @ 514-8071 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

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

TO: Ellen S. Seidman ( CN=Ellen S. Seidman/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

TO: Steven D. Aitken ( CN=Steven D. Aitken/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

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

TO: Lisa M. Brown ( CN=Lisa M. Brown/O=OVP @ OVP [ UNKNOWN ] )

READ:UNKNOWN

TO: John Spotila ( John Spotila @ 205-6096 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Jeffrey Hunker ( Jeffrey Hunker @ 482-4636 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Pam Gilbert ( Pam Gilbert @ 301-504-0121 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Ron Matzner ( Ron Matzner @ 205-6846 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Ed Murphy ( Ed Murphy @ 622-1294 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

TO: Andrew Pincus ( Andrew Pincus @ 482-0042 @ fax [ UNKNOWN ] )  
READ:UNKNOWN

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

TEXT:

The meeting -- which HAD been scheduled for 2:00 -- is now scheduled for 4:00 in the Roosevelt Room. If you were cleared in for Tuesday's meeting, you're cleared in for 4:00. If there are questions, please call me or Melissa Green on 456-5804.

ellen

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Elisa Millsap ( CN=Elisa Millsap/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:26-JUN-1997 11:50:19.00

SUBJECT: FLSA

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

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

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

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

CC: Jill M. Pizzuto ( CN=Jill M. Pizzuto/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

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

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

TEXT:

John is holding a FLSA meeting at 12:30 p.m. today in his office. Please let me know if you are unable to attend. Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-JUN-1997 13:04:05.00

SUBJECT: Weekly Health Care Strategy Meeting

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

TO: Donald H. Gips ( CN=Donald H. Gips/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

TO: Rahm I. Emanuel ( CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

CC: Toby Donenfeld ( CN=Toby Donenfeld/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

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

CC: Angelique Pirozzi ( CN=Angelique Pirozzi/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

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

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

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

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

TEXT:

The weekly Health Care Strategy Meeting for today is CANCELLED.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kim B. Widdess ( CN=Kim B. Widdess/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:26-JUN-1997 19:08:51.00

SUBJECT: Response to PCPF issue

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CC: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

CC: Suzanne Dale ( CN=Suzanne Dale/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

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

READ:UNKNOWN

Kim B. Widdess ( CN=Kim B. Widdess/OU=WHO/O=EOP [ WHO ] )

READ:UNKNOWN

TEXT:

In his briefing today, McCurry had the following response to the issue of Flo-jo being removed from the President's Council on Physical Fitness to make way for Jack Steinfeld.

McCurry stated that while the President wants Jack Steinfeld to join the PCPF, he also feels that Flo-jo should remain on the Council. The goal is to have enthusiastic and dynamic members on the council, and they both exhibit these qualities.

Our personnel office has attempted to reach her and has been having discussions with her husband in regard to her continuing service.

The full transcript will be distributed in McCurry's briefing. Please let me know if you don't receive it, and I will forward a transcript to you.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-JUN-1997 14:22:28.00

SUBJECT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: WEINSTEIN\_P ( WEINSTEIN\_P @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (OPD)  
READ:UNKNOWN

TEXT:

Please let me know as soon as possible if you know of conflicts for the following events. Scheduling would like to confirm these dates today.

1. Conference on Climate Change Mon., Oct. 6 or Tues., Oct.  
Location: Washington, DC TBD
  
2. WH Conference on Child Care Thurs., Oct. 23  
Location: The White House

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:27-JUN-1997 12:11:53.00

SUBJECT:

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

TEXT:

Group is waiting outside 211 to begin 12:00 tobacco mtg.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:27-JUN-1997 11:59:05.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

1:30 Pre-Mtg. w/ Ruff & AG at Justice on Lawton- you will leave w/ Ruff @  
1:15



## **HEALTH CARE BUDGET PROVISIONS**

On Thursday, both the House and the Senate passed the spending portions of the budget. While most of the health provisions in both bills are consistent with the budget agreement, there are some notable exceptions that are either flawed policy or are inconsistent with the agreement.

**MEDICARE.** The Senate passed Medicare provisions represent the most drastic departure from our vision: It includes: an income-related premium, phasing in the Medicare eligibility age from 65 to 67; a new home-health copayment; and the elimination of balanced billing protections for at least the new private fee-for-service options. The income-related premium begins at \$50,000 for a single and \$75,000 for couple and is fully phased in at \$100,000 (\$125,000 per couple). When fully phased in in 2002, it would cost beneficiaries three times as much as other beneficiaries. We have policy concerns about the provision including that it is difficult to administrate and that it could potentially cause high-income beneficiaries to opt out of Medicare, leaving poorer beneficiaries in a weakened Medicare program. On the positive side, the Senate severely limited the MSA demo to 100,000 and your academic health center payment pool was preserved. In the House, this pool was not preserved and MSAs were much broader (500,000). However, none of the other problems in the Senate were included.

**MEDICAID.** There are three major concerns with the Medicaid provisions. First, the House and Senate have dramatically different approaches to reducing DSH spending -- both of which differ from your policy. Your policy is the best at assuring that the few high-DSH states do not bear a disproportionate amount of the cuts. However, there are arguments on all sides about the best way to approach this reduction. Additionally, we are concerned about giving states the funds for premium assistance for low-income Medicare beneficiaries through a Medicare block grant versus Medicaid. Finally, neither the House or Senate fully restore the funding for DC and the territories that the budget agreement called for.

**CHILDREN'S HEALTH.** The children health provisions are far better than the House-passed bill. In fact, its required benefits package and cost-sharing protections are strong enough to merit a generally positive reception by most of the children's advocacy community. The bill also includes an additional \$8 billion for children's health grant program. The House bill is disappointing in that it does not meet our criteria for well targeted, meaningful benefits for children. It allows states to allocate these dollars for services rather than coverage and which will result in less numbers of children becoming insured. Moreover, even when a state does allocate its dollars to health insurance, its health benefit package is much-less defined than the Senate-passed bill and certainly does not meet our requirement for meaningful benefits. Neither the House nor the Senate bills cover the SSI children who are losing coverage due to tightened eligibility rules, a provision which was clearly included in the budget agreement. Finally, the \$.20 tobacco tax passed by the Senate raises an additional \$8 billion for children health care coverage.

The questions that remain are can it be retained in conference and will the remaining \$6 billion (on top of the \$8 billion raised by the \$.20 tax) be dedicated to children's issues, such as adoption and child care or other investments, such as a certain tax policies, that the Administration does not support.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:27-JUN-1997 13:23:38.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

FYI- Car #12 will pick you up at 2:45 to get you back for the 3:00 mtg. w/  
Nightline

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:27-JUN-1997 16:36:31.00

SUBJECT: Meeting w/Sylvia Mathews

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

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

TO: Minyon Moore ( CN=Minyon Moore/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: 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

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

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

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

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

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

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

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

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

TEXT:  
Will 10:00 am work for everyone on Monday????  
\*\*\*\*\*  
Sylvia would like to have a meeting on Monday, June 30 to discuss Race

Policy and events in July. I have reserved the Roosevelt Room at 2:00 pm and hope that works for everyone.

Attendees:

John Podesta  
Sylvia Mathews  
Andrew Mayock  
Don Baer  
Ann Lewis  
Gene Sperling  
Maria Echaveste  
Minyon Moore  
Bruce Reed  
Elena Kagan  
Jose Cerda

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:29-JUN-1997 13:16:10.00

SUBJECT: Religious Freedom

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

READ:UNKNOWN

TEXT:

As Bruce might have told you, in the scheduling meeting we had with Erskine on Friday, we discussed the possibility of doing a message event the week of July 21 on the Supreme Court's decision on the RFRA. (This event would be instead of a radio address on July 5).

Do you want the DPC to be the staff contact for this proposed event, or do you want Public Liasion to take the lead? I figured you would probably want it -- but know that DPC has got an awful lot going on right now.

Please let me know how you want to proceed on this.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 18:34:31.00

SUBJECT: July Message Meeting

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

TO: Beth A. Viola ( CN=Beth A. Viola/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

TO: Jim Kohlenberger ( CN=Jim Kohlenberger/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

TO: Lorraine A. Voles ( CN=Lorraine A. Voles/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

TO: Kathleen A. McGinty ( CN=Kathleen A. McGinty/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

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

TEXT:

Please attend a meeting tomorrow (7/1) at 4pm to discuss the late July message schedule. Subjects to be discussed include the events/dates below:

July 14 -- Racial disparities in health care

July 15 -- Congressional budget meeting

July 16 -- Communications Decency Act

July 17 -- NAACP/Black Journalists (message tbd)

July 18 -- Summit Follow-up event with Girls Nation

July 21 -- Climate Change (event with Nobel Laureates -- I forget?)

