

**NLWJC - KAGAN**

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**[08/26/1997]**

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Thomas Freedman to Richard Socarides et al. [Re: Birthday.] (1 page)	08/26/1997	Personal Misfile

### COLLECTION:

Clinton Presidential Records  
Automated Records Management System [Email]  
WHO ([Kagan])  
OA/Box Number: 500000

### FOLDER TITLE:

[08/26/1997]

2009-1006-F

vz114

### RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: John Podesta ( CN=John Podesta/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME: 26-AUG-1997 08:13:21.00

SUBJECT: Re: secret service unionization

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

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

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

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

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

TEXT:

I think this is the right way to proceed, but would like Erskine's view.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1997 10:03:17.00

SUBJECT: Congress

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

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

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

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

TEXT:

FYI, I confirmed with Leg Affairs that the Senate returns on 9/2 and the House returns on 9/3.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur ( CN=Jonathan H. Schnur/O=OVP [ UNKNOWN ] )

CREATION DATE/TIME:26-AUG-1997 10:13:01.00

SUBJECT: VP event for next week

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

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

TEXT:

I checked with Ron about a VP event on the national tests next week. He would like to see if the VP could do a national standards event on Thursday, September 4, rather than Wednesday the 3rd. This is mostly because the VP is already doing a "message" event on welfare-to-work Wednesday.

We will discuss it further later in the day, but I wanted to check and see what you all thought -- given potential floor votes, etc. -- of the Thursday option.

Also...yesterday, someone raised the benefits of including business leaders and educators in the CEO national test endorsement event last fall. Do you think we should broaden any conference call/event next week to include educators (e.g. superintendents, teachers, teacher unions) as well as the CEOs?



**EDUCATION PILLAR**

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL TIME COMMITMENT
<p>EDUCATION STANDARDS: National Tests</p>	<p>Persuade 30-40+ states and 30-40+ major cities to sign up for national tests in 4th grade reading and 8th grade math by 1999.</p>	<p>April 1999</p>	<p>Raises expectations and achievement for all students in U.S. elementary and secondary schools, especially low income students.</p>	<p>*In current budget National tests will cost \$16 million per year to develop and \$100 million per year to administer.</p>	<p>Has strong potential for bipartisan and business support, although has attracted outspoken critics.</p>	<p>Significant</p>
	<p>Enact legislation establishing independent governing board (NAGB) for tests.</p>	<p>Sept 1998</p>	<p>Helps states and school districts hold schools accountable for performance.</p>	<p>\$620 million requested for Goals 2000 in FY 98 budget.</p>	<p>Will require intensive continuous public campaign to forge bipartisan congressional support.</p>	
	<p>Pilot tests in 1998 and make ready for nationwide use in Spring 1999.</p>	<p>April 1999</p>		<p>In addition to the America Reads initiative, additional investments in reading and math materials, professional development and public information will be needed.</p>	<p>Will require hard work to maintain support within the minority community.</p>	
	<p>Launch National Partnerships for improving reading and math achievement .</p>	<p>Feb 1998</p>		<p>Prospects for long-term success in most states are good but will require us to build and sustain broad nationwide support, and continue with aggressive, case-by-case efforts to address any local barriers to participation.</p>		
	<p>Support, through Goals 2000 and the IASA, all States in developing common academic standards for their students.</p>	<p>Ongoing</p>		<p>Must prevent any legislation delaying test development.</p>		

EDUCATION PILLAR						
EDUCATION STANDARDS: Urban Education Reform/Fixing Failing Schools	Aggressively promote school reform by challenging and/or requiring urban districts to adopt our school reform agenda--no social promotions; public school choice; closing failing schools; firing bad teachers; and improving management--and rewarding those that do.	Legislation by end of 1998.  Program duration: 5 years	Low performing schools reconstituted using proven school improvement models.  Better use of resources by urban school systems and more choice for parents.  Restore public confidence in urban public school systems.	*Requires new legislation and budget authority  \$320 million competitive grant program for 10-15 districts to end social promotions, fix failing schools, widen public school choice, fire bad teachers, and improve management.  Potential for using Obey whole school reform funds in FY 98 Appropriations bill to partially accomplish.  Possibly require Title I schools to adopt no-social-promotions and other reform policies.	May be difficult to secure Congressional support -- suburban/rural members, voucher supporters and liberals against high stakes testing may oppose.	Significant
EDUCATION STANDARDS: Public School Choice	Create 3,000 high-quality, accountable charter schools (up from 1 in 1992 and 500 today).  Increase the number of states with charter legislation to 35.	2001  1998	Provides parents with options; increases accountability.  Stimulates and informs improvement of all schools.  Intervention strategy for low performing schools.  Increases public awareness of choices available within the public school system; decreases calls for vouchers.	*In current budget  \$100 million appropriation for charter schools program in FY 1998 would support up to 1,100 schools.  Success depends on challenging state legislatures.	Has strong bipartisan support. Counter to Republican voucher proposals and Coverdell Amendment.  Some in education organizations and minority community are wary or opposed.	Significant
EDUCATION	Recruit and prepare	Legislation	Bring outstanding new	*New legislation and budget	Has bipartisan	Significant

**EDUCATION PILLAR**

STANDARDS: Talented and Dedicated Teachers	10% of the new teachers needed in high poverty urban and rural schools.	by end of 1998.  Program: 5 years	teachers (including minorities) into schools with the greatest need; provide mentorship to new teachers.  Provide models and support for improvements in higher education to strengthen teacher preparation.	authority required.  \$350 million over five years to support proposed Title V of Higher Education Act for teacher recruitment and strengthening teacher preparation.	elements; recruitment initiative has strong appeal to urban constituency.	
	Enable 100,000 teachers to seek national certification as master teachers.	9 years	Enable every school to have at least one master teacher who can help lead improvements in the school and support teacher development.	\$105 million over five years in the balanced budget to develop content area assessments and provide access to certification process for 100,000 teachers.		Limited
	Increase the number of states/districts with programs to remove incompetent teachers.	Host roundtable discussion on effective local efforts in Fall 1997.	Facilitate the removal of incompetent teachers from the classroom and increase public confidence in public schools.	No cost	Strong public support for getting tough on incompetent teachers and increasing support from teacher organizations.	Limited
EDUCATION STANDARDS: America Reads: Tutoring for students who are behind, and related efforts	Launch national campaign to ensure that all children can read well and independently by age 8. After school tutors	Major launch for summer 1998.  Negotiation next month	Helps children in communities with low reading levels, especially low income children.	Education Dept. Funds for 1998 included in Budget Agreement, although appropriators are balking.  Needed increase for National Service is much more difficult to	Strong positive public reaction. However, support in Congress and from constituency groups is sparse.	Significant

**EDUCATION PILLAR**

	are a primary component; Congress is also pressing for a teacher re-training effort.	over appropriations details are critical.		achieve.		
After School Learning Centers / Community Schools	Expand schools' capacity to address education needs by creating 500-1000 new after-school programs.	1-2 years	<p>Increases safety and reduces risk -- youth are most at risk of committing violence or being victims between 3 and 6 p.m.</p> <p>Provides students with safe neighborhood learning centers to do homework and obtain tutoring and mentoring.</p> <p>Provides parents with safe, educational programs for children during working hours.</p>	<p>*In current budget</p> <p>\$50 million requested in FY 1998 budget; House committee appropriated \$50 million but only \$1 million in the Senate.</p>	<p>Some bipartisan support.</p> <p>Public identifies this as key unaddressed education and childcare need.</p>	Limited
School-to-Work	All 50 states creating comprehensive school-to-career systems.	Ongoing	Provides more than half a million high school students with opportunities for work-based learning connected to high standards, preparing them for careers and further learning.	<p>*In current budget</p> <p>State systems encouraged and supported by School-to-Work Opportunities Act of 1994; \$400 million requested for FY 98.</p>	Bipartisan support, including business community; currently under attack by far-right groups.	Limited
Safe and Drug-Free Schools	Added school safety as a focus of the federal investment in 1993 and later successfully fought to increase funding	Ongoing	<p>Allows schools to use funds for security improvements and violence prevention.</p> <p>Provided increase in funds for prevention programs at a time</p>	<p>*In current budget</p> <p>\$620 million requested in FY 1998.</p>	Strong public support for President's effort to preserve funding for program.	Limited

**EDUCATION PILLAR**

	<p>despite GOP threats to cut.</p> <p>As part of new initiative, ensure that federal funds support state and school district investments in effective safety and substance abuse prevention efforts.</p> <p>Established zero tolerance policy for guns in schools requiring a one-year mandatory expulsion for kids who bring guns to schools.</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>when adolescent drug use increasing.</p> <p>Focus funds on the most effective interventions, increasing the number of kids free from violence and drugs.</p> <p>Will provide more models of programs that work for kids.</p> <p>In some 6,000 cases, the student population was protected by removing students who brought guns to school.</p>	<p>Department of Education reviewing options for overhauling existing program.</p>	<p>Efforts to improve program would address criticism that it doesn't work, but Congress could treat as excuse to attack Administration programs and efforts.</p> <p>Local districts likely to resist changes requiring more competition for funds or greater emphasis on results.</p>	
School Construction	<p>Provide up to 50% interest subsidy for new school construction and renovation.</p>	4 years	<p>Increase the amount of school construction by 25%.</p> <p>Target subsidy to urban and high-poverty districts that have the most significant needs.</p> <p>One-third of all schools facing extensive repair or</p>	<p>* New budget item</p> <p>\$5 billion grant program -- part of the funds awarded by competition for local school districts and the other part by formula to states.</p> <p>State grants do ensure that rural and suburban schools will also receive interest subsidies.</p>	<p>Strongly supported by urban constituencies.</p> <p>Growing public recognition of problem, and some potential for bipartisan</p>	Limited

EDUCATION PILLAR						
			<p>replacement.</p> <p>New schools needed to address overcrowding caused by record enrollments.</p>	<p>Record enrollment this fall ensure that overcrowding will continue to be an issue of great concern.</p>	<p>support, although many Republicans vocally oppose.</p> <p>Description of initiative is based on legislation introduced last term, other policy options should be considered in order to increase chances for enactment.</p>	
College Access and Enrollment	** TO BE PROVIDED BY NEC					
Education Technology	** TO BE PROVIDED BY NEC					



HEALTH CARE PILLAR						
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
<b>I. ENTITLEMENT REFORM</b>						
<b>New Medicare Reforms</b>	Implement reforms before Medicare Commission report including, income-related premium, intensive fraud and abuse initiatives, a requirement that Medicare managed care plans cover Rx drugs, and Medicare buy-in demonstration for 55-65 age group -- the most difficult to insure population.	Next six months. These provisions could go into the FY 1999 Budget or -- if concerned about tying too closely to budget process -- could be introduced as free-standing initiatives.	Action-oriented approach rather than waiting for Commission recommendations. While it would not solve the long-term financing challenges, some of these proposals will save billions of dollars for the Medicare program.	Achieve savings for Medicare, which could be used for desirable initiatives, such as expanded (relatively low-cost) benefits or to fund demos for future Medicare reforms -- like a Medicare buy-in for younger seniors. Such a demo could have implications for ability to raise the Medicare eligibility age from 65 to 67.	Aging advocates and some of our Democratic base (like Gephardt) will oppose income-related premium outside of context of broader reform. Linking it to a popular idea like buy-ins for younger seniors or requiring HMOs to provide Rx drug coverage may help. Taking such an approach would be received positively by "elites," but they probably would still say it is insufficient.	Significant. In the absence of Presidential involvement, Democratic base and aging advocates could revolt against these proposals.
<b>Medicare Commission</b>	Appoint commission to consider feasible long-term reforms for the program.	Commission appointed by Dec. 1, 1997. Report due in 1999.	Address long-term financing challenges of Medicare program.	No significant costs. Potential savings if consensus reached on broad-based Medicare reform. Commission required under the Balanced Budget Agreement.	If Commission is made up of respected politically experienced and credible members, its recommendations have the potential to advance controversial, difficult but necessary reforms.	Limited.
<b>Implementation of Medicare Reforms</b>	Ensure smooth implementation of	Intensive in next six	Implement broad-based	\$115 billion in savings over five	Reinforces commitment to Medicare reforms.	Limited.