Week of July 21 -- Religious Freedom event

Week of July 21-- Genetic Screeing

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 09:58:23.00

SUBJECT: Summary Materials for Today's Tax Announcement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: WEINSTEIN\_P ( WEINSTEIN\_P @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (OPD)  
READ:UNKNOWN

TEXT:

----- Forwarded by Christa Robinson/OPD/EOP on 06/30/97  
10:03 AM -----

Russell W. Horwitz  
06/30/97 09:06:31 AM  
Record Type: Record

To: See the distribution list at the bottom of this message  
cc:  
Subject: Summary Materials for Today's Tax Announcement

Please find attached a packet of summary documents for today's announcement. It includes a fact sheet, distribution table and examples of how families fare under the plan.

The second attachment is a chart on distribution which can be attached to the packet.

The third attachment is internal talking points.

The fourth is a 1-pager for mayors and local officials.

Message`Sent

To:

---

Lori L. Anderson/WHO/EOP  
Barry B. Anderson/OMB/EOP  
Brenda M. Anders/WHO/EOP  
Kenneth S. Apfel/OMB/EOP  
Eli G. Attie/WHO/EOP  
Donald A. Baer/WHO/EOP  
Kris M Balderston/WHO/EOP  
David S. Beaubaire/WHO/EOP  
Marsha E. Berry/WHO/EOP  
Sarah A. Bianchi/OMB/EOP  
Jill M. Blickstein/OMB/EOP  
Erskine B. Bowles/WHO/EOP  
Emily Bromberg/WHO/EOP  
Susan A. Brophy/WHO/EOP  
Rebecca A. Cameron/WHO/EOP  
Phillip Caplan/WHO/EOP  
Laura K. Capps/WHO/EOP  
Paul R. Carey/WHO/EOP  
Cheryl M. Carter/WHO/EOP  
Ann M. Cattalini/WHO/EOP  
Barbara Chow/WHO/EOP  
Michael Cohen/OPD/EOP  
Steven A. Cohen/WHO/EOP  
Brenda B. Costello/WHO/EOP  
Michelle Crisci/WHO/EOP  
Betty W. Currie/WHO/EOP  
Suzanne Dale/WHO/EOP  
Michael Deich/OMB/EOP  
Marilyn DiGiacobbe/WHO/EOP

Elizabeth Drye/OPD/EOP  
Ann T. Eder/WHO/EOP  
James T. Edmonds/WHO/EOP  
Rahm I. Emanuel/WHO/EOP  
Karen E. Finney/WHO/EOP  
Diana Fortuna/OPD/EOP  
Ben A. Freeland/WHO/EOP  
Jason S. Goldberg/WHO/EOP  
D. Stephen Goodin/WHO/EOP  
Julia R. Green/WHO/EOP  
Melissa Green/OPD/EOP  
Lawrence J. Haas/OMB/EOP  
Daniel D. Heath/OMB/EOP  
James T. Heimbach/WHO/EOP  
Nancy V. Hernreich/WHO/EOP  
John L. Hilley/WHO/EOP  
Katherine Hubbard/WHO/EOP  
Kathryn O. Higgins/WHO/EOP  
Peter G. Jacoby/WHO/EOP  
Christopher C. Jennings/OPD/EOP  
Brian J. Johnson/CEQ/EOP  
Elena Kagan/OPD/EOP  
Thomas A. Kalil/OPD/EOP  
Jonathan A. Kaplan/OPD/EOP  
Angus S. King/WHO/EOP  
Nicholas B. Kirkhorn/WHO/EOP  
Charles Konigsberg/OMB/EOP  
Karin Kullman/WHO/EOP  
Robert D. Kyle/OPD/EOP  
Jeanne Lambrew/OPD/EOP  
G N. Lattimore/WHO/EOP  
Ann F. Lewis/WHO/EOP  
Patricia F. Lewis/WHO/EOP  
Jacob J. Lew/OMB/EOP  
Bruce R. Lindsey/WHO/EOP  
Julie E. Mason/WHO/EOP  
Sylvia M. Mathews/WHO/EOP  
Doris O. Matsui/WHO/EOP  
Cathy R. Mays/OPD/EOP  
Michael D. McCurry/WHO/EOP  
Anne E. McGuire/WHO/EOP  
April K. Mellody/WHO/EOP  
Joseph J. Minarik/OMB/EOP  
Nancy A. Min/OMB/EOP  
Linda L. Moore/WHO/EOP  
Kevin S. Moran/WHO/EOP  
Janet Murguia/WHO/EOP  
Alison Muscatine/WHO/EOP  
Bob J. Nash/WHO/EOP  
Peter O'Keefe/WHO/EOP  
Peter R. Orszag/OPD/EOP  
Kristen E. Panerali/OPD/EOP  
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Jonathan Prince/WHO/EOP  
Victoria Radd/WHO/EOP  
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Christa Robinson/OPD/EOP  
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Stacey L. Rubin/WHO/EOP  
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David Shipley/WHO/EOP  
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Ronda H. Jackson/WHO/EOP  
Kathleen M. Wallman/WHO/EOP  
Craig T. Smith/WHO/EOP  
Sara M. Latham/WHO/EOP  
Thomas D. Janenda/WHO/EOP  
Charles R. Marr/OPD/EOP  
Beverly J. Barnes/WHO/EOP  
Barbara D. Woolley/WHO/EOP  
Robert B. Johnson/WHO/EOP  
Cynthia A. Rice/OPD/EOP  
Aviva Steinberg/WHO/EOP  
William H. White Jr./WHO/EOP  
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Jill M. Pizzuto/OMB/EOP  
Joseph M. Wire/OMB/EOP  
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Nicholas B. Kirkhorn/WHO/EOP  
Lynn G. Cutler/WHO/EOP  
Christopher J. Lavery/WHO/EOP  
Minyon Moore/WHO/EOP  
Craig T. Smith/WHO/EOP  
Karen E. Skelton/WHO/EOP  
Jeffrey A. Forbes/WHO/EOP  
Virginia M. Terzano/OVP @ OVP  
Lorraine A. Voles/OVP @ OVP  
Roger V. Salazar/OVP @ OVP  
Julia M. Payne/OVP @ OVP  
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Mickey Ibarra/WHO/EOP  
Virginia N. Rustique/WHO/EOP  
Elizabeth R. Newman/WHO/EOP  
Emil E. Parker/OPD/EOP  
Leanne A. Shimabukuro/OPD/EOP  
Robert M. Shireman/OPD/EOP  
Jonathan Murchinson/WHO/EOP  
Ananias Blocker III/WHO/EOP  
Barbara Chow/WHO/EOP  
Christopher R. Ulrich/OVP @ OVP  
Emily Bromberg/WHO/EOP

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



PRESIDENT CLINTON'S  
TAX CUT PROPOSAL

SUMMARY DOCUMENTS

*June 30, 1997*

## TABLE OF CONTENTS

- I. Summary Table of Tax Cuts
- II. Fact Sheet on Tax Cuts
- III. Distribution Table
- IV. How President Clinton's Tax Cut Proposals Benefit Typical American Families
- V. It is Wrong to Deny Tax Relief to America's Working Families
- VI. President Clinton's Higher Education Tax Cuts -- Greater Benefits for More Families
- VII. Chart on Distribution of Tax Cut

# President Clinton's Tax Cut Proposal

June 30, 1997

Automated Records Management System  
Hex-Dump Conversion

Today, President Clinton unveils a tax cut proposal. It is a fair proposal that places a priority on education tax cuts and provides a child tax credit to families who work hard and pay taxes. The proposal incorporates Republican priorities in a good faith effort to honor the budget accord and to reach final agreement on a tax cut the American people deserve.