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<b>in the Balanced Budget</b>	the most comprehensive Medicare reforms in the program's history. Assure that agency focuses on the new choices and benefits available to beneficiaries, making the program more market-driven and beneficiary-friendly. Monitor the effect of Medicare preventive benefits to see if they save money.	months and throughout 2nd term.	structural reforms, new preventive benefits, and extend the life of the Trust Fund by at least a decade.	years. Included in FY 1998 Budget.	Tests HCFA's ability to show that Medicare can be a viable, strong, and flexible Federal health program.	
<b>Fraud and Abuse in Medicare and Medicaid</b>	New actions to stop fraud and abuse in health care system. First, take immediate action against home health care companies and other providers who overbill and defraud Medicare and Medicaid. Second, consider unveiling a more	Immediate action in September or early October. Unveil new legislative approach in Fall or Winter.	Reduce fraud and abuse in Medicare and Medicaid, restoring confidence in these programs.	Currently working with HHS/HCFA to determine what actions can be taken right away and what require legislative action. Large savings possible but unlikely to be scored by CBO in a significant way. Potential savings in new Budget. May require upfront	Support from aging advocates and consumers. Providers will likely oppose.	Limited. One or two well-publicized events this fall.

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	comprehensive legislative approach as a free-standing bill or as part of the FY 1999 Budget.			administrative investment. HHS and OMB currently reviewing.		
<b>Medicaid Reform</b>	Identify and propose reforms to Medicaid such as asking Medicare commission to study Medicaid as well and proposing demonstrations and evaluations on Medicaid managed care and long-term care. In addition, could reconsider per capita cap policy.	FY 1999 Budget and throughout second term.	Prepares for the demographic changes that will affect Medicaid as strongly as they will Medicare.	Could contain modest savings but much more likely to have costs, if combined with additional access to long-term care services.	Support from states (except for any reconsideration of per capita cap), elite media. Possible opposition from aging and low-income advocates and Democrats.	Limited.
<b>II. COVERAGE EXPANSIONS</b>						
<b>Early Retirees</b>	Offer access to Medicare before	Possibly in the context of	Targets the most difficult to insure	New budget commitment. Costs	Addresses high priority for the labor and aging	Significant involvement to

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	age 65 and provide subsidies for lower-income pre-Medicare eligibles.	the tobacco settlement or in FY1999 Budget.	population in the country.	about \$2-\$5 billion per year. Tobacco settlement or high-income premium could offset some of these costs.	advocates.	enact.
<b>Workers Who Change or Lose Jobs</b>	Help pay health care premiums for workers who change or lose their jobs.	Possibly in the context of tobacco settlement or in FY 1999 Budget.	Sound policy. Helps workers and their families -- in an increasingly transient economy -- keep their health care coverage when they change or lose their jobs. Builds on Kassebaum-Kennedy legislation.	In President's FY 1998 Budget but not in final budget deal. \$2-\$4 billion per year. Probably best population to target without substitution problems. Needs better communication strategy to attract broad support.	Needs additional publicity to elicit broad-based support, but labor and health policy community think next logical step.	Significant involvement necessary to enact. (If not, may not be worth dedicating limited resources in upcoming budget).
<b>Implementation of Children's Health Initiative</b>	Ensure effective implementation of children's health initiative.	Intensive in next six months and throughout 2nd term.	Implement strong state programs to expand health coverage to millions of uninsured children.	Paid for in FY 1998 Budget. May require additional administrative costs for Federal oversight.	Reinforces commitment to children. Failure to significantly decrease numbers of uninsured children would be highly problematic.	Limited <u>if</u> combined with involvement of First Lady.
<b>Medicaid Outreach Bonus</b>	Allows states to get the same enhanced match as they do under the children's health initiative for	In next six months.	Possibly in the context of tobacco settlement.	About \$1 billion a year. Probably would receive broad-based support from states and consumer groups	Address concerns of states like Minnesota that would focus on already eligible kids; less likelihood of crowd-out. Popular with Medicaid	Limited.

HEALTH CARE PILLAR						
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	successfully enrolling kids already eligible for Medicaid.			but may be difficult to secure funding source after unprecedented \$24 billion investment.	supporters.	
<b>Small Business Insurance Coverage Reform</b>	Develop legislation to help small businesses gain access to affordable health care insurance by developing voluntary purchasing cooperatives.	FY 1999 Budget	Targets employers who have the most difficulty providing health care coverage to their workers.	New budget commitment. Costs are minimal -- less than \$100 million per year.	Popular among business community and consumers. Could take advantage of House Republicans (Fawell) interest in pursuing a similar (although flawed) strategy. Jeffords may be interested in combining this proposal with consumer protection agenda.	Limited.
<b>Expand Access to HIV Drugs through Medicaid benefits.</b>	Currently Medicaid does not pay for HIV drugs until a certain level of disability is reached whereas AIDS drugs are recommended as early as possible. Develop strategy for Medicaid access to drugs before disability.	Vice President requested a study from HCFA on the feasibility of a demo. Study expected shortly..	Offers lifesaving drugs earlier -- when they are thought to be more beneficial. Reduces pressure on other AIDS funding programs, such as AIDS Assistance Drugs Programs.	New budget commitment. HCFA determining costs of doing as a small demonstration as well as legislation. This proposal could be prohibitively expensive to fund in a way that is satisfactory to AIDS advocates. For this reason, HHS is likely to be	Extremely high priority for AIDS community, but could encourage disease and other interest groups to ask for similar benefit and thus cause serious controversy.	Limited. Vice President has been closely involved.

HEALTH CARE PILLAR						
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				generally negative to this concept.		
<b>III. CONSUMER PROTECTIONS</b>						
<b>Consumer Protections, Quality</b>	Develop consensus on a broad range of public and private consumer protections for health care plans. These could include appeals and grievance procedures for patients in a rapidly changing health care delivery system.	Likely to be raised in a bipartisan fashion by Congress this fall. Quality Commission is also likely to issue Consumer Bill of Rights in November and final recommendations next spring.	Addresses the need for better consumer protections and quality assurances.	New budget commitment. Federal costs are likely to be minimal but insurers and business community will likely argue that private premiums will increase.	Significant support from consumers who worry about lack of protections in managed care environment. Opposition from managed care groups and business. Could be combined with some business priorities such as voluntary purchasing cooperatives.	Limited.
<b>Genetic Discrimination Legislation</b>	Develop strategy to pass legislation the President has	This fall. Possibly as part of larger	As genetic information becomes more	New budget commitment. Minimal.	Consumer groups, women's organizations, labor groups support.	Limited.

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	endorsed preventing health plans and employers from discriminating on the basis of genetic information.	consumer protection and quality reform.	accessible, there is a need to guarantee this information is used to improve health status and not to discriminate against individuals with genetic predispositions.			
<b>Privacy Protections</b>	Work with HHS to finalize their statutorily-mandated report on privacy protections and develop positions on outstanding controversial issues.	Likely to be addressed in the context of consumer protection/ quality debate this fall.	Develop appropriate protections as health care shifts to large network providers, managed care, and information management companies; major long-term implications for use of medical information in the computer age and in the context of medical research advances.	New budget commitment. Likely cost is minimal though unknown. Lots of interest in this issue. However, wide array of viewpoints particularly with regard to enforcement.	Consumer and health advocacy organizations will support. Managed care companies and businesses (who fear excessive government regulation) could oppose. Bipartisan interest on the Hill could help mitigate this opposition.	Limited.
<b>Food Safety</b>	Follow through on agency commitments in last June's report to President to	This fall -- propose regulations for juice and eggs, and	Improve safety of our nation's food supply.	\$43 million in FY1998 request. Congress likely to provide full funding. Additional funding	Bipartisan; will be supported by industry and consumers.	Limited.

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	<p>issue new regulations on food safety and launch public-private initiative.</p> <p>Propose legislation authorizing USDA to recall contaminated products, assess civil penalties, and implement training systems.</p>	<p>launch the public-private education campaign.</p> <p>This fall -- as early as September 3.</p>	<p>Improve safety of our nation's food supply; enable USDA to respond as quickly and effectively as possible to Hudson Foods-type incidents.</p>	<p>for FY 1999 may be necessary.</p> <p>New budget commitment for improved tracing systems but minimal costs.</p>	<p>Requested authority to recall and assess civil penalty rejected twice in past by Congress. Consumer groups will support; industry will probably oppose.</p>	<p>Limited.</p>

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<b>IV. TOBACCO, RESEARCH, AND OTHER HIGH PRIORITY PUBLIC HEALTH INITIATIVES</b>						
<b>Tobacco Settlement</b>	Secure FY 98 appropriations.  Pass tobacco legislation that: codifies FDA authority and restricts access and advertising to kids; reduces children's smoking by 50% in 7 years; and reduces overall tobacco consumption and invests billions of dollars from the settlement on improvements in insurance coverage, research, and public health.	Frame debate in a Presidential event in early fall. If conclude that settlement or outline of settlement is worth pursuing, push legislative approach in Fall and in remainder of this Congress.	Potential important new investments in health care (see investments in rest of document). <b>Reduces vast amount of tobacco-related illness and death, reduces harm to children.</b>	<b>Revenue from settlement could amount to billions of dollars (perhaps \$3-8 billion a year). Chances of success depend on agreement on overall settlement.</b>	Could gain bipartisan support; strong regional concerns from tobacco states.	Significant. Because of potential opposition from both sides of ideological spectrum, this initiative will require a substantial commitment from the President.
<b>21st Century Biomedical Research Trust Fund</b>	Consider significantly increasing the NIH research budget (as much as double,	FY 1999 Budget and in context of overall tobacco	Ensure that most promising research is expedited and life and cost-saving cures/ treatments are	New budget commitment of billions of dollars a year. Could be done with potential	Lots of bipartisan support for biomedical research.	Limited. Perhaps an event with NIH in the fall.

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	from about \$13 billion to about \$26 billion over 10 years). These funds would be designed to supplement -- not supplant -- investments for high priority disease categories that show good potential for treatment/cure.	settlement.	found. Could be dedicated solely to cancer to ensure association with tobacco-related research and to limit costs.	funds from tobacco settlement. HHS is also considering suggesting a health insurance premium tax (of about 1.4%) to supplement any dollars made available from the tobacco settlement		
<b>Race and Health</b>	Public health campaign oriented toward reducing racial disparities in health status or care in areas, such as asthma, cancer, infant mortality, diabetes, and heart disease.	FY1999 Budget	Reduce disparities in health status of minorities and contribute to overall health initiatives.	New budget commitment of approximately \$100 to \$300 million a year. Could be included in our Budget, but need to secure status from OMB.	Support from health care advocates as well as minorities. Reinforces President's overall race agenda.	Limited. Would be part of overall race initiative.
<b>Making health status -- rather than just coverage -- a priority</b>	Strong arguments can be made for greater focus on improving Americans' health status rather than on merely improving coverage. This	Throughout the remainder of the Administration.	Shifting our focus to health status -- rather than coverage -- could help improve health of many Americans.	Unknown at this time. Depends on the policies developed and whether they are federally-funded or achieved through requirements in the	Could be very popular if done with scientific validation. If not done carefully, it could be viewed as "feel good" policy that has little impact.	Limited.

HEALTH CARE PILLAR						
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	could mean a greater emphasis on prevention, health promotion research, and other public health strategies.			private sector.		
<b>Surgeon General Nomination</b>	Announce Dr. David Satcher as Surgeon General and work with Congress to get him confirmed.	Mid-September.	Address a multi-year vacancy.	By the very nature of the position, this nomination could be controversial.	Nomination could bring controversial issues, such as needle exchange, to the forefront.	Limited.
<b>FDA Commissioner Nomination</b>	Select and nominate FDA Commissioner and get confirmed.	This Fall.	Fill FDA Commissioner position.	If handled poorly, this nomination could become controversial.	We should avoid leaving this post open for much longer.	Limited. Vice President has been closely involved.
<b>FDA Reform</b>	Makes FDA more efficient and responsive to concerns of industry, while ensuring continued commitment to public health.	October or soon thereafter.	Pending legislation includes many of the reinventing government provisions we have advocated.	Likely to happen because of the industry's and Administration's interests in ensuring continuation of FDA user fees, which have been critically important to financing the rapid review of new drugs.	Pharmaceutical industry and the Hill strongly support. Consumers are luke-warm, but generally supportive.	Limited. Vice President has been closely involved.
<b>Pediatric Labeling</b>	Implementing new	Rule	Ensure that children	Currently seeking	Support from AIDS,	Limited.

HEALTH CARE PILLAR						
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
<b>Implementation</b>	rule to ensure adequate testing and labeling for drugs widely used on children.	proposed in August. Implement in next 3 months.	get high quality treatment care. According to the American Academy of Pediatrics, "this is one of the most important advances for pediatric drug therapy in several decades."	public comment. Cost to industry is relatively modest.	children's, physicians groups. Concern among pharmaceutical companies due to philosophical opposition to a mandate.	Already did well-publicized event.
<b>Needle Exchange</b>	Consider lifting the ban on federal funding for needle exchange. (HHS Secretary has the authority if she determines programs would reduce HIV transmission and not increase overall drug use).	No decision has been made.	HIV infections among injection drug users, their sexual partners, and their children are at a very high level and are increasing. Needle exchange programs have been shown to be effective in reducing the rates of needle sharing and HIV infection among participants. Would bolster support for local prevention groups and public health officials seeking to implement programs at the community	Relatively inexpensive.	Extremely controversial. Republican appropriators were close to rescinding the Secretary's authority to lift the restriction, but did not do so. Many national organizations, including the U.S. Conference of Mayors, the American Medical Association, and the American Bar Association, have come out in support of needle exchange. NIH Director Varmus supports. McCaffrey still likely to oppose but continues to send signals of openness to science-based conclusions in this matter.	Limited.

HEALTH CARE PILLAR						
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
			level.			
<b>Continued Leadership on Bioethics (consistent w/Morgan state speech)</b>	<b>National Bioethics Advisory Commission fall report recommending stronger protections for human subjects of unregulated research (possibly propose legislation). Ensure implementation of commitments on Tuskegee, human radiation experiments, and secret human research.</b>	This fall.	<b>All Americans benefit from greater protections for participation in research, especially among minorities.</b>	Minimal. Already expect recommendations. Determining feasibility of enacting with broad-based legislation.	Lots of underlying support for ensuring protections for subjects of this research.	Limited.
<b>AIDS Vaccine</b>	Do everything possible to reach goal of developing vaccine in the next decade, including new AIDS vaccine center at NIH and high profile meeting with companies.	Announce-ment about center and meeting in next few months.	Developing a vaccine for this deadly disease plaguing millions around the world.	Paid for. Costs for vaccine center paid for in NIH budget.	Strong support from key Congressional offices and AIDS community, provided funding does not undermine other areas of AIDS investments.	Limited.

**HEALTH CARE PILLAR**

<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/ FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL COMMITMENT</b>



HEALTH CARE PILLAR						
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
<b>I. ENTITLEMENT REFORM</b>						
<b>New Medicare Reforms</b>	Implement reforms before Medicare Commission report including, income-related premium, intensive fraud and abuse initiatives, a requirement that Medicare managed care plans cover Rx drugs, and Medicare buy-in demonstration for 55-65 age group -- the most difficult to insure population.	Next six months. These provisions could go into the FY 1999 Budget or -- if concerned about tying too closely to budget process -- could be introduced as free-standing initiatives.	Action-oriented approach rather than waiting for Commission recommendations. While it would not solve the long-term financing challenges, some of these proposals will save billions of dollars for the Medicare program.	Achieve savings for Medicare, which could be used for desirable initiatives, such as expanded (relatively low-cost) benefits or to fund demos for future Medicare reforms -- like a Medicare buy-in for younger seniors. Such a demo could have implications for ability to raise the Medicare eligibility age from 65 to 67.	Aging advocates and some of our Democratic base (like Gephardt) will oppose income-related premium outside of context of broader reform. Linking it to a popular idea like buy-ins for younger seniors or requiring HMOs to provide Rx drug coverage may help. Taking such an approach would be received positively by "elites," but they probably would still say it is insufficient.	Significant. In the absence of Presidential involvement, Democratic base and aging advocates could revolt against these proposals.
<b>Medicare Commission</b>	Appoint commission to consider feasible long-term reforms for the program.	Commission appointed by Dec. 1, 1997. Report due in 1999.	Address long-term financing challenges of Medicare program.	No significant costs. Potential savings if consensus reached on broad-based Medicare reform. Commission required under the Balanced Budget Agreement.	If Commission is made up of respected politically experienced and credible members, its recommendations have the potential to advance controversial, difficult but necessary reforms.	Limited.
<b>Implementation of Medicare Reforms</b>	Ensure smooth implementation of	Intensive in next six	Implement broad-based	\$115 billion in savings over five	Reinforces commitment to Medicare reforms.	Limited.

HEALTH CARE PILLAR						
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
<b>in the Balanced Budget</b>	the most comprehensive Medicare reforms in the program's history. Assure that agency focuses on the new choices and benefits available to beneficiaries, making the program more market-driven and beneficiary-friendly. Monitor the effect of Medicare preventive benefits to see if they save money.	months and throughout 2nd term.	structural reforms, new preventive benefits, and extend the life of the Trust Fund by at least a decade.	years. Included in FY 1998 Budget.	Tests HCFA's ability to show that Medicare can be a viable, strong, and flexible Federal health program.	
<b>Fraud and Abuse in Medicare and Medicaid</b>	New actions to stop fraud and abuse in health care system. First, take immediate action against home health care companies and other providers who overbill and defraud Medicare and Medicaid. Second, consider unveiling a more	Immediate action in September or early October. Unveil new legislative approach in Fall or Winter.	Reduce fraud and abuse in Medicare and Medicaid, restoring confidence in these programs.	Currently working with HHS/HCFA to determine what actions can be taken right away and what require legislative action. Large savings possible but unlikely to be scored by CBO in a significant way. Potential savings in new Budget. May require upfront	Support from aging advocates and consumers. Providers will likely oppose.	Limited. One or two well-publicized events this fall.

HEALTH CARE PILLAR						
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	comprehensive legislative approach as a free-standing bill or as part of the FY 1999 Budget.			administrative investment. HHS and OMB currently reviewing.		
<b>Medicaid Reform</b>	Identify and propose reforms to Medicaid such as asking Medicare commission to study Medicaid as well and proposing demonstrations and evaluations on Medicaid managed care and long-term care. In addition, could reconsider per capita cap policy.	FY 1999 Budget and throughout second term.	Prepares for the demographic changes that will affect Medicaid as strongly as they will Medicare.	Could contain modest savings but much more likely to have costs, if combined with additional access to long-term care services.	Support from states (except for any reconsideration of per capita cap), elite media. Possible opposition from aging and low-income advocates and Democrats.	Limited.
<b>II. COVERAGE EXPANSIONS</b>						
<b>Early Retirees</b>	Offer access to Medicare before	Possibly in the context of	Targets the most difficult to insure	New budget commitment. Costs	Addresses high priority for the labor and aging	Significant involvement to

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	age 65 and provide subsidies for lower-income pre-Medicare eligibles.	the tobacco settlement or in FY1999 Budget.	population in the country.	about \$2-\$5 billion per year. Tobacco settlement or high-income premium could offset some of these costs.	advocates.	enact.
<b>Workers Who Change or Lose Jobs</b>	Help pay health care premiums for workers who change or lose their jobs.	Possibly in the context of tobacco settlement or in FY 1999 Budget.	Sound policy. Helps workers and their families -- in an increasingly transient economy -- keep their health care coverage when they change or lose their jobs. Builds on Kassebaum-Kennedy legislation.	In President's FY 1998 Budget but not in final budget deal. \$2-\$4 billion per year. Probably best population to target without substitution problems. Needs better communication strategy to attract broad support.	Needs additional publicity to elicit broad-based support, but labor and health policy community think next logical step.	Significant involvement necessary to enact. (If not, may not be worth dedicating limited resources in upcoming budget).
<b>Implementation of Children's Health Initiative</b>	Ensure effective implementation of children's health initiative.	Intensive in next six months and throughout 2nd term.	Implement strong state programs to expand health coverage to millions of uninsured children.	Paid for in FY 1998 Budget. May require additional administrative costs for Federal oversight.	Reinforces commitment to children. Failure to significantly decrease numbers of uninsured children would be highly problematic.	Limited <u>if</u> combined with involvement of First Lady.
<b>Medicaid Outreach Bonus</b>	Allows states to get the same enhanced match as they do under the children's health initiative for	In next six months.	Possibly in the context of tobacco settlement.	About \$1 billion a year. Probably would receive broad-based support from states and consumer groups	Address concerns of states like Minnesota that would focus on already eligible kids; less likelihood of crowd-out. Popular with Medicaid	Limited.

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	successfully enrolling kids already eligible for Medicaid.			but may be difficult to secure funding source after unprecedented \$24 billion investment.	supporters.	
<b>Small Business Insurance Coverage Reform</b>	Develop legislation to help small businesses gain access to affordable health care insurance by developing voluntary purchasing cooperatives.	FY 1999 Budget	Targets employers who have the most difficulty providing health care coverage to their workers.	New budget commitment. Costs are minimal -- less than \$100 million per year.	Popular among business community and consumers. Could take advantage of House Republicans (Fawell) interest in pursuing a similar (although flawed) strategy. Jeffords may be interested in combining this proposal with consumer protection agenda.	Limited.
<b>Expand Access to HIV Drugs through Medicaid benefits.</b>	Currently Medicaid does not pay for HIV drugs until a certain level of disability is reached whereas AIDS drugs are recommended as early as possible. Develop strategy for Medicaid access to drugs before disability.	Vice President requested a study from HCFA on the feasibility of a demo. Study expected shortly..	Offers lifesaving drugs earlier -- when they are thought to be more beneficial. Reduces pressure on other AIDS funding programs, such as AIDS Assistance Drugs Programs.	New budget commitment. HCFA determining costs of doing as a small demonstration as well as legislation. This proposal could be prohibitively expensive to fund in a way that is satisfactory to AIDS advocates.	Extremely high priority for AIDS community, but could encourage disease and other interest groups to ask for similar benefit and thus cause serious controversy.	Limited. Vice President has been closely involved.