*A 2-year modified \$1,500 HOPE Scholarship to make two years of college universally available, a 20% tuition credit to make the third and fourth years of college more affordable and to promote lifelong learning.*

*A \$500 child tax credit for tax-paying working families with children under 17 through 2002 under 19 thereafter. Families could put the credit plus \$500 in a Kidsave Account.*

*Two-thirds of the President's tax cut goes to the middle 60 percent of families — twice as large as the congressional alternatives provide these middle-income families.*

*To honor the agreement, the President's plan allows taxpayers to exclude 30% of their long-term capital gains from taxation and provides estate tax relief to small businesses and farmers.*

*Includes no tax time bombs that would explode in cost.*

<b>Major Provisions</b> (Treasury estimates unless otherwise indicated)	<b>5 Years</b> (\$ billion)	<b>10 Years</b> (\$ billion)
<b>Education Tax Cuts:</b>		
<i>HOPE Scholarship and 20% Tuition Credit</i>	34.5	94.1
<i>Education and Retirement Savings Accounts</i>	1.3	6.0
<i>Tax Incentives for School Construction</i>	2.9	7.6
<i>Employer-Provided Education Benefits</i>	3.8	8.5
<i>Student Loan Interest Deduction and Forgiveness</i>	1.8	4.4
<i>Deduction for K-12 Computer Donations (JCT)</i>	0.3	0.7
<i>Repeal of bond cap for universities</i>	0.3	1.0
<b>Child Tax Credit</b>	70.2	176.1
<i>Brownfields, EZ/EC Expansion, CDFIs</i>	2.4	3.9
<i>Welfare-to-Work Tax Credit</i>	0.6	0.6
<i>Home Office Deduction</i>	0.6	1.7
<i>Small Business Capital Gains Relief</i>	0.4	1.7
<i>President's Home Sales Tax Cut</i>	1.1	1.9
<i>30% Exclusion of Capital Gains</i>	7.1	15.6
<i>Estate Tax Cut</i>	2.3	7.2
<i>DC Tax Incentives and Other Presidential Initiatives</i>	1.3	6.3
<i>Extensions of expiring provisions</i>	3.9	3.9
<b>GROSS TAX CUT</b>	134.8	341.1
<b>Revenue Raisers</b>	(49.8)	(100.5)
<b>NET TAX CUT</b>	85.0	240.5

# President Clinton's Tax Cut Proposal

## A Fact Sheet

Automated Records Management System  
Hex-Dump Conversion

### EDUCATION TAX CUTS

- **Two-year HOPE Scholarship.** A maximum \$1,500 credit beginning in 1998. Students attending on at least a half-time basis would receive a 100% credit for the first \$1,000 of tuition and required fees for enrollment in a post-secondary degree or certificate program and a 50% credit for up to the next \$1,000. For example, a student attending a community college with tuition costs of \$1,400 would receive a \$1,200 HOPE Scholarship. Scholarships would be phased out for joint filers earning between \$80,000 and \$100,000. Eligible students could receive both a full Pell Grant and a HOPE Scholarship. The previously proposed B-rule has been dropped. After 2002, the HOPE Scholarship increases to a 100% credit for the first \$1,500 and a 50% credit for the next \$1,000 of tuition and required fees.
- **20% Tuition Tax Credit.** Third and fourth year students, graduate students, plus working people going to school to improve their education and skills, would benefit from a 20% tax credit on the first \$5,000 of tuition and required fees through the year 2000 and after 2000 a 20% tax credit on the first \$10,000 of tuition and required fees. The credit would be phased out for joint filers earning between \$80,000 and \$100,000.
- **Education and Retirement Savings Accounts.** Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expense and the first-time purchase of a home. Additionally, taxpayers are given the opportunity to contribute their child tax credit plus an additional \$500, up to \$1,000, to a Kidsave Account for the child's education, first-time home purchase or the taxpayer's retirement. Earnings would accumulate tax-free in the Kidsave Account and no taxes would be due upon withdrawal for an approved purpose.
- **Tax Incentives for School Construction.** Provides tax credits to finance construction and/or rehabilitation of elementary or secondary schools in distressed communities. States would be able to allocate a fixed amount of tax credits (based on population) to public schools to help pay for construction or renovation projects. The allocation would be for projects in schools that are in empowerment zones or enterprise communities, or that have a high percentage of low-income students. This program would function similarly to the current low-income housing tax credit program.
- **Employer-Provided Education Benefits.** Extends permanently Section 127 of the tax code, which allows people to exclude \$5,250 of employer provided education benefits from their taxable income. Both undergraduate and graduate education would be eligible. Additionally, a 10% employer credit for small business training is included. This credit would apply to payments made to third parties to cover expenses of education for employees under employer-provided education assistance programs. The credit would be available to employers with average annual gross receipts of \$10 million or less for the prior three years.
- **Student Loan Interest Deduction and Forgiveness.** Allows a deduction of up to \$2,500 per year of interest on education loans for expenses of students enrolled at least half-time at an institution of higher education. The deduction would be allowed for the first 60 months interest is due on a loan. The deduction would phase out for taxpayers making between \$45,000 and \$65,000 (\$65,000 and \$85,000 for married taxpayers filing jointly). This deduction would be available even if the taxpayer does not itemize deductions.

To encourage people to use their education and training in community service, the income exclusion for student loan forgiveness would be expanded to include loan forgiveness extended by nonprofit tax-exempt charitable or educational institutions, and to loans forgiven under the Direct Loan Program's income-contingent repayment program. Currently, the exclusion generally covers only contingent forgiveness arrangements between students and government entities.

- **Incentives for K-12 Computer Donations.** Provides tax incentives for private sector donations of computer equipment to schools. The proposal would work in combination with the Telecommunications Act of 1996 to ensure that public schools have access to modern computer technology.
- **Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities.** Repeals the \$150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal would apply to tax-exempt bonds issued by these institutions to finance new capital expenditures.

### CHILD TAX CREDIT

The President's child tax credit includes the following features:

- **Age.** Covers children under 17 through 2002 and under 19 thereafter.
- **Amount per child.** \$400 in 1998, \$500 in 1999 and then indexed.
- **Income Limits.** Phased out for families making \$60,000 to \$75,000 until 2000, and then \$80,000 to \$100,000 thereafter.
- **Refundability to Cover Out-of-Pocket Income and Payroll Taxes.** Working families who pay out of pocket federal taxes would benefit from the child tax credit. Child tax credit is calculated before the EITC and will be partially refundable. A family will get a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.
- **Savings Incentive Feature.** As described above, taxpayers who are entitled to a child credit would be given the opportunity to contribute their child tax credit plus an additional \$500 each year to a Kidsave Account for the child's education, first time home purchase or the taxpayer's retirement. Earnings would accumulate tax-free in the account and no taxes would be due upon withdrawal for an approved purpose.

## URBAN REVITALIZATION

- **Incentives to Clean Up and Redevelop Contaminated Sites (Brownfields).** Certain environmental remediation costs would be provided tax favorable treatment, allowing them to be fully deducted immediately, to spur clean-up and redevelopment of contaminated sites in high poverty areas. To qualify for this tax incentive, sites would have to satisfy use, geographic, and contamination requirements.
- **Expand Empowerment Zones and Enterprise Communities.** The proposal has the three main components that were in the President's budget. First, within 180 days of enactment, two additional urban empowerment zones would be authorized and would benefit from current tax incentives. Second, technical changes would be made to allow a broader range of businesses in EZs and ECs to borrow the proceeds of tax-exempt bonds. Third, the proposal authorizes the additional designation of 20 (15 urban and 5 rural) Empowerment Zones and 80 (50 urban and 30 rural) Enterprise Communities. The newly designated zones would have different available tax incentives than existing zones. The current law wage credit would not be available. The brownfields incentives would be available as would special expensing of business assets and qualification for private-activity bonds.
- **Community Development Financial Institutions Fund.** Up to \$100 million in tax credits would be made available to the CDFI Fund to allocate for equity investors in community development financial institutions to leverage private investment in distressed areas and to stimulate economic revitalization.
- **Washington, D.C.** Provides tax incentives for firms to hire District residents, and a new credit that will be allocated to debt and equity by a new economic development corporation, and to allow the issuance of additional tax-exempt debt to help finance new business activity in the District.

## WELFARE-TO-WORK TAX CREDIT

As proposed in the President's budget, to help move people from welfare to work, a new 50% tax credit would be made available on the first \$10,000 in annual wages of certain long-term family assistance recipients for two years of employment.

## SMALL BUSINESS TAX CUTS:

### Home office deduction

The existing home office deduction would be broadened to cover small businesses where: (1) the office is exclusively used to conduct substantial and essential administrative or management activities on a regular basis; and (2) the taxpayer has no other location to conduct these essential administrative or management activities.

## **Small Business Capital Gains**

Increases the existing exclusion for equity investments in small businesses held at least five years to a 75% exclusion for up to \$20 million in gains and doubles the eligibility limits on firm size from \$50 million to \$100 million.

## **PRESIDENT'S HOME SALES TAX CUT**

Provides a \$500,000 exclusion for capital gains on home sales for couples, providing tax relief and greatly simplifying record-keeping and compliance. The exclusion for single filers would be \$250,000.