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<b>III. CONSUMER PROTECTIONS</b>						
<b>Consumer Protections, Quality</b>	Develop consensus on a broad range of public and private consumer protections for health care plans. These could include appeals and grievance procedures for patients in a rapidly changing health care delivery system.	Likely to be raised in a bipartisan fashion by Congress this fall. Quality Commission is also likely to issue Consumer Bill of Rights in November and final recommendations next spring.	Addresses the need for better consumer protections and quality assurances.	New budget commitment. Federal costs are likely to be minimal but insurers and business community will likely argue that private premiums will increase.	Significant support from consumers who worry about lack of protections in managed care environment. Opposition from managed care groups and business. Could be combined with some business priorities such as voluntary purchasing cooperatives.	Limited.
<b>Genetic Discrimination Legislation</b>	Develop strategy to pass legislation the President has endorsed preventing health plans and employers from discriminating on	This fall. Possibly as part of larger consumer protection and quality reform.	As genetic information becomes more accessible, there is a need to guarantee this information is used to improve health status and not	New budget commitment. Minimal.	Consumer groups, women's organizations, labor groups support.	Limited.

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BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
	the basis of genetic information.		to discriminate against individuals with genetic predispositions.			
<b>Privacy Protections</b>	Work with HHS to finalize their statutorily-mandated report on privacy protections and develop positions on outstanding controversial issues.	Likely to be addressed in the context of consumer protection/ quality debate this fall.	Develop appropriate protections as health care shifts to large network providers, managed care, and information management companies; major long-term implications for use of medical information in the computer age and in the context of medical research advances.	New budget commitment. Likely cost is minimal though unknown. Lots of interest in this issue. However, wide array of viewpoints particularly with regard to enforcement.	Consumer and health advocacy organizations will support. Managed care companies and businesses (who fear excessive government regulation) could oppose. Bipartisan interest on the Hill could help mitigate this opposition.	Limited.
<b>Food Safety</b>	Follow through on agency commitments in last June's report to President to issue new regulations on food safety and launch public-private initiative.	This fall -- propose regulations for juice and eggs, and launch the public-private education campaign.	Improve safety of our nation's food supply.	\$43 million in FY1998 request. Congress likely to provide full funding. Additional funding for FY 1999 may be necessary.	Bipartisan; will be supported by industry and consumers.	Limited.

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	Propose legislation authorizing USDA to recall contaminated products, assess civil penalties, and implement training systems.	This fall -- as early as September 3.	Improve safety of our nation's food supply; enable USDA to respond as quickly and effectively as possible to Hudson Foods-type incidents.	New budget commitment for improved tracing systems but minimal costs.	Requested authority to recall and assess civil penalty rejected twice in past by Congress. Consumer groups will support; industry will probably oppose.	Limited.
<b>IV. TOBACCO, RESEARCH, AND OTHER HIGH PRIORITY PUBLIC HEALTH INITIATIVES</b>						

HEALTH CARE PILLAR

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
<b>Tobacco Settlement</b>	<p>Secure FY 98 appropriations.</p> <p>Pass tobacco legislation that: codifies FDA authority and restricts access and advertising to kids; reduces children's smoking by 50% in 7 years; and reduces overall tobacco consumption and invests billions of dollars from the settlement on improvements in insurance coverage, research, and public health.</p>	<p>Frame debate in a Presidential event in early fall. If conclude that settlement or outline of settlement is worth pursuing, push legislative approach in Fall and in remainder of this Congress.</p>	<p>Potential important new investments in health care (see investments in rest of document). <b>Reduces vast amount of tobacco-related illness and death, reduces harm to children.</b></p>	<p><b>Revenue from settlement could amount to billions of dollars (perhaps \$3-8 billion a year). Chances of success depend on agreement on overall settlement.</b></p>	<p>Could gain bipartisan support; strong regional concerns from tobacco states.</p>	<p>Significant. Because of potential opposition from both sides of ideological spectrum, this initiative will require a substantial commitment from the President.</p>
<b>21st Century Biomedical Research Trust Fund</b>	<p>Consider significantly increasing the NIH research budget (as much as double, from about \$13 billion to about \$26 billion over 10 years). These funds would be designed to supplement --</p>	<p>FY 1999 Budget and in context of overall tobacco settlement.</p>	<p>Ensure that most promising research is expedited and life and cost-saving cures/ treatments are found. Could be dedicated solely to cancer to ensure association with tobacco-related research and to limit</p>	<p>New budget commitment of billions of dollars a year. Could be done with potential funds from tobacco settlement. HHS is also considering suggesting a health insurance premium tax (of about 1.4%)</p>	<p>Lots of bipartisan support for biomedical research.</p>	<p>Limited. Perhaps an event with NIH in the fall.</p>

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	not supplant -- investments for high priority disease categories that show good potential for treatment/cure.		costs.	to supplement any dollars made available from the tobacco settlement		
<b>Race and Health</b>	Public health campaign oriented toward reducing racial disparities in health status or care in areas, such as asthma, cancer, infant mortality, diabetes, and heart disease.	FY1999 Budget	Reduce disparities in health status of minorities and contribute to overall health initiatives.	New budget commitment of approximately \$100 to \$300 million a year. Could be included in our Budget, but need to secure status from OMB.	Support from health care advocates as well as minorities. Reinforces President's overall race agenda.	Limited. Would be part of overall race initiative.
<b>Making health status -- rather than just coverage -- a priority</b>	Strong arguments can be made for greater focus on improving Americans' health status rather than on merely improving coverage. This could mean a greater emphasis on prevention, health promotion research, and other public health	Throughout the remainder of the Administration.	Shifting our focus to health status -- rather than coverage -- could help improve health of many Americans.	Unknown at this time. Depends on the policies developed and whether they are federally-funded or achieved through requirements in the private sector.	Could be very popular if done with scientific validation. If not done carefully, it could be viewed as "feel good" policy that has little impact.	Limited.

HEALTH CARE PILLAR						
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	strategies.					
<b>Surgeon General Nomination</b>	Announce Dr. David Satcher as Surgeon General and work with Congress to get him confirmed.	Mid-September.	Address a multi-year vacancy.	By the very nature of the position, this nomination could be controversial.	Nomination could bring controversial issues, such as needle exchange, to the forefront.	Limited.
<b>FDA Commissioner Nomination</b>	Select and nominate FDA Commissioner and get confirmed.	This Fall.	Fill FDA Commissioner position.	If handled poorly, this nomination could become controversial.	We should avoid leaving this post open for much longer.	Limited. Vice President has been closely involved.
<b>FDA Reform</b>	Makes FDA more efficient and responsive to concerns of industry, while ensuring continued commitment to public health.	October or soon thereafter.	Pending legislation includes many of the reinventing government provisions we have advocated.	Likely to happen because of the industry's and Administration's interests in ensuring continuation of FDA user fees, which have been critically important to financing the rapid review of new drugs.	Pharmaceutical industry and the Hill strongly support. Consumers are luke-warm, but generally supportive.	Limited. Vice President has been closely involved.
<b>Pediatric Labeling Implementation</b>	Implementing new rule to ensure adequate testing and labeling for drugs widely used on children.	Rule proposed in August. Implement in next 3 months.	Ensure that children get high quality treatment care. According to the American Academy of Pediatrics, "this is one of the most	Currently seeking public comment. Cost to industry is relatively modest.	Support from AIDS, children's, physicians groups. Concern among pharmaceutical companies due to philosophical opposition to a mandate.	Limited. Already did well-publicized event.

HEALTH CARE PILLAR						
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
			important advances for pediatric drug therapy in several decades.”			
<b>Needle Exchange</b>	Consider lifting the ban on federal funding for needle exchange. (HHS Secretary has the authority if she determines programs would reduce HIV transmission and not increase overall drug use).	No decision has been made.	HIV infections among injection drug users, their sexual partners, and their children are at a very high level and are increasing. Needle exchange programs have been shown to be effective in reducing the rates of needle sharing and HIV infection among participants. Would bolster support for local prevention groups and public health officials seeking to implement programs at the community level.	Relatively inexpensive.	Extremely controversial. Republican appropriators were close to rescinding the Secretary's authority to lift the restriction, but did not do so. Many national organizations, including the U.S. Conference of Mayors, the American Medical Association, and the American Bar Association, have come out in support of needle exchange. NIH Director Varmus supports. McCaffrey still likely to oppose but continues to send signals of openness to science-based conclusions in this matter.	Limited.
<b>Continued Leadership on Bioethics (consistent w/Morgan state speech)</b>	<b>National Bioethics Advisory Commission fall report</b>	This fall.	<b>All Americans benefit from greater protections for participation in research,</b>	Minimal. Already expect recommendations. Determining feasibility of	Lots of underlying support for ensuring protections for subjects of this research.	Limited.

HEALTH CARE PILLAR						
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/ FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL COMMITMENT
	recommending stronger protections for human subjects of unregulated research (possibly propose legislation). Ensure implementation of commitments on Tuskegee, human radiation experiments, and secret human research.		especially among minorities.	enacting with broad-based legislation.		
AIDS Vaccine	Do everything possible to reach goal of developing vaccine in the next decade, including new AIDS vaccine center at NIH and high profile meeting with companies.	Announce-ment about center and meeting in next few months.	Developing a vaccine for this deadly disease plaguing millions around the world.	Paid for. Costs for vaccine center paid for in NIH budget.	Strong support from key Congressional offices and AIDS community, provided funding does not undermine other areas of AIDS investments.	Limited.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1997 11:02:53.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Gov Chiles wants to talk to the President about the Florida tobacco settlement. He is speaking with Shalala today. OK with you if I prepare call sheet for Betty Currie?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Demond T. Martin ( CN=Demond T. Martin/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:26-AUG-1997 11:38:31.00

SUBJECT: Re: NOTES ON DAILY REPORTS -This week

TO: Jeffrey M. Smith ( CN=Jeffrey M. Smith/OU=OSTP/O=EOP @ EOP [ OSTP ] )  
READ:UNKNOWN

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

TO: Nelson W. Cunningham ( CN=Nelson W. Cunningham/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: Barry J. Toiv ( CN=Barry J. Toiv/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: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

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

TO: Ronda H. Jackson ( CN=Ronda H. Jackson/OU=WHO/O=EOP [ WHO ] )  
READ:UNKNOWN

TO: kerrick\_d ( kerrick\_d @ a1 @ cd @ lngtwy [ UNKNOWN ] ) (NSC)  
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TO: elizabeth harrington ( CN=elizabeth harrington/O=ovp @ ovp [ UNKNOWN ] )  
READ:UNKNOWN

TO: debbie b bengtson ( CN=debbie b bengtson/O=ovp @ ovp [ UNKNOWN ] )  
READ:UNKNOWN

TO: williams\_a ( williams\_a @ a1 @ cd @ lngtwy [ UNKNOWN ] ) (WHO)  
READ:UNKNOWN

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

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

TO: Demond T. Martin ( CN=Demond T. Martin/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TO: kimberly h tilley ( CN=kimberly h tilley/O=ovp @ ovp [ UNKNOWN ] )  
READ:UNKNOWN

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

TO: Karen E. Finney ( CN=Karen E. Finney/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: Michael D. Malone ( CN=Michael D. Malone/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

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

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

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

TO: millison\_c ( millison\_c @ al @ cd @ lngtwy [ UNKNOWN ] ) (NSC)  
READ:UNKNOWN

TO: Stephen B. Silverman ( CN=Stephen B. Silverman/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Gene B. Sperling ( CN=Gene B. Sperling/OU=OPD/O=EOP @ EOP [ OPD ] )  
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TO: Michael Waldman ( CN=Michael Waldman/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Todd Stern ( CN=Todd Stern/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Craig T. Smith ( CN=Craig T. Smith/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Charles F. Ruff ( CN=Charles F. Ruff/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TO: Alice H. Williams ( CN=Alice H. Williams/OU=CEA/O=EOP @ EOP [ CEA ] )  
READ:UNKNOWN

TO: Robert S. Kapla ( CN=Robert S. Kapla/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
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TO: Edward F. Hughes ( CN=Edward F. Hughes/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Mickey Ibarra ( CN=Mickey Ibarra/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Karin Kullman ( CN=Karin Kullman/OU=WHO/O=EOP @ EOP [ WHO ] )

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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TO: Janet Himler ( CN=Janet Himler/OU=OMB/O=EOP @ EOP [ OMB ] )

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TO: Janet L. Graves ( CN=Janet L. Graves/OU=OMB/O=EOP @ EOP [ OMB ] )

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

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

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

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TEXT:

As noted earlier I will be compiling the daily reports for the remainder of the week. Please send any material for the Daily Report to me today by 3:00 PM. Thanks.



CRIME & DRUGS PILLAR						
BUILDING BLOCKS	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS	PRESIDENTIAL TIME COMMITMENT
<b>Community Policing: 100,000 More Police</b>	Continue implementing the Administration's signature program to increase police presence and expand community policing throughout the country. Add new emphasis on policing strategies that address quality of life issues and crime "hot spots."	Implementa-tion through FY 2000.  New initiatives to be developed in FY 1998.	Majority of nation's police departments have received funds to hire a total of 63,000 new police (or equivalents) and for community policing training. These resources have been key to local efforts to drive down crime rates.	\$8.8 billion through FY 2000, nearly \$5.5 billion of which will have been appropriated as of FY 1998. New funds not necessary unless Congress extends life of hiring grants. If hiring grants are extended, they would cost about \$1.5 billion per year.	Currently has strong bipartisan congressional support.  Some Members of Congress and Mayors have expressed concern about program funds expiring, and are looking to extend grants beyond the originally proposed 3 years.	Significant. Regular events to highlight signature crime initiative.
<b>Community Policing: Crime Technology</b>	Add technology component to community policing initiative. Include use hand-held computers, crime mapping software and other innovations.		Technology becomes more important as police departments begin to reach optimum force levels.	New funds for technology component not necessary if Congress expands non-hiring portion of program.		
<b>Juvenile Crime Bill</b>	Enact comprehensive anti-gang and youth violence strategy that: funds local prosecutors; expands after school programs; bans violent juveniles from owning guns as adults; and	House Republicans passed their version of a juvenile crime bill in June 1997; the Senate is	Would allow localities to replicate Boston's comprehensive and successful anti-gang/ youth violence initiative (Operations Ceasefire/ Nightlite). By cracking down on gangs, tracing	The Administration's FY 1998 budget includes \$225 million to supports its juvenile crime strategy (as well as other funds for prevention programs authorized by the Crime Act).	In the House, Republicans and Democrats were sharply divided over the juvenile crime bill. The Black Caucus viewed the Republican and	Significant.

**CRIME & DRUGS PILLAR**

	requires child safety locks with every gun sold.	planning to consider a somewhat improved version this fall.	all youth crime guns, keeping schools open, etc., youth crime and murders have been cut dramatically.	Congress has favored more costly block grants to fund a juvenile crime strategy. The House CJS appropriations bill currently includes a new \$300 million block grant for enforcement and a new \$100 million block grant for prevention. The Senate CJS bill includes a new \$145 million block grant for enforcement and a \$75 million discretionary prevention program.	Administration bills as too punitive. And both Democrats and Republicans fought the Administration's efforts to attach gun provisions to the legislation.  While there is more consensus in the Senate, most Republicans are not supportive of the Administration's after-schools initiative -- and (as in the House) Republicans and Democrats alike will fight our gun measures.	
<b>National Drug Strategy</b>	Enact and implement \$175 million media campaign, as part of the National Drug Strategy, to help counter recent increases in adolescent drug use.  Potential new initiatives include: (1) money laundering crackdown (Treasury bill); and (2) initiative to test/treat drug-using offenders.	Media campaign needs to be implemented this fall.  New Drug Strategy and Budget due each February. New initiatives	Reduces drug use and its consequences; and reduces drug-related crime and violence.	This year's overall drug budget was just under \$16 billion; most should be funded by Congress. House and Senate appropriators are supportive of the media campaign, though funding may be between \$110 and \$150 million.	Speaker Gingrich has expressed strong support for taking on the drug issue, and supports the media campaign. But we are unlikely to get Republican support on our other anti-drug initiatives -- and are more likely to see a Republican anti-drug bill, not to our liking, next fall.	Significant. Regular events to highlight drug problem and Administration initiatives.

**CRIME & DRUGS PILLAR**

		need to be outlined at this time.				
<b>Race/Crime Initiative</b>	Enact and implement anti-crime initiatives to complement race dialogue: (1) increased community policing for high-crime, minority communities that have been traditionally under-protected; and (2) targeted crime prevention funds for high-crime, minority neighborhoods.	Next 12 months.	<p>Would bring new police resources to communi-ties that have the highest public safety needs and increase police interaction with the community.</p> <p>Would increase oppor-tunities for minority youth and offer positive alternatives to gangs, guns and drugs.</p>	The Crime Bill already authorizes substantial funds for these purposes (\$8.8 billion for police, \$6 billion for prevention), as does the Administration's and Congress' proposed juvenile crime legislation. Need Congress to appropriate money for these purposes and enact targeting legislation.	There should be bipartisan support for targeting community policing resources to high-crime, minority communities. But there has been almost no support among Republicans for funding the Crime Bill's prevention programs -- and limited support for adding prevention funds to the juvenile crime bill.	Limited. Part of overall race initiative.
<b>Brady Bill</b>	Work with state and local law enforcement to make sure that they continue to conduct background checks on a voluntary basis. Implement a national computer "Insta-Check" system for all firearms sales after November 1998.	National "Insta-check" system must replace 5-day waiting period by November 1998.	<p>More than 250,000 fugitives, felons and other prohibited purchasers have been stopped from buying handguns.</p> <p>Murders committed by firearms down.</p>	<p>As of FY 1998, \$220 million will have been expended to help states improve their criminal history records.</p> <p>Additional funds (about \$50 million each year) probably will be necessary to continue this process, and to ensure that state and local law enforcement agencies participate in "Insta-check" system.</p>	Despite recent Supreme Court decision, the over-whelming majority of state and local law enforcement agencies are still conducting background checks. Only Ohio and a handful of local jurisdictions have resisted.	Limited, assuming Congressional action is not required.

**CRIME & DRUGS PILLAR**

					More work still needs to be done to ensure that states participate in the national "Insta-check" system, including pushing states to pass implementing legislation and providing states with additional funds to improve their criminal history records. The politics of this are more likely to be dominated by the pro-gun/anti-gun debate than by party affiliation.	
<b>Prisons/Penalties</b>	Enforce/promote penalty enhancements for serious criminals -- such as "three strikes" and "truth-in-sentencing" -- and provide states with resources to incarcerate violent offenders.	Implementa-tion through FY 2000.	Serious criminals are serving longer sentences; state and federal prison capacity is up (approx-imately 40%); and prison overcrowding is down (only 3% at the state level; 24% in the federal system).	No new funds are necessary. The crime bill authorized more than \$10 billion for state prisons (construction and operations) and alternatives to incarceration; \$1.3 billion already has been appropriated (FY 97).	Republicans have favored greater funding for prisons than Democrats and the Administration. But to make it easier for governors to access prison funds, Republican appropriators have watered down the Crime Bill's tough "truth-in-sentencing" requirements.	Limited.

**CRIME & DRUGS PILLAR**

	New initiative on coerced abstinence program -- take administrative action to require states to test, treat and keep offenders drug-free.	This fall.	A large portion of the state and local prison population is addicted to drugs, and testing/treatment may prevent these criminals from committing repeat offenses when released.	Once requirement goes into effect, pressure will mount for new legislation allowing the use of Crime Act funds for testing and treatment.	Republicans have strongly resisted the Administration's efforts to allow prison grants to be used for drug testing and treatment.	
<b>Sex Offenders</b>	Ensure states have adequate sex offender registries, community notification laws; fully implement national sex offender registry to link all state information.	Ongoing. Interim national registry in place as of this spring. Working with states in following months to ensure their full participation in national registry.	Communities are notified of released and paroled sex offenders. Law enforcement can more closely monitor sex offender whereabouts.	The Administration requested -- and the House and Senate appropriations bill currently include -- \$25 million to provide states with technical assistance to improve their sex offender registries.	Strong bipartisan support.  Community notification laws are being litigated in federal and state courts.	Limited.
<b>Domestic Violence</b>	Continue implementation and consider expansion of Violence Against Women Act (VAWA), which includes enforcement and prevention initiatives to reduce violence against women.	Implementation through FY 2000.  Legislation to expand	Funds have been used to promote pro-arrest policies, battered women shelters, rape prevention, and to establish a national domestic violence hotline.	More than \$500 million of the \$1.6 billion authorized for this legislation has already been appropriated.  New legislation would require new funds.	There is strong bipartisan support for this initiative.  Certain aspects of proposed new	Limited.

**CRIME & DRUGS PILLAR**

		VAWA being introduced in Congress this fall.			legislation are controversial, including within Justice Department.	
<b>Victims Rights Amendment</b>	Lead fight to amend Constitution to protect the rights of crime victims.	House held hearings in June of 1997. No Senate action yet. Should work to get passed by the end of this Congress.	Writes many of the protections that crime victims have gained into the Constitution.	No immediate budget implications.	Bipartisan support.	Limited.



<b>EDUCATION PILLAR</b>						
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
National Standards and Tests	Persuade 30-40+ states and 30-40+ major cities to sign up for national tests in 4th grade reading and 8th grade math by 1999.	April 1999	Raises expectations and achievement for all students in U.S. elementary and secondary schools, especially low income students.	No new budget authority needed.	Has potential for bipartisan and business support, although has attracted outspoken critics.	Significant
	Enact legislation establishing independent governing board (NAGB) for tests.	Sept 1998	Helps states and school districts hold schools accountable for performance.	National tests will cost \$16 million per year to develop and \$100 million per year to administer. Congress to consider an amendment this month to deny authority to spend any funds for these purposes.  \$620 million requested for Goals 2000 in FY 98 budget. Committees have appropriated less.	Will require intensive public campaign to forge bipartisan congressional support.	
	Pilot tests in 1998 and make ready for nationwide use in Spring 1999.	April 1999		Prospects for long-term success in most states are good but will require us to build and sustain broad nationwide support, and continue with aggressive efforts to address any local barriers to participation.	Will require hard work to maintain support within the minority community.	
	Launch National Partnerships for improving reading and math achievement .	Feb 1998		Must prevent any legislation delaying test development.		
	Support, through Goals 2000 and the IASA, all States in developing common academic standards for their students.	Ongoing				

**EDUCATION PILLAR**

<p>School Reform: Urban Education Initiative</p>	<p>Promote school reform by challenging and/or requiring urban districts to adopt our school reform agenda--no social promotions; public school choice; closing failing schools; firing bad teachers; and improving management--and rewarding those that do.</p> <p>Possibly require Title I schools to adopt no-social-promotions and other reform policies.</p>	<p>Legislation by end of 1998.</p> <p>Program duration: 5 years</p>	<p>Reconstitute low performing schools using proven school improvement models.</p> <p>Improve use of resources by urban school systems and provide more choice for parents.</p> <p>Restore public confidence in urban public school systems.</p>	<p>Requires new legislation and budget authority</p> <p>Approximately \$320 million per year for competitive grant program for 10-15 districts ("education empowerment zones") to end social promotions, fix failing schools, widen public school choice, fire bad teachers, and improve management.</p> <p>Potential for using Obey whole school reform funds in FY 98 Appropriations bill to partially accomplish this objective.</p>	<p>May be difficult to secure Congressional support -- suburban/rural members, voucher supporters and liberals against high stakes testing may oppose.</p>	<p>Significant</p>
<p>School Reform: Public School Choice</p>	<p>Create 3,000 high-quality, accountable charter schools (up from 1 in 1992 and 500 today).</p> <p>Increase the number of states with charter legislation to 35.</p>	<p>2001</p> <p>1998</p>	<p>Provides parents with options; increases accountability.</p> <p>Stimulates improvement of all schools.</p> <p>Offers intervention strategy for low performing schools.</p> <p>Increases public awareness of choices available within the public school system;</p>	<p>No new budget authority needed.</p> <p>Administration's request for \$100 million appropriation for charter schools program in FY 1998 would support up to 1,100 schools. Committees have appropriated less.</p> <p>Success depends on challenging state legislatures.</p>	<p>Has strong bipartisan support. Counter to Republican voucher proposals and Coverdell Amendment.</p> <p>Some in education organizations and minority</p>	<p>Significant</p>