## **30% EXCLUSION FOR CAPITAL GAINS**

Taxpayers would be allowed to exclude 30% of their long-term capital gains from taxation. Long-term capital gains will be defined, as under current law, as assets held for more than one year. For example, a family in the 28% income tax bracket would face a capital gains tax rate of 19.6 percent.

## **ESTATE TAXES**

A special exclusion is added for qualified family-owned businesses and farms. Currently, for married couples, only estates valued above \$1.2 million pay any estate taxes. A special exclusion of \$900,000 would be added to ensure that the first \$2.1 a million of family-owned business or farm would not be subject to estate taxes. This is a proposal advanced by Senator Daschle.

## **OTHER PRESIDENTIAL INITIATIVES**

- *Puerto Rico Tax Credit* - would be extended indefinitely and modified to provide an incentive for new investments and increase the economic-activity credit.
- *FSC Software* - would extend the foreign sales corporation benefit, exempting a portion of income for tax purposes, to include computer software licensed for reproduction abroad.
- *Equitable Tolling* - would extend time people are allowed to claim a tax refund to include time that they are medically determined to be mentally or physically impaired.

## **EXTENSIONS OF EXPIRING PROVISIONS**

The R&E tax credit would be extended through the end of 1998. Contributions of appreciated stock to private foundations, the Work Opportunity Tax Credit (including new targeted group), and the orphan drug credit would be extended for one year.

## **TOBACCO TAXES**

The proposal includes a 20 cent increase in tobacco taxes that would be separated into a trust fund and dedicated entirely to expanding health coverage for children, addressing other children's development issues, and improving the overall public health.

## Alternative Tax Cut Proposals A Comparison of Distributional Impact

<i>Income by Quintile</i>	<i><u>President Clinton</u></i>	<i><u>House</u></i>	<i><u>Senate</u></i>
Lowest	1.2%	0.6%	0.4%
Second	10.1	2.5	2.7
Third	22.2	9.6	10.2
Fourth	34.6	20.0	21.3
Highest	31.5	66.8	65.0
Top 10%	11.7	47.3	42.3
Top 5%	6.5	34.9	28.2
Top 1%	2.6	18.8	12.5
<b>Middle 60%</b> (Second, third, fourth quintiles)	<b>66.9%</b>	<b>32.1%</b>	<b>34.2%</b>

Source: U.S. Department of Treasury

Tables assumes fully phased-in (2007) law and behavior, in 1998 dollars. It includes major tax cut provisions in each of the plans: HOPE Scholarship, tuition credit, Section 127, Student loan interest deduction, child tax credit, Kidsave accounts, capital gains provisions, home office deduction, distressed areas initiatives, Puerto Rico tax incentives, individual and corporate AMT changes, prepaid tuition programs, IRAs, DC tax incentives, safe harbor for independent contractors, modifications of treatment of company owned life insurance.

## How the President's Tax Cut Proposals Benefit Typical American Families

### Example #1

Consider a family of four who makes \$40,000 a year. The father is a carpenter and makes \$25,000 and the mother makes \$15,000 working at a local department store. They have two kids, a son who is 14 and a freshman in high school and a daughter enrolled full-time in her first year at the local community college. Her tuition is \$1,200 a year.

The President's tax cut proposal will benefit this family in at least two ways. They will receive a child tax credit of \$500 for their son plus a HOPE Scholarship of \$1,100 for their daughter. In total, they will receive a \$1,600 tax cut in the President's proposal.

### Tax Cut under Clinton Proposal

Family of four with two children  
aged 14 and 18 and \$40,000 income:

Child Tax Credit for 14 year old	\$500
HOPE Scholarship for 18 year old	<u>\$1,100</u>
Total tax cut:	\$1,600

### Example #2

Consider a family of three making \$55,000 a year. The father has a degree in accounting and works for a local business in the accounting department. The mother works part-time at the local library. They have one daughter aged 14. The father would like to return to school to prepare for his CPA examination. He is going to attend the local liberal arts college. He has signed up for two courses with total tuition of \$4,000.

This family will receive a \$500 tax child tax credit for their daughter and a \$800 tuition tax credit to help pay for the father's course work.

### Tax Cut under Clinton Proposal

Family of three with one child  
aged 14 and \$55,000 income:

Child Tax Credit for 14 year old	\$500
Tuition tax credit	<u>\$800</u>
Total tax cut:	\$1,300

**Example #3:**

A single mother lives with her six year old daughter in California. She's been working as a bank teller for several years and her pay is now \$20,000 a year. When she tallies up her taxes, she owes \$1,200 in federal income taxes. A \$1,150 Earned Income Tax Credit offsets much of this income tax. However, she pays \$1,530 a year in payroll taxes, not to mention the additional \$1,530 the bank pays on her behalf.

Under the President's plan this single mom would receive a \$500 child tax credit for her daughter. (Note: This woman and her daughter would receive no tax cut under either the House or Senate plans).

**Tax Cut under  
Clinton Proposal**

Family of two with one child  
aged 6 and \$20,000 income:

Child Tax Credit for 6 year old	<u>\$500</u>
Total tax cut:	\$500

**Example #4**

A teacher with six years experience, earning \$40,000 a year, would like to get her masters degree before she marries and has children. Her principal has agreed to adjust her schedule so that she can attend classes in the afternoon and evening. The tuition and fees charged for the program total \$6,500.

She will receive a 20 percent tax credit on the first \$5,000 of the tuition she pays.

**Tax Cut under  
Clinton Proposal**

Single teacher making \$40,000,  
attending graduate school:

Tuition Tax Credit:	<u>\$1,000</u>
Total Tax Cut:	\$1,000

(Note: All examples are for tax year 1999)

## IT IS WRONG TO DENY TAX RELIEF TO AMERICA'S WORKING FAMILIES

Compared to the President's proposal, four million working families will largely be denied a child tax credit under the congressional tax plans. The President strongly believes that families who work hard, play by the rules and make approximately \$18,000 or \$28,000, who pay taxes, and who are trying to do the best for their kids just like everybody else, deserve a tax cut too.

This is an issue that is susceptible to both eye-glazing technical jargon, talk of "stacking," and misleading rhetoric: "It's welfare." Setting aside the jargon and the rhetoric, this is an issue best weighed by looking at real people:

### Example -- Family of Four with Two Children

*Consider a family of four with two children living in a medium sized southern city. The father is a rookie police officer making \$23,000, and the mother is taking a few years off from working. This family pays federal taxes well above the amount of EITC they receive:*

Federal Tax Situation Before Any Child Tax Credit:

Income taxes owed before EITC	\$675
Payroll Taxes (just employee share)	\$1,760
Excise Taxes/1	\$354
Federal out of pocket taxes owed before EITC	\$2,789
Employer Share of Payroll taxes	\$1,760
Federal Taxes before EITC	\$4,549
Benefit from EITC	\$1,668

	President Clinton's Proposal	House Bill	Senate Bill
<b>Child Tax Credit for family of rookie police officer making \$23,000</b>	\$767	\$0	\$0

Notes:

- 1: Estimate calculated from Congressional Budget Office Data. CBO estimates that in 1998, families with incomes between \$20,000 and \$30,000 would pay 1.54 percent of their income in federal excise taxes.

**Change in Income Tax: Comparison of Current Law with  
The President's Proposal and the House and Senate Tax Bills**

**Couple with Income of \$23,000 and Two Children  
(1999 Tax Parameters)**

	<b>Current Law</b>	<b>President's Proposal</b>	<b>House Tax Bill</b>	<b>Senate Tax Bill</b>
<b>Adjusted Gross Income (AGI) -- all earnings</b>	23,000	23,000	23,000	23,000
<b>Standard Deduction</b>	7,300	7,300	7,300	7,300
<b>Personal Exemptions</b>	<u>11,200</u>	<u>11,200</u>	<u>11,200</u>	11,200
<b>Taxable Income</b>	4,500	4,500	4,500	4,500
<b>Income Before Tax Credits</b>	675	675	675	675
<b>Employee Payroll Tax (7.65% of earnings)</b>	1,760	1,760	1,760	1,760
<b>Child Credits</b>	0	767	0	0
<b>Earned Income Credit (refundable)</b>	1,668	1,668	1,668	1,668
<b>Income Tax After Credits</b>	-993	-1,760	-993	-993
<b>Tax Savings Compared to Current Law</b>		767	0	0

Department of the Treasury  
Office of Tax Analysis

June 27, 1997

## The President's Higher Education Tax Cuts: Greater Benefits for More Families

While providing the greatest help in the first two years, the President's plan has always gone *much* further, granting a substantial tax cut for *any* investment in postsecondary education or training. Unlike the Congressional plans, the Administration's higher education tax cut covers *all types and ages of students*, including:

- part-time students;
- students beyond their first two years of undergraduate study;
- graduate students;
- workers who are improving job skills rather than seeking a degree;
- those not fortunate enough to have been able to put a lot of money into savings.