**EDUCATION PILLAR**

<p>behind, and related efforts</p>	<p>read well and independently by age 8.</p> <p>After school tutors are a primary component; Congress is also pressing for a teacher re-training effort.</p>	<p>1998.</p> <p>Negotiations next month over appropriations are critical.</p>	<p>children.</p>	<p>balking.</p> <p>Needed increase for National Service is much more difficult to achieve.</p>	<p>in Congress and from constituency groups is sparse.</p>	<p>launch program.</p>
<p>School Construction</p>	<p>Provide up to 50% interest subsidy for new school construction and renovation.</p>	<p>4 years</p>	<p>Increase the amount of school construction by 25%.</p> <p>Target subsidy to urban and high-poverty districts that have the most significant needs.</p> <p>One-third of all schools facing extensive repair or replacement.</p> <p>New schools needed to address overcrowding caused by record enrollments.</p>	<p>New budget commitment necessary.</p> <p>\$5 billion grant program -- part of the funds awarded by competition for local school districts and the other part by formula to states.</p> <p>State grants ensure that rural and suburban schools will also receive interest subsidies.</p> <p>Record enrollment this fall ensures that overcrowding will continue to be an issue of great concern.</p>	<p>Strongly supported by urban constituencies.</p> <p>Growing public recognition of problem, and some potential for bipartisan support, although many Republicans vocally oppose.</p> <p>Description of initiative is based on legislation introduced last term; other policy options should be considered in order to increase chances for enactment.</p>	<p>Limited</p>

<b>EDUCATION PILLAR</b>						
After School Learning Centers / Community Schools	<p>See also Child Care Pillar.</p> <p>Current proposal would expand schools' capacity to address education needs by creating 500-1000 new after-school programs.</p> <p>Further expansions to be included in child care proposal.</p>	1-2 years	<p>Increases safety and reduces risk -- youth are most at risk of committing violence or being victims between 3 and 6 p.m.</p> <p>Provides students with safe neighborhood learning centers to do homework and obtain tutoring and mentoring.</p> <p>Provides parents with safe, educational programs for children during working hours.</p>	<p>No new budget authority needed.</p> <p>\$50 million requested in FY 1998 budget; House committee appropriated \$50 million but Senate committee appropriated only \$1 million.</p>	<p>Some bipartisan support.</p> <p>Public identifies this as key unaddressed education and childcare need.</p>	Limited
School-to-Work	All 50 states creating comprehensive school-to-career systems.	Ongoing	Provides more than half a million high school students with opportunities for work-based learning connected to high standards, preparing them for careers and further learning.	<p>No new budget authority needed.</p> <p>State systems encouraged and supported by School-to-Work Opportunities Act of 1994; \$400 million requested for FY 98.</p>	Bipartisan support, including business community; currently under attack by far-right groups.	Limited
Safe and Drug-Free Schools	Improve implementation of proposal by ensuring that federal funds support the most effective investments in safety and substance abuse prevention.	Ongoing	<p>Focus funds on the most effective interventions, increasing the number of kids free from violence and drugs.</p> <p>Will provide more models of programs that work for kids.</p>	Department of Education reviewing options, including new legislation, for overhauling existing program. No additional budget impact is expected.	Efforts to improve program would address criticism that it doesn't work, but Congress could treat as excuse to attack Administration programs and	Limited

<b>EDUCATION PILLAR</b>						
	Continue implementation of zero tolerance policy for guns in schools requiring a one-year mandatory expulsion for kids who bring guns to schools.	Ongoing  Ongoing	In some 6,000 cases, the student population was protected by removing students who brought guns to school.		efforts.  Local districts likely to resist changes requiring more competition for funds or greater emphasis on results.	Limited
College Access and Enrollment	** TO BE PROVIDED BY NEC					
Education Technology	** TO BE PROVIDED BY NEC					



**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Empowerment Zones</b>	A program to promote sustainable economic development through strategic planning in our most distressed inner cities and rural communities.	First Round designated in December 1994 for 10-year awards. Second Round authorized in August 1997. Awards tentatively proposed for July 1998.	First Round benefits include a blend of tax incentives, including a wage tax credit, and grants ranging from \$100 million for Empowerment Zones (EZs) to \$3 million for Enterprise Communities (ECs). Second Round benefits include a blend of tax incentives, e.g., brownfields expensing, Work Opportunity Tax Credit (WOTC), and a grant award to be determined after FY 1998 appropriations process.	Costs of both rounds are \$6+ billion over ten years in tax incentives and grants. Feasibility -- the First Round is in place we are moving forward on implementation of the Second Round. The Second Round tax provisions are included in the budget agreement. Grant funding for the Second Round zones must be secured through the appropriations process; prospects regarding FY 98 appropriations are mediocre at best.	Assuming same number of applicants as in the first round, the ratio of applicants to winners is 25 to 1. Thus, many mayors and their cities are likely to be disappointed if not designated.	Significant time commitment.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Community Development Financial Institutions (CDFIs)</b>	This initiative established the CDFI Fund which provides grants to create a national network of community banks, credit unions, loan	The first awards were made last year totaling \$37.2 million in investments to 32 CDFIs. A second round of grants	To provide capital, credit, and basic banking services to low-income and distressed rural and urban communities.	\$125 million for FY98. Approximately \$1 billion over five years. This is a protected domestic Presidential priority under the budget agreement.	Republicans have often opposed this program because it is so closely identified with the President. In addition, recent articles in Business	Limited time commitment.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

	funds, microlenders, etc. in low-income and distressed urban and rural communities.	will be announced this September.  Additionally, the House and Senate are currently considering the President's request to more than double CDFI funding (\$125 million).			Week and other publications concerning alleged mismanagement may raise additional opposition.	
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>CRA Reform</b>	The President directed the four banking regulators to revise regulations under the Community Reinvestment Act (CRA) to require financial institutions to lend in their host communities.  Build on the success of CRA Reform by expanding the law on a voluntary basis to non-bank banks, such	This initiative was announced in 1993 and is ongoing.  DPC, NEC, and OVP will be reviewing proposals this fall. Ideally, this new	Reformed CRA has unleashed billions in new credit to distressed communities. Since the President took office, conventional home purchase loans have risen 67.2% for African-Americans, 48.5% for Hispanics, 31.6% for Native Americans, and 16.4% for Asian Americans.  This initiative could provide additional billions in new credit and capital.	No new funds required.  No new funds required.	CRA reform has improved the banks' and community groups' perception of the law, but many Republicans would like to gut the Act.  Politically, this new initiative would meet stiff resistance from Republicans and from non-bank financial	Limited time commitment.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

	as mortgage lenders, insurances companies, and securities firms.	initiative could be announced within the context of the race initiative over the next 12 months.			institutions. Traditional banks should be in favor of this initiative because it has the potential to level the playing field.	
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Brownfields</b>	<p>Implement new tax incentive to encourage the cleanup and redevelopment of contaminated and abandoned sites.</p> <p>Seek additional grant funds to do more site assessment and promote economic development of cleaned-up sites.</p>	<p>Signed into law this August. The incentive sunsets in three years.</p> <p>EPA currently has a pilot program in place to provide site-assessment.</p>	<p>Allows immediate expensing of cleanup costs. Expected to benefit 14,000 sites.</p> <p>By providing site-assessment for private interests, increases probability that the site will be cleaned up and put into productive use.</p>	<p>\$500 million cost to Treasury, but will allow for \$1.5 billion in expensing. No new funds necessary; included in tax bill.</p> <p>The Administration has awarded \$20 million under the pilot program. EPA has requested \$300 million and HUD \$25 million. Funds need to be appropriated this fall. EPA funding is in good shape, HUD's chances of obtaining funding for this program are low.</p>	<p>General bipartisan support and strong support from mayors. Environmental groups support, but are not active on the issue.</p> <p>Same as above-for EPA program.</p>	Limited time commitment.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR  
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<p><b>Homeownership Initiative</b></p>	<p>An initiative to create more homeownership opportunities by removing barriers facing first-time home buyers; elements include cutting the FHA mortgage insurance premium, enforcing fair housing laws, and creating Homeownership Zones.</p>	<p>Program started under Secretary Cisneros in the summer of 1995. The initiative is ongoing. New program features include encouraging police officers to move into HUD-owned properties in designated areas and allowing use of Section 8 vouchers for home-ownership.</p>	<p>More than 2.5 million new homeowners to date. The expansion of homeownership over the last three years is the largest in thirty years. Benefits include lowering costs to purchase homes, making communities safer, and cracking down on racial barriers to homeownership.</p>	<p>No Federal cost.</p>	<p>Initiative has been politically successful.</p>	<p>Limited time commitment.</p>
<p><b>Expansion of Low-Income Housing Tax Credit (LIHTC)</b></p>	<p>The LIHTC is a tax credit that encourages the private development of affordable housing for low-income persons.</p>	<p>As part of OBRA '93, the LIHTC was made permanent. DPC and NEC will review proposals this fall to expand the LIHTC. Any proposed expansion will need to be considered during the FY 99 budget process.</p>	<p>This tax credit generates \$1.8 billion in private low-income apartment investment annually.</p>	<p>New funds will be necessary on the tax side of the budget, but no estimates are currently available.</p>	<p>In the past, opposition has been led by Chairman Archer of the Ways and Means Committee.</p> <p>Strong support from community groups, financial services industry, and non-profit intermediaries -- like LISC and Habitat for Humanity.</p>	<p>Limited time commitment.</p>

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>Mortgage Revenue Bond</b>	As part of OBRA '93, the MRB was made permanent.	Provides low-cost mortgage loans to first-time homebuyers.				
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Electronic Funds Transfer 1999</b>	Set forth regulations to encourage mainstream financial institutions to provide access to basic banking services to all Americans	Treasury is required to publish draft regulations in September to implement Electronic Funds Transfer 99, which requires all beneficiaries to receive their government checks electronically. Regulations must be in force by 1999.	Potential to provide basic banking services to 10 million unbanked Americans.	No new funds necessary.	Banks will be opposed if costs of providing services to unbanked are too high or not subsidized. Community groups may oppose regulations on a number of grounds, including excessive fees/costs, requirements to use only certain types of institutions, allowing check cashing operations and other "fringe" providers to act as financial intermediaries, etc.	Limited time commitment.
<b>Reform of public and assisted housing</b>	Reform public housing by: 1) allowing public housing agencies (PHAs) to attract and keep more working families in public and assisted	Working to enact reforms within the public housing authorization bill currently being	Significant portion of nation's worst public housing will be demolished and replaced with a mix of portable	The FY98 budget request contains \$524 million to revitalize severely distressed public	General bipartisan support for rent-setting reforms to promote mixed-income housing, and greater	Limited time commitment.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

	<p>housing while maintaining sufficient help for the poorest families; 2) giving PHAs greater flexibility while ensuring responsible management/ upkeep of the nation's public housing stock;</p> <p>Continue to carry out commitment to demolish 100,000 units of nation's worst public housing.</p> <p>Maintain our commitment to the Section 8 program by: (1) Renewing expiring Section 8 contracts through appropriations; and (2) Reforming current practice of subsidizing above-market rents by restructuring Section 8 housing portfolio insured by FHA ("mark-to-market" proposal).</p>	<p>considered by Congress. (House passed; Senate bill still awaiting floor action.) Demolition of distressed public housing and development of replacement housing ongoing over next 4 years.</p> <p>House and Senate have passed appropriations bills with provisions to renew Section 8 contracts. Mark-to-market legislation was introduced; Secretary Cuomo testified in the House but legislation unlikely to pass this year.</p>	<p>vouchers and new townhouse-style apartments with mixed-income occupants. Flexibility in setting rents can help tenants moving from welfare to work.</p> <p>Renewal of Section 8 contracts protects against displacement of tenants and possible spike in homelessness. Mark-to-market reform would reduce FHA losses and reduce subsidy costs and defaults.</p>	<p>housing--including demolition and replacement costs . The House and Senate appropriations bills have fully funded the Administration's request. Legislative proposal to reform rent rules and provide housing authorities with flexibility do not have large budget impacts.</p> <p>The President's budget contains \$9.2 billion for Section 8 contract renewals affecting 1.8 million units. (The House enacted this level; Senate enacted \$8.66 billion.) The Administration's mark-to-market proposal generates \$1.25 billion in savings between FYs 1998-2002.</p>	<p>flexibility and accountability for PHAs. Congressional Democrats concerned with possible failure to reserve sufficient housing for poorest families. General bipartisan support for tearing down of dilapidated public housing projects.</p> <p>Bipartisan support to renew expiring Section 8 contracts. Mark-to-market reform does not currently have Congressional support and is opposed by owners of private housing projects and some tenant organizations.</p>	
<p><b>Housing Mobility</b></p>	<p>Possible new initiative that would combine enforcement and voluntary proposals to promote housing choice.</p>	<p>The DPC and NEC are reviewing for possible inclusion in FY99 budget and announcement in context of race</p>	<p>Enhance low-income and/or minority families' access to better housing and neighborhoods.</p>	<p>Between \$50-\$100 million in new funding per year.</p>	<p>Some Republicans will oppose certain aspects (e.g., enhanced fair housing testing) on the grounds that these efforts represent</p>	<p>Limited time commitment.</p>

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

		initiative.			unwarranted Federal intrusion into the housing market. Realtors may oppose for similar reasons. Supporters, include fair housing and civil rights communities.	
<b>Lead Paint Reduction Initiative</b>	Possible new performance-based program for further reducing childhood blood lead levels, especially those of children in large central cities.	The DPC and the NEC are reviewing for possible inclusion in FY99 budget	To reduce children's exposure to lead paint in schools and homes.	Not yet determined.	Children's and public health groups support.	Limited time commitment.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	
<b>Metropolitan Cooperation</b>	Implement Vice Presidential initiative to promote greater regional cooperation and discourage urban sprawl in general. Special emphasis on Empowerment Zones.	Initiative announced in April 1997. Agencies are currently reviewing policies. Vice President will report on initiative at next White House Community Empowerment Conference, which may be scheduled in February, 1998.	Benefits central cities by reducing federal disincentives to urban investment, making "greenfields" less attractive as alternatives, and making the urban and regional economies more competitive. Central city residents in particular would benefit through linkage to greater regional job opportunities. Benefits suburbs, particularly	No new funds currently necessary.	Some Republicans oppose because of perceived federal interference in what is viewed as a local matter. Developers, the real estate industry, and some private rights advocates would be expected to resist.  Growing diverse consensus is supporting this	Limited time commitment.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

			inner- ring suburbs, by pooling resources and providing more efficient expenditures, improving the quality of life, and enhancing the regional economy. Benefits rural communities by preserving vital farmland.		initiative -- Mayors, county governments, farmers, environmentalists, and churches.  New state legislation in number of states, such as Maryland and Minnesota, have shown the strength of this coalition.	
<b>EDUCATION STANDARDS: National Tests</b>  <b>(See Education Pillar)</b>	Persuade 30-40+ states and 30-40+ major cities to sign up for national tests in 4th grade reading and 8th grade math by 1999.	18 months	Raises expectations and achievement for all students in U.S. elementary and secondary schools, especially low income students.	*In current budget  National tests will cost \$16 million per year to develop and \$100 million per year to administer.	Has strong potential for bipartisan and business support, although has attracted outspoken critics.	Significant
	Pilot tests in 1998 and make ready for nationwide use in Spring 1999.	18 months	Helps states and school districts hold schools accountable for performance.	\$620 million requested for Goals 2000 in FY 98 budget.	Will require hard work to maintain support within the minority community.	
	Launch National Partnerships for improving reading and math achievement by early 1998.	6 months		In addition to the America Reads initiative, additional investments in reading and math materials, professional development and public information will be needed.		
	Support, through Goals 2000 and the IASA, all States in developing common academic standards	Ongoing		Prospects for long-term		

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

	for their students.			<p>success in most states are good but will require us to build and sustain broad nationwide support, and continue with aggressive, case-by-case efforts to address any local barriers to participation.</p> <p>Must prevent any legislation delaying test development.</p>		
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<p><b>CRIME &amp; CITIES:</b> (See Crime Pillar)</p> <p><b>100,000 More Police</b></p>	Continue implement-ing Administration's signature program to increase police presence and expand community policing, and consider targeted new initiatives.	Implementation through FY 2000. New initiatives to be developed in FY 1998.	Majority of nation's police departments have received funds to hire a total of 63,000 new police (or equivalents) and for community policing training.	\$8.8 billion through FY 2000, nearly \$5.5 billion of which will have been appropriated as of FY 1998. New funds not necessary.	Bipartisan support.	Significant. Regular events to highlight signature crime initiative.
<b>Juvenile Crime</b>	Pass a comprehensive	House bill passed;	Would allow localities to	\$400 million in House	Republican more	Significant.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR [E.G. UNDERCLASS, CITIES, WELFARE REFORM]						
	anti-gang and youth violence strategy.	Senate will consider bill this fall.	replicate Boston's successful anti-gang/ youth violence initiative (Operations Ceasefire/ Nightlite).	appropriations; \$220 million in Senate appropriations.	supportive of enforcement; Democrats more supportive of prevention. Bipartisan opposition to gun provisions.	
<b>National Drug Strategy</b>	Enact/implement media campaign. Consider new initiatives for 1998 National Drug Strategy.	Media campaign needs to be implemented this fall. New initiatives due in February 1998.	Reduces drug use and its consequences; and reduces drug-related crime and violence.	Overall drug budget is \$16 billion. House and Senate appropriators support between \$110 and \$150 million for media campaign.	Speaker Gingrich and Republicans support media campaign, but not likely to support our other anti-drug initiatives.	Significant. Regular events to highlight drug problem and Administration initiatives.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR [E.G. UNDERCLASS, CITIES, WELFARE REFORM]						
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Private Sector Hiring of Welfare Recipients</b>	Promote efforts of the Welfare to Work Partnership.	Ongoing (effort launched in May 1997).	Already signed up nearly 1,000 companies; goal of 5,000-10,000. Will lead to welfare-to-work programs at most major corporations and many small- and medium-sized businesses. Nationwide database to track job placement.	No additional funding required.  Target major cities (and states with big caseloads like California) to sign up business community.	Has strong bipartisan support.	Significant.
<b>Welfare to Work</b>	Implement new \$3	Through FY 1999.	Hundreds of high	No additional funding	Has bipartisan support	Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>Jobs Challenge</b>	billion Welfare to Work Jobs Challenge enacted in the budget, including awarding 25% of funds competitively to innovative projects.	Regulations will be released in late 1997; formula and competitive grants will be awarded in both FY 1998 and FY 1999 (program enacted in August 1997 in Balanced Budget Act).	poverty/ high unemployment communities will receive funds to put long-term welfare recipients to work.	required -- funding in Balanced Budget Act.	and strong support from mayors and other local officials.	
<b>Welfare to Work Coalition to Sustain Success</b>	Provide leadership and technical assistance to civic organizations and religious groups helping former welfare recipients succeed in the work force. Effort led by the Vice President.	Ongoing, with quarterly working conferences between the Vice President and the Coalition (effort launched in May 1997).	More than 20 national civic groups have joined, representing hundreds of local chapters throughout the country.	No additional funding required.	Has bipartisan support.	Limited.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Federal Government Welfare Hiring</b>	Provide leadership, oversight, and assistance to federal agencies hiring welfare recipients. Effort led by the Vice President.	Ongoing, with goal of 10,000 hires by the year 2000 (effort launched in March 1997).	Will help at least 10,000 welfare recipients get jobs in the federal government.	No additional funding required.  Requires an intensive outreach effort by agency personnel offices.	House Committee on Government Reform and Oversight conducted a hearing on the initiative in April 1997 and has indicated its interest in continued oversight.	Limited.
<b>Welfare to Work Transportation</b>	Provide funds to help communities provide transportation for people leaving welfare for work.	Seeking authorization in fall of 1997 as part of NEXTEA;	Will help the 94 percent of welfare recipients who do not own cars; in particular will help those	Requires \$600 million in new funds over six years (\$100 million a year).	Has support, but most local officials and members of Congress have other	Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

		would require yearly appropriation (proposal made by the President in his FY 1998 budget).	individuals living in rural areas or in cities where most of new jobs are in the suburbs.		transportation priorities.	
<b>Reward States for Successful Job Placement for Welfare Recipients</b>	Welfare law provides work performance bonuses to states most successful in moving people into jobs. Formula and criteria to be developed by HHS in consultation with states.	Will develop bonus system by end of 1997; award bonuses in fiscal years 1999-2003 (was enacted in August 1996 in new welfare law).	States will have to track success in job placement and retention, tell us how many people leave welfare for work.	No additional funding required -- \$1 billion cost was included in welfare law.  Will require additional tracking by states.	Has strong bipartisan support.	Limited.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Parental Responsibility</b>	Increase child support collections to over \$20 billion by the year 2000 through strict enforcement of new hire reporting, license revocation, centralized state collections, and streamlined paternity establishment requirements of the new welfare law.  Increase involvement of both parents, particularly fathers, in children's	Ongoing effort to monitor state compliance with provisions enacted as part of the new welfare reform law and earlier legislation.  Develop possible new initiatives in the fall of 1997,	One in four children live in a single parent household and may need child support enforcement services. Currently, there are about 20 million families in the child support system.  Only 68 percent of children live with both	No additional funding required.  Implementing the new child support enforcement procedures will require enormous efforts by states, with guidance and oversight from the federal agencies.  New initiatives, to be determined, may require	Tougher child support enforcement has broad bipartisan support; however, some women's groups advocate a federalized child support system, rather than the current federal-state partnership.  While the goal of promoting two parent families is accepted	Limited.  Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**

[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

	lives through grants to states for access and visitation programs (part of new welfare law) and new initiatives to be determined.	make possible announcements as part of the race initiative.	parents, a proportion which has declined over time for all ethnic groups. (Currently 75 percent of white children, 62 percent of Hispanic children, and 33 percent of African American children live in two parent households.)  Involvement of both parents improves the well being and future prospects of children.	additional funding.	across the political spectrum, there are vastly different views of how to achieve that goal.	
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Teen Pregnancy Prevention</b>	Reduce the teenage pregnancy rate by one-third by the year 2005 by promoting the efforts of the National Campaign to Prevent Teen Pregnancy, funding community based prevention efforts, developing proposals to reduce statutory rape, and other new initiatives to be determined.	Ongoing.	More than 4 in 10 young women become pregnant before age 20 and 75 percent of teens who give birth do so outside of marriage.  Preventing teen pregnancies improves the economic prospects of young people, decreases welfare dependency and child poverty, and reduces the need for abortions.	No additional funds are expected to be required, but ongoing funding of key health and social services programs is essential.  The National Campaign is supporting state and local actions, enlisting the help of the media, and ensuring the best research and facts are available.	Political disagreements remain over contraception vs. abstinence based approaches.	Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