For many situations that families find themselves in, the plans passed by the Senate and the House provide little or no help. Consider the following common situations:

	House Plan	Senate Plan	President
Family with \$50,000 income, one child going to an average two-year community college full-time (\$1,200 tuition and fees)	\$600	\$900	\$1,100
Family with \$30,000 income, one parent going to a public four-year college less than half-time (\$2,000 tuition and fees)	\$0	\$0	\$400
Family with \$40,000 income, one child is <b>junior</b> at average private college (\$12,000 tuition and fees)	\$0	\$0	\$1,000
Homemaker, family income of \$70,000, decides to go to graduate school at public university after being out of college for 20 years (\$3,500 tuition and fees)	\$0	\$0	\$700

# President Clinton Unveils Tax Cut Proposal

June 30, 1997

Automated Records Management System  
Hex-Dump Conversion

President Clinton's tax cut proposal provides needed tax relief to working families who play by the rules, pay taxes, and are trying to do the best for their kids. It includes a major investment in the President's top priority -- education -- by making the first two years of college universally available and doing something the other plans do not: helping those Americans who are working and want to improve their education and upgrade their skills. Lastly, President Clinton's proposal incorporates Republican priorities in a good faith effort to honor the budget accord and to reach final agreement for a tax cut the American people deserve.

**THE PRESIDENT'S PROPOSAL IS FAIR.** The bulk of the President's tax cut goes to middle-class families -- two-thirds of the President's tax cut goes to the middle sixty percent of families, twice the share the alternative congressional plans provide these middle class families.

**THE PRESIDENT PLACES A HIGHER PRIORITY ON EDUCATION TAX CUTS.** Education must be America's highest priority and the core of our tax cut plan must help families pay for education. To offer opportunity in the new and rapidly changing economy, we must make the 13th and 14th years of education -- the first two years of college -- as universal as a high school diploma is today. We must also do what we can to help people throughout their lives improve their education and upgrade their skills throughout their lives. The President's plan:

- ✓ **ADVANCES THE GOAL OF MAKING THE FIRST TWO YEARS OF COLLEGE UNIVERSAL.** The plan includes a modified two-year \$1,500 HOPE Scholarship that does more to help community college students than the congressional alternatives. First and second year students would receive a \$1,000 credit for the first \$1,000 of tuition and fees plus 50% of as much as another \$1,000 in tuition and fees. Therefore, a student going to a typical community college with tuition of \$1,200 would receive a \$1,100 credit under the President's proposal, compared to just \$600 and \$900 under the House and Senate plans respectively.
- ✓ **HELPS THIRD AND FOURTH YEAR STUDENTS AND PROMOTES LIFELONG LEARNING.** The congressional plans give virtually no support to families who are struggling to pay college costs out of pocket. Students beyond the second year would benefit only if they had substantial savings or when they paid interest on student loans. Students over 30 -- one-fourth of all undergraduate students -- could not even make use of the education savings accounts that Congress is proposing. At a time when older workers need to improve their education and upgrade their skills, it is critical that the education tax cuts promote lifelong learning. The President's proposal accomplishes this goal: It provides a 20 percent tuition credit on expenses up to \$5,000 initially and \$10,000 beginning in 2001.
- ✓ **INCORPORATES OTHER GOOD EDUCATION IDEAS INCLUDED IN VARIOUS PROPOSALS,** such as a permanent extension of the tax preference for employer-provided undergraduate and graduate education, tax incentives for school construction, a student loan interest deduction, and tax exclusion for community service and income-contingent loan forgiveness.

**THE PRESIDENT BELIEVES THAT FAMILIES WHO WORK HARD, PAY TAXES, AND TRY TO DO THE BEST FOR THEIR KIDS DESERVE A TAX CUT. HIS PLAN CUTS THE TAXES OF THE 4 MILLION FAMILIES SHORTCHANGED BY CONGRESS.** The President's proposal includes a \$500 child tax credit for children under 17 through 2002 and under 19 thereafter. The President has a basic disagreement with some members of Congress. Consider a family of four with two small children: the father is a rookie police officer making \$23,000, and the mother is taking a few years off from teaching. They pay out of pocket over \$1,000 a year in federal taxes. The President believes that this family needs and deserves a tax cut just as much as family who makes twice as much. The Congressional plans would deny this family a tax cut. Under the President's plan, this family would receive a \$767 child tax credit.

**TAX INCENTIVES TO CLEAN-UP AND REVITALIZE DISTRESSED NEIGHBORHOODS BELONG IN THE FINAL TAX PACKAGE.** In the balanced budget agreement, President Clinton and Congress agreed to make all efforts to include three programs critical to our urban areas in the final budget package: a Brownfields tax incentive; new Empowerment Zones and Enterprise Communities (EZ/EC); and expansion of the Community Development Financial Institutions (CDFI) fund. Unfortunately, neither the House tax bill nor the Senate tax bill includes the President's Brownfields and EZ/EC initiatives. Today, the President includes these two vital provisions, plus a new tax credit to encourage investment in CDFIs and an enhanced welfare-to-work tax credit, in his tax cut proposal.

# THE PRESIDENT'S TAX CUT PROPOSAL DELIVERS BIG FOR CITIES

June 30, 1997

In the balanced budget agreement, President Clinton and Congress agreed to make all efforts to include three programs critical to our urban areas in the final budget package: a Brownfields tax incentive; new Empowerment Zones and Enterprise Communities (EZ/EC); and expansion of the Community Development Financial Institutions (CDFI) fund. Unfortunately, neither the House tax bill nor the Senate tax bill includes the President's Brownfields and EZ/EC initiatives. *Today, the President includes these two vital provisions, plus a new tax credit to encourage investment in CDFIs and an enhanced welfare-to-work tax credit, in his tax cut proposal.*

## **PRESIDENT CLINTON'S TAX PLAN HELPS TO CLEAN UP AND REDEVELOP BROWNFIELDS.**

The Brownfields tax incentive included in the President's tax cut proposal would reduce the cost of cleaning up thousands of contaminated, abandoned sites in economically distressed areas by permitting clean-up costs to be immediately deducted for tax purposes, rather than requiring this spending to be written off over time. This would, in turn, encourage redevelopment of these areas. *The Treasury Department estimates this \$2 billion tax incentive will, over seven years, leverage more than \$10 billion for private sector cleanups nationwide, allowing redevelopment of 30,000 brownfields.*

- Chicago Mayor Richard Daley, writing on behalf of the U.S. Conference of Mayors, urged Ways and Means Chairman Archer to include the President's Brownfields proposal in the tax bill: "This is a high priority for communities across this nation and we stand united in urging you and other members of the House Ways and Means Committee to modify the tax bill to include the \$2 billion brownfields tax incentive."

**THE PRESIDENT'S TAX PLAN CREATES NEW EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.** Under the President's 1993 Empowerment Zones and Enterprise Community initiative, communities develop a strategic plan to spur economic development, and they receive Federal tax benefits, social service grants and flexibility in use of Federal funds in order to put this plan in effect. The EZs and ECs are urban or rural areas with high poverty and unemployment rates.

*Many communities that were not designated as EZs or ECs in that first round lack the seed capital to begin revitalization efforts. In response, the President proposes a second-round of EZs and ECs--15 urban and 5 rural EZs and 50 urban and 30 rural ECs. The new EZs and ECs will benefit from a slightly different blend of tax credits than the first-round communities.*

**THE PRESIDENT'S TAX PLAN ALSO PROVIDES FOR A NEW COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS TAX CREDIT.** The President's CDFI Fund is helping to build a national network of community development financial institutions -- including banks, thrifts, and credit unions -- by providing financial and technical assistance to these entities. CDFI dollars are being used to create jobs, rebuild neighborhoods and restore hope in communities from San Francisco to Boston, Louisville to Chicago. The Fund represents a promising model for Federal government action -- investing in local private sector institutions, leveraging private sector resources (to the tune of ten times the initial investment) and generating economic growth in distressed areas. *The President's tax cut proposal creates a new tax credit to encourage investment in CDFIs. This new credit is not included in either the House or Senate versions of the tax legislation.*

**THE PRESIDENT'S PLAN INCLUDES A SPECIAL WELFARE-TO-WORK TAX CREDIT.** This credit gives employers added incentive to hire welfare recipients. Although the congressional leadership pledged to seek a credit along these lines, the House bill includes only a scaled-back version, and the Senate bill omits it entirely.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 10:32:34.00

SUBJECT: Re: directive

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

TEXT:

I haven't seen it--was it e-mailed, delivered??????

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 11:14:29.00

SUBJECT: Senior Staff Coverage

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

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

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

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

TEXT:

Please let Paul or myself know your weekend information. Thanks.

----- Forwarded by Laura Emmett/WHO/EOP on 06/30/97 11:16 AM -----

Brooks E. Scoville

06/30/97 11:12:16 AM

Record Type: Record

To: See the distribution list at the bottom of this message  
cc: Ashley L. Raines/OA/EOP, Teresa Wildman/WHO/EOP  
Subject: Senior Staff Coverage

Independence Day, Friday, July 4 is a federal holiday. The Chief of Staff has requested a complete list of senior staff (Assistants to the President and Deputy Assistants to the President only) who will be working the holiday, as well as the names of those senior staff on call and how they can be reached.

Please submit this list to me no later than 3 pm on Wednesday, July 2. We will be submitting this information to the Chief of Staff on Thursday.

Also, please provide the WHCA Signal Switchboard with information of how the senior staff who will be out of town may be reached.

Thank you.

Message Sent

To: \_\_\_\_\_  
Ronda H. Jackson/WHO/EOP

Kevin S. Moran/WHO/EOP  
Edward F. Hughes/WHO/EOP  
Leanne A. Shimabukuro/OPD/EOP  
Huma M. Abedin/WHO/EOP  
Katharine Button/WHO/EOP  
Stacey L. Rubin/WHO/EOP  
Cynthia M. Jasso-Rotunno/WHO/EOP  
Lori L. Anderson/WHO/EOP  
Rebecca A. Cameron/WHO/EOP  
Deborah B. Mohile/WHO/EOP  
Mary Morrison/WHO/EOP  
Carolyn E. Cleveland/WHO/EOP  
Paul J. Cusack/OVP @ OVP  
Debbie B Bengtson/OVP @ OVP  
Ana M. Duque/WHO/EOP  
Suzanne Dale/WHO/EOP  
Lisa M. Williams/WHO/EOP  
Laura Emmett/WHO/EOP  
Sonyia Matthews/OPD/EOP  
Holly H. Holt/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June G. Turner ( CN=June G. Turner/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:30-JUN-1997 08:26:32.00

SUBJECT: Confirming Meeting w/Sylvia Mathews

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

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

TO: Minyon Moore ( CN=Minyon Moore/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: 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

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

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

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

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

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

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

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

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

TEXT:

Confirming the meeting with Sylvia at 10:00 am this morning to discuss Race Policy and events in July. Thanks. In the Roosevelt Room.

\*Melissa - I will get back with you re: Emil as soon as I've had a chance to talk with Sylvia. Thanks.

\*\*\*\*\*

Will 10:00 am work for everyone on Monday????

\*\*\*\*\*

Sylvia would like to have a meeting on Monday, June 30 to discuss Race Policy and events in July. I have reserved the Roosevelt Room at 2:00 pm and hope that works for everyone.

Attendees:

- John Podesta
- Sylvia Mathews
- Andrew Mayock
- Don Baer
- Ann Lewis
- Gene Sperling
- Maria Echaveste
- Minyon Moore
- Bruce Reed
- Elena Kagan
- Jose Cerda

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kyle M. Baker ( CN=Kyle M. Baker/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:30-JUN-1997 17:44:44.00

SUBJECT: Late term abortion letter from Bishop Anthony Pilla

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

READ:UNKNOWN

CC: James A. Dorskind ( CN=James A. Dorskind/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

Jim Dorskind recommended I consult with you on a letter POTUS has received from Bishop Pilla on late term abortion. As a matter of background, he has received numerous responses over the last year and a half on this issue. The latest language he got was on April 30. He has now been sent all the language I have at my disposal, so I'm at a loss as to what to say next. This current letter urges the POTUS to rethink his position based on the recent American Medical Association support for the pending legislation. Please let me know how you think we should handle, given these facts and that the legislation is now in Conference Committee.

Thanks,  
Kyle Baker  
Presidential Letters  
and Messages

Rm. 93  
X 6-5515

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 13:41:54.00

SUBJECT: Indian Law Enforcement Directive

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

READ:UNKNOWN

TEXT:

I just got a copy from Ogden and it looks fine from our standpoint. I think it's an important thing to do. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 19:19:07.00

SUBJECT: interns

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

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

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

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

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

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

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

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

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

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

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

TO: Diana Fortuna ( CN=Diana Fortuna/OU=OPD/O=EOP @ EOP [ OPD ] )

READ:UNKNOWN

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

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

TEXT:

Per Bruce's suggestion, please invite your interns to attend tomorrow's (Tuesday) 9:15am staff meeting. For many of them, this is the last week of their internship, so please also remember to thank them for all their hard work.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 11:38:42.00

SUBJECT: Cabinet Memo 6-30-97

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

TO: WEINSTEIN\_P ( WEINSTEIN\_P @ A1 @ CD @ LNGTWY [ UNKNOWN ] ) (OPD)  
READ:UNKNOWN

TEXT:

AGRICULTURE

Today - the Secretary is in Tahoe today co-hosting a workshop on Lake Tahoe event in July

Tomorrow - the Secretary will be in SD to address Second Harvest Group and release study by USDA on wasted food

COMMERCE

Today - no public events

Tomorrow - Electronic Commerce event with the President; interviews with Japanese television and Robert Novak

INTERIOR

Today - the Secretary is in Tahoe with Secretary Glickman

Tomorrow - the Secretary will be in Denver to sign Platte River agreement

JUSTICE

Today - the AG is in Utah for Crime Summit

LABOR

Today - the Secretary speaks in Las Vegas to Communications Workers of America

Tomorrow - the Secretary is in Dallas for Small Business meeting

OPM

Today - no public events

TRANSPORTATION

Today - no public events

USIA

Today - no public events

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Collin Brown III ( CN=Collin Brown III/OU=OMB/O=EOP [ OMB ] )

CREATION DATE/TIME:30-JUN-1997 17:26:04.00

SUBJECT: CBI21: Defense Report on HR 1050, A Living Wage, Jobs For All Act

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Mary Jo Siclari ( CN=Mary Jo Siclari/OU=OMB/O=EOP @ EOP [ OMB ] )

READ:UNKNOWN

TO: Sanders D. Korenman ( CN=Sanders D. Korenman/OU=CEA/O=EOP @ EOP [ CEA ] )

READ:UNKNOWN

TO: Justine F. Rodriguez ( CN=Justine F. Rodriguez/OU=OMB/O=EOP @ EOP [ OMB ] )

READ:UNKNOWN

TO: Phebe N. Vickers ( CN=Phebe N. Vickers/OU=OMB/O=EOP @ EOP [ OMB ] )

READ:UNKNOWN

TEXT:

The purpose of this e-mail is to draw your attention to an LRM that I circulated last week. This LRM, CBI21, asked for your views on a Defense Report on HR 1050, A Living Wage, Jobs for All Act. Comments were due at 2pm today (6/30). If I have not received your comments by 11:00am tomorrow (7/1), I will assume that you have no comment on this Defense report.

Collin (x-57562)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard Socarides ( CN=Richard Socarides/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:30-JUN-1997 08:42:37.00

SUBJECT: Hawaii "reciprocal beneficiaries" law to take effect

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

READ:UNKNOWN

TEXT:

For our domestic partners file. This is really an important development. I don't think people realize how significant this bill is.

----- Forwarded by Richard Socarides/WHO/EOP on 06/30/97

08:40 AM -----

Doug.Case @ sdsu.edu

06/27/97 08:18:00 PM

Record Type: Record

To: Richard Socarides

cc:

Subject: Hawaii "reciprocal beneficiaries" law to take effect

WASHINGTON BLADE

June 27, 1997

<http://www.washblade.com/>

Hawaii "reciprocal beneficiaries" law to take effect

New legislation gives many, but not all, marriage rights to registered same-sex couples

by Peter Freiberg

Statewide legislation that Gay activists say offers the most recognition and benefits to Gay couples in this country will take effect in Hawaii on July 8.

Gov. Benjamin Cayetano, a Democrat, decided to let the bill become law without his signature, despite previous statements that he would sign the measure as "tantamount to civil rights."

Cayetano's press secretary, Kathleen Racuya-Markrich, who told the Blade on June 20 that Cayetano would definitely sign the bill, said three days later that the governor was out of town for the week and that she didn't know why he decided not to sign it. The deadline for vetoing the bill was June 23.

The new state law sets up a new category of legally recognized relationships - "reciprocal beneficiaries" - for Gay and other non-heterosexual couples.

Under the statute, reciprocal beneficiaries are defined as two adults, over age 18, who are prohibited by law from marrying. An unmarried heterosexual couple would be ineligible, but a range of family members could apply along with same-sex couples. Applicants do not have to live together, but must simply sign and have notarized an application to be provided by the state health department, which will issue a Reciprocal Beneficiaries Relationship

certificate for \$8 (compared to \$32 for a marriage certificate).

The certificate will look "similar to what a marriage certificate looks like," said health department communications director Patrick Johnston. He said out-of-state couples will be able to get certificates, too, but that only Hawaii residents will receive any benefits.

The new law includes a requirement that private employers who provide family health coverage for their married workers also offer such coverage to reciprocal beneficiaries and their dependents.

The state and counties must also extend health insurance coverage to reciprocal beneficiaries and their dependents and pay part of the cost.

But despite health insurance and other benefits that the new law gives to "couples ... barred by law from marriage," activists in Hawaii and elsewhere who are seeking legalization of same-sex marriages have decidedly mixed feelings about the legislation.

Evan Wolfson, director of the Marriage Project of Lambda Legal Defense and Education Fund, said the Hawaii reciprocal beneficiaries law "is the broadest and most significant recognition extended to non-marital families, including Gay and Lesbian couples, ever on American soil."

But Wolfson said the beneficiaries legislation does "not come close to the unique, broad array of legal and economic, tangible and intangible, protections, benefits and responsibilities that come only with civil marriage."

Separate isn't equal

"It is still separate and unequal, and even if it were equal, separate is still unequal," said Wolfson.

Tracey Bennett, a lobbyist for Equal Marriage Hawaii, a group that supports the court case seeking legalization of Gay marriages in Hawaii, said bluntly, "We're all pissed."

The law is "not good enough," said Bennett. "If we didn't have the court case, we'd be dancing in the streets [over the new law], but we know we deserve more. We deserve to be equal."

Another Hawaii activist, Kate Sample, called the new law "a step in the right direction," but said, "It was definitely a compromise and, I feel, a sellout, but politically [the legislators] didn't see any other way."

Dan Foley, co-counsel with Wolfson in the lawsuit by three Hawaii Gay couples seeking marriage licenses, said that despite its flaws, the new law "is a very significant step forward."

"The straight community, I think, will become more ... accepting of same-sex unions once they see this in operation," said Foley. "Real couples are going to have real rights."

The new law, which will allow couples to begin registering July 8, was approved by the legislature in April as part of a deal that seeks to derail an anticipated state supreme court ruling to require the state to issue marriage licenses to same-sex couples.

With Hawaii politicians under fierce pressure from the Roman Catholic and

Mormon churches, along with the fundamentalist religious right, to restrict marriage to heterosexual couples, legislators passed a bill to put before the voters a constitutional amendment that would give the legislature the right to define marriage in a way that only heterosexual couples can obtain marriage licenses.

The Hawaii Supreme Court, which ruled in 1993 that the state has to show a compelling reason to deny marriage licenses to same-sex couples, is weighing a final decision. The aim of the constitutional amendment is to insure that even if the court rules that Gay couples are entitled to marriage licenses, the legislature will be able to overturn that decision.

In exchange for going along with the constitutional amendment, pro-Gay members of the Senate demanded that the legislature make available a package of benefits and responsibilities for same-sex domestic partners.

But in the end, the new category of "reciprocal beneficiaries created goes beyond Gay couples."

"It was pure politics," said State Sen. Scott Matsunaga (D), a strong supporter of equal rights for Gay people. "The Senate had wanted to limit ... benefits to same-sex couples, but the House, perhaps motivated by right-wing concerns, didn't want to give benefits only to Gay [couples]. They felt that would be giving special rights."

Foley said that even though, for example, a widow and her unmarried son might register, "the primary beneficiaries of [the new law] will be same-sex couples."

Foley said the new law was covertly supported by Roman Catholic, Mormon, and religious right lobbyists, who knew that without passage of the reciprocal beneficiaries law they could not win passage of the constitutional amendment proposal.

"They couldn't say publicly they were doing this for Gay couples," said Foley, "even though in effect they were."

52 of 300 benefits

Matsunaga said he and other pro-Gay legislators had to recognize "political reality" and agree to present the constitutional amendment to the voters. In exchange, he said, they won "substantially similar" economic rights and benefits for non-traditional couples.

"While everyone else gets to go to the buffet line," said Matsunaga, "Gays will now be allowed to go to the salad bar. They're still not getting the full buffet, but at least they're getting a partial meal."

But activist Tracey Bennett said the benefits are greatly inferior to those available to married couples. Reciprocal beneficiaries, Bennett said, are given only about 52 state benefits - out of what she said are at least 300 benefits married couples receive. And, of course, Gay couples are barred from any federally related benefits.

Among the benefits that the Hawaii legislation says are "substantially equivalent" to those extended to married spouses are:

survivorship rights, among them inheritance, workers compensation, and state employees' retirement benefits; health-related benefits, among them hospital visitation and family and funeral leave; legal standing of

beneficiaries relating to victims rights, domestic violence family status, and the ability to sue in instances of wrongful death; and, miscellaneous benefits, such as use of state university facilities use couples and use of government vehicles in family emergencies.

But there is also a long list of benefits denied to reciprocal beneficiaries - not only federally related rights accorded married couples, but also rights linked to traditional marriage.

"What you're not getting," said Matsunaga, who co-chairs the Senate Judiciary Committee, "are things that are related to federal status because of the [1996 federal] Defense of Marriage Act [which bars federal recognition of same-sex couples]. We couldn't give those."

"We're also not giving," said Matsunaga, "the rights that are so intricately tied to marriage, such as divorce, alimony and palimony, and child custody. ... What you are getting, the cornerstone of the rights and benefits, are health insurance benefits."

Matsunaga said it was a struggle for the Senate to win the rights it did get for beneficiaries from the House, which is more conservative and strongly against equal marriage rights for Gays. "The House just wanted to give a couple of radishes," he said.

Some of the benefits that remain unavailable to Gay couples are relatively minor, but many aren't.

The state, which automatically gives a hunting license to the spouse of a military servicemember, will not do so for reciprocal beneficiaries. A deduction for filing joint state income tax returns, which was originally proposed by the Senate, was eventually deleted. A reciprocal beneficiary who leaves the family will not be required to pay child support, even if he or she was the main provider.

Governor's about-face

Cayetano's decision not to sign the bill came as a surprise. Earlier this month, one group, the Hawaii Business Health Council, which includes some of the state's largest businesses, expressed concern about the cost to private employers and the state and urged the governor to veto it. Cayetano then commented, according to the Honolulu Star-Bulletin:

"I look at it more from a point of view of according certain rights to people of a certain sexual orientation. You can't put a cost ... on something that is tantamount to civil rights." Cayetano called the bill "a historic step forward."

Attorney Foley said Cayetano had repeatedly backed giving benefits to domestic partners; on June 15, the governor stated on a radio program that he would sign the bill. His press secretary, however, said there may be "technical flaws" in the legislation that led him not to sign it. Sue Reardon, director of Marriage Project Hawaii, said she wanted to hear Cayetano's reasons for not signing before offering any comment.

Under a timetable dictated by the Hawaii Constitution, Cayetano's decision to let the bill become law without his signature postponed the date it takes effect by one week, to July 8, according to the Health Department's Johnston.

Wolfson of Lambda Legal said that while some Gay activists have criticized

the marriage effort for allegedly diverting energy from other goals, the new Hawaii statute "is yet again strong evidence that that's not true."

"Fighting for the freedom to marry," said Wolfson, "compels even our most bitter enemies to move in our direction to offer recognition and concrete benefits to our families."

Foley believes the reciprocal beneficiaries law may help create a "comfort zone" in which citizens of Hawaii will get used to same-sex couples having civil rights - and might be more inclined to vote against the constitutional amendment.

There is no possibility other states will completely imitate Hawaii's beneficiaries law, even pro-Gay ones like those in New England. The reason is that all other states are prohibited by federal statute from requiring private employers to offer health and pension benefits. Years ago, Hawaii obtained an exemption from that law.

"That helps explain why we were able to go farther in Hawaii," said Wolfson, "but it also underscores ... why it is so critically important to redouble efforts to win the freedom to marry."

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

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

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IKKVW4VEN4005KHC@PMDF.EOP.GOV> for socarides\_r@a1.eop.gov; Fri, 27 Jun 1997 20:18:01 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov) by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IKKVW2RBG000690B@PMDF.EOP.GOV> for socarides\_r@a1.eop.gov; Fri, 27 Jun 1997 20:17:58 -0500 (EST)

Received: from mail.sdsu.edu ([130.191.25.3]) by STORM.EOP.GOV (PMDF V5.1-7 #6879) with ESMTTP id <01IKKVSR01A0012GZ@STORM.EOP.GOV> for socarides\_r@a1.eop.gov; Fri, 27 Jun 1997 20:17:45 -0400 (EDT)

Received: from [130.191.242.121] ([130.191.242.121]) by mail.sdsu.edu (8.8.4/8.8.4) with ESMTTP id RAA02347; Fri, 27 Jun 1997 17:16:17 -0700 (PDT)

X-Sender: dcase@mail.sdsu.edu

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cheryl M. Carter ( CN=Cheryl M. Carter/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:30-JUN-1997 13:46:07.00

SUBJECT: Call from Distilled Spirits Council

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

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

TO: Rahm I. Emanuel ( CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

CC: Peter O'Keefe ( CN=Peter O'Keefe/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

Heads up...got my weekly call from Tim Dudgeon with Distilled Spirits Council this morning and he really needed to hear from us this week because he has held his folks off of a public campaign effort on this issue about as long as he can...as of next week he's not sure what will happen. We REALLY need to focus on this and give them an answer to their April letter to POTUS calling for him to convene a meeting of all sides.

HELP!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 08:54:58.00

SUBJECT: Re: meeting

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

READ:UNKNOWN

TEXT:

Yes, everyone is coming.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Maria Echaveste ( CN=Maria Echaveste/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:30-JUN-1997 14:19:29.00

SUBJECT: Call from Distilled Spirits Council

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

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

READ:UNKNOWN

TEXT:

Folks--I know you are all busy, but do you need some help here to answer the letter from the Distilled Spirits Council. We would be happy to help you, if you'll tell us how.

----- Forwarded by Maria Echaveste/WHO/EOP on 06/30/97  
02:18 PM -----

Cheryl M. Carter

06/30/97 01:54:13 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP, Marjorie Tarmey/WHO/EOP, Mark Hunker/WHO/EOP

cc:

Subject: Call from Distilled Spirits Council

FYI...I may need your help with this situation if I don't get an answer in a couple of days from Elena and Bruce. I've been pushing them for over a month now to give Distilled Spirits an answer to their letter to POTUS from April and they haven't been able to focus on it yet. If you see them could you please give them a little push for me? We could have a bad press problem on our hands next week if I don't tell Distilled Spirits something this week...they haven't shared details on their public campaign but I assume it will be an all out effort to get the WH to bring all sides of the alcohol advertising issue to the table.

I'll keep you posted.

----- Forwarded by Cheryl M. Carter/WHO/EOP on 06/30/97  
01:53 PM -----

Cheryl M. Carter

06/30/97 01:45:42 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Rahm I. Emanuel/WHO/EOP,  
Michelle Crisci/WHO/EOP

cc: Peter O'Keefe/WHO/EOP

Subject: Call from Distilled Spirits Council

Heads up...got my weekly call from Tim Dudgeon with Distilled Spirits Council this morning and he really needed to hear from us this week because he has held his folks off of a public campaign effort on this issue about as long as he can...as of next week he's not sure what will happen. We REALLY need to focus on this and give them an answer to their April letter to POTUS calling for him to convene a meeting of all sides.

HELP!

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Martha Foley ( FOLEY\_M ) (WHO)

CREATION DATE/TIME:30-JUN-1997 16:36:43.14

SUBJECT: FYI

TO: Elena Kagan

( KAGAN\_E ) Autoforward to: Remote Addresse

READ:NOT READ

TEXT:

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

ATT CREATION TIME/DATE:25-JUN-1997 13:15:00.00

ATT BODYPART TYPE:E

ATT CREATOR: Nancy A. Min

ATT SUBJECT: Conversation with Karen Nelson on Hyde Provisions

ATT TO: FOLEY\_M

( FOLEY\_M@A1@CD )

ATT TO: Barbara Chow

( Barbara Chow@EOP@LNGTWY@EOPMRX )

TEXT:

Message Creation Date was at 25-JUN-1997 13:15:00

This may interest you.

----- Forwarded by Nancy A. Min/OMB/EOP on 06/25/97 01:15 PM

Barbara E. Washington

06/25/97 01:11:31 PM

Record Type: Record

To: Nancy A. Min/OMB/EOP

cc: Barry T. Clendenin/OMB/EOP, Mark E. Miller/OMB/EOP, Nani A.

Coloretti/OMB/EOP

Subject: Conversation with Karen Nelson on Hyde Provisions

I spoke with Karen Nelson regarding the letter to the President that you faxed to us last night. You had a question about the following statement in the letter: "The Senate Finance Committee attached the same restriction (Hyde Amendment) to the entire Medicaid program in addition to the Children's Health Initiative." This statement was not consistent with our understanding of what was in the language. The following explanation is pretty long, but Karen's points were complicated.

Senate Medicaid Language

Karen said that the statement refers to the provision in the Senate Finance Medicaid language that appears on page 55 of the legislation, in the "sanctions for noncompliance by managed care entities" section. States may impose sanctions on managed care organizations that fail to substantially "provide medically necessary items and services." However, for the purposes of this

sanction authority, the term "medically necessary" shall not be construed as requiring an abortion be performed for any individual except in the cases of rape, incest or life of the mother."

She acknowledged that the provision in the SFC Medicaid language does not really prohibit all Medicaid payments for abortion, it only means that if this bill language passed, and Hyde language was no longer in the L/HHS appropriations bill, a State would not be able to sanction a managed care organization for refusing to provide abortion services (unless that abortion was necessary because of rape, incest or to save the life of the mother).

However, she said that the more important point was that the Majority had changed the definition of "medical necessity" in the Medicaid statute. Historically, Medicaid coverage of abortion services has ridden on the interpretation of the term "medically necessary services" to include abortion services. The term "medically necessary" is not currently defined anywhere in the Social Security Act, only in regulation.

Karen said that by changing the definition of "medically necessary" to exclude abortion services in the law (even though it is only for the purposes of managed care sanctions and is not a blanket prohibition), the Majority is chipping away at the current regulations which define "medically necessary" services to include abortion services. Karen thought that because there is no statutory definition of what is "medically necessary", courts could point to this definition in the managed care sanctions section to overturn the regulation.

She also said that she had heard "fifth hand" that someone was planning to move to strike this provision on the Senate floor because it violates the Byrd rule.

#### House and Senate Children's Health Language

I asked her what she thought about the effect of the Hyde Amendment provisions in the children's health titles of the House and Senate bills. I indicated to her that after a preliminary review, staff thought that the Hyde Amendment language in the children's health titles prohibits the use of the funds allotted under the new Title XXI for abortion (with exceptions for rape, incest, and life of the mother). Under this interpretation, the Hyde Amendment language would affect the child health funds allotted under this new title, whether the States choose to use it for Medicaid or for the other purposes.

She said that she thought the construction of the amendments in the children's health titles was not clear. She said that, if it passed, it would probably be left up to the discretion of lawyers in the Administration whether or not the prohibition would apply to Medicaid spending under the new title, or just the new children's grant program.

She said that some could argue that the prohibition applied to all of the funds allotted under the children's health title, whether the State chooses to use the funds for Medicaid or a new grant. She said, on the other hand, though, one could also argue that the title allows states to spend Medicaid funds (from the Medicaid appropriation) equivalent to the amount of funds allotted under the new title. Under this scenario, the funds would come from the Medicaid appropriation, and a State's allotment under the new title would be decreased by an equal amount. Theoretically under this scenario, if there was no Hyde Amendment on the Medicaid appropriation, Medicaid funds spent on children's health would not be subject to the Hyde Amendment language in Title XXI.

She said that regardless of which interpretation is correct (which she said is

academic at this point), they will urge the leadership to remove the restrictions.

===== END ATTACHMENT 1 =====

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:30-JUN-1997 15:10:14.00

SUBJECT:

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

TEXT:

Bob Litt is in the West Basement & 3:00 immigration mtg. w/ Ruff