<p><b>Tracking the Progress and Implementation of Welfare Reform</b></p>	<p>Monitor state and local welfare reform efforts and help them solve implementation problems (i.e., whether FICA must be paid for workfare participants).</p> <p>Promote research and evaluation of welfare reform efforts.</p>	<p>Ongoing.</p>	<p>Will help ensure that welfare reform promotes work and protects kids.</p> <p>Provides ideas for possible new initiatives.</p>	<p>No additional research funds are expected to be required but some effort may be necessary to get full appropriation. (About \$40 million a year is needed; \$20 million of that was included as mandatory funds in welfare reform law.)</p>	<p>May help allay concerns about effects of welfare reform.</p> <p>May entail criticizing state and local political allies and praising political opponents.</p>	<p>Limited.</p>
<p><b>BUILDING BLOCKS OF PILLAR</b></p>	<p><b>DESCRIPTION</b></p>	<p><b>TIMELINE</b></p>	<p><b>BENEFITS</b></p>	<p><b>COSTS/FEASIBILITY</b></p>	<p><b>POLITICAL RAMIFICATIONS</b></p>	<p><b>PRESIDENTIAL TIME COMMITMENT</b></p>
<p><b>Return to Work</b></p>	<p>Increase the number of individuals on SSI or SSDI disability rolls who leave for work by enacting the President's Ticket to Independence proposal which would increase the availability of private rehabilitation services for beneficiaries by rewarding providers who successfully return people to work.</p> <p>In addition, other new initiatives may be developed.</p>	<p>Ongoing effort to enact legislation in the 105th Congress.</p>	<p>Improves economic status of the disabled.</p> <p>May in the long run reduce federal entitlement costs.</p>	<p>No additional funding required -- Ticket to Independence proposal is cost-neutral within the budget window.</p>	<p>Bipartisan interest in the issue. In addition to our proposal, Republican and Democratic Congressional proposals have been offered.</p>	<p>Limited.</p>

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1997 13:32:41.00

SUBJECT: Strategic Planning Memos

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

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

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

TO: Janet L. Yellen ( CN=Janet L. Yellen/OU=CEA/O=EOP @ EOP [ CEA ] )  
READ:UNKNOWN

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

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

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

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

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

TO: John H. Gibbons ( CN=John H. Gibbons/OU=OSTP/O=EOP @ EOP [ OSTP ] )  
READ:UNKNOWN

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

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

CC: Michelle Crisci ( CN=Michelle Crisci/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: Holly L. Gwin ( CN=Holly L. Gwin/OU=OSTP/O=EOP @ EOP [ OSTP ] )  
READ:UNKNOWN

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

CC: Debbie B Bengtson ( CN=Debbie B Bengtson/O=OVP @ OVP [ UNKNOWN ] )  
READ:UNKNOWN

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

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

CC: Shelley N. Fidler ( CN=Shelley N. Fidler/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

CC: Robert S. Kapla ( CN=Robert S. Kapla/OU=CEQ/O=EOP @ EOP [ CEQ ] )  
READ:UNKNOWN

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

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

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

TEXT:

Regarding your memos that prioritize the pillars and describe the reasons for your prioritization, please send a signed hard copy and e-mail a soft copy to me.

The hard copy is for Erskine, Sylvia and John.

The soft copy will allow your memos to be merged into one document for dissemination among the strategic planning team.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1997 14:33:13.00

SUBJECT: proposed plan for outreach from IGA on Education Standards

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

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

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

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

TEXT:

Seattle--Mayor Norm Rice will call Sen. Murray, and wants to be helpful in other ways. We should think about his calling some members of Black Caucus.

Philadelphia--we will ask Mayor Rendell to call Chaka Fattah, Sen. Spector, Sen. Santorum

Atlanta--Mayor Campbell could be helpful with Black Caucus, and Senator Cleland. Don't know if it's worth his making other calls to the two House members from Georgia on the committee and Sen. Coverdell.

Los Angeles--unknown if Mayor Riordan will weigh in on this, but will make the call to him.

Long Beach--Mayor O'Neill is a very enthusiastic supporter, and we'll ask her to call her two Senators and other California members you all decide.

Fresno--Mayor Jim Patterson--need to scope him out.

Omaha--Mayor Hal Daub is a former Republican Congressman, and it's not certain what his level of commitment is on standards, but we'll call him and ask him to talk to his Senators.

Houston--Mayor Lanier will be asked to call both Senators.

San Antonio--Mayor Howard Peak will be asked to call Senators.

El Paso--Mayor Carlos Ramirez--depending on where he is on the standards, he could be extremely helpful with Hispanic Caucus.

Detroit and Michigan--Since we have both the city and the state, we are asking Governor Engler to reach out to Senator Abraham and to the three Republican House committee members. We should think of additional ways to involve Mayor Archer. We will ask him to call Abraham as well, but he could be very helpful with the Caucus, and Dale Kildee.

Cincinnati--We will ask Mayor Qualls to talk to both Sens. Dewine and Glenn.

Chicago--We will ask the Mayor to call Sens. Moseley-Braun and Durbin. It might also be worth asking him to call John Porter.

Broward County Florida--We are calling the Chair of the County Commission, as well as the mayors of Hollywood and Fort Lauderdale. We'll ask them to call the Senators.

New York City--we need to think through how we approach the mayor (if we do) and what we ask him to do. We believe him to be supportive of the standards.

States:

Michigan--see above

North Carolina--we are asking Gov. Hunt to talk to Cong. Ballenger.

West Virginia--We'll ask the Governor to call his Senators

Kentucky--We'll ask the Governor to call his Senators.1

Delaware--We'll ask Gov. Carper to call Cong. Castle.

Indiana--Gov. O'Bannon has expressed interest in the standards. If he is on board with us, we will ask him to talk to Roemer, Souder and McIntosh.

Maryland and Massachusetts--we can ask Govs. to talk to Sens., but will hold on this for now.

In addition, Mickey will call Hispanic members of the Committee--he has already talked to Becerra, who is definitely opposed to the tests.

Lynn can call Lynn Woolsey, Dennis Kucinich, Patsy Mink, Dale Kildee, George Miller, and, if needed, Don Payne and Harold Ford, Jr.

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Thomas Freedman to Richard Socarides et al. [Re: Birthday.] (1 page)	08/26/1997	Personal Misfile

### COLLECTION:

Clinton Presidential Records  
Automated Records Management System [Email]  
WHO ([Kagan])  
OA/Box Number: 500000

### FOLDER TITLE:

[08/26/1997]

2009-1006-F

vz114

### RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Demond T. Martin ( CN=Demond T. Martin/OU=WHO/O=EOP [ WHO ] )

CREATION DATE/TIME:26-AUG-1997 15:38:39.00

SUBJECT: NOTES ON DAILY REPORTS -This week

TO: Jeffrey M. Smith ( CN=Jeffrey M. Smith/OU=OSTP/O=EOP @ EOP [ OSTP ] )  
READ:UNKNOWN

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

TO: Nelson W. Cunningham ( CN=Nelson W. Cunningham/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: Barry J. Toiv ( CN=Barry J. Toiv/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: Elena Kagan ( CN=Elena Kagan/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TO: Kris M Balderston ( CN=Kris M Balderston/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Bruce N. Reed ( CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [ OPD ] )  
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TO: Steven J. Ronnel ( CN=Steven J. Ronnel/OU=WHO/O=EOP @ EOP [ WHO ] )  
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TO: Carole A. Parmelee ( CN=Carole A. Parmelee/OU=WHO/O=EOP @ EOP [ WHO ] )

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

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TO: jolin\_m ( jolin\_m @ a1 @ cd @ lngtwy [ UNKNOWN ] ) (WHO)

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TEXT:

I have not received any notes for the Daily report. Are any offices sending me anything?



**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR  
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Empowerment Zones</b>	Continue implementation of program to promote sustainable economic development through strategic planning in our most distressed inner cities and rural communities.	First Round designated in December 1994 for 10-year awards. Second Round authorized in August 1997. Awards tentatively proposed for July 1998.	First Round benefits include a blend of tax incentives, including a wage tax credit, and grants ranging from \$100 million for Empowerment Zones (EZs) to \$3 million for Enterprise Communities (ECs). Second Round benefits include a blend of tax incentives, e.g., brownfields expensing, Work Opportunity Tax Credit (WOTC), and a grant award to be determined after FY 1998 appropriations process.	Costs of both rounds are \$6+ billion over ten years in tax incentives and grants. The first Round is in place, and we are moving forward on implementation of the Second Round. The Second Round tax provisions are included in the budget agreement. Grant funding for the Second Round zones must be secured through the appropriations process; prospects regarding FY 98 appropriations are mediocre at best.	Assuming same number of applicants as in the first round, the ratio of applicants to winners is 25 to 1. Thus, many mayors and their cities are likely to be disappointed.	Significant.
<b>Private Sector Hiring of Welfare Recipients</b>	Promote efforts of the Welfare to Work Partnership.	Ongoing (effort launched in May 1997).	Already signed up nearly 1,000 companies; goal of 5,000-10,000. Will lead to welfare-to-work programs at most major corporations and many small- and medium-sized businesses. Nationwide database to track job placement.	No additional funding required.  Target major cities (and states with big caseloads like California) to sign up business community.	Has strong bipartisan support.	Significant. Regular events necessary to keep pressure on private companies.
<b>Welfare to Work</b>	Implement new \$3	Through FY 1999.	Hundreds of high	No additional funding	Has bipartisan support	Significant.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR  
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<p><b>Jobs Challenge</b></p>	<p>billion Welfare to Work Jobs Challenge enacted in the budget, including awarding 25% of funds competitively to innovative projects.</p>	<p>Regulations will be released in late 1997; formula and competitive grants will be awarded in both FY 1998 and FY 1999 (program enacted in August 1997 in Balanced Budget Act).</p>	<p>poverty/ high unemployment communities will receive funds to put long-term welfare recipients to work.</p>	<p>required -- funding in Balanced Budget Act.</p>	<p>and strong support from mayors and other local officials.</p>	
<p><b>School Reform: Urban Education Initiative (See Education Pillar)</b></p>	<p>Promote school reform by challenging and/or requiring urban districts to adopt our school reform agenda--no social promotions; public school choice; closing failing schools; firing bad teachers; and improving management--and rewarding those that do.</p> <p>Possibly require Title I schools to adopt no-social-promotions and other reform policies.</p>	<p>Legislation by end of 1998.</p> <p>Program duration: 5 years</p>	<p>Reconstitute low performing schools using proven school improvement models.</p> <p>Improve use of resources by urban school systems and provide more choice for parents.</p> <p>Restore public confidence in urban public school systems.</p>	<p>Requires new legislation and budget authority</p> <p>Approximately \$320 million per year for competitive grant program for 10-15 districts ("education empowerment zones") to end social promotions, fix failing schools, widen public school choice, fire bad teachers, and improve management.</p> <p>Potential for using Obey whole school reform funds in FY 98 Appropriations bill to partially accomplish this objective.</p>	<p>May be difficult to secure Congressional support -- suburban/rural members, voucher supporters and liberals against high stakes testing may oppose.</p>	<p>Significant</p>
<p><b>CRIME &amp; CITIES:</b></p>						

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR  
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>(See Crime Pillar)</b>						
<b>100,000 More Police</b>	Continue implement-ing Administration's signature program to increase police presence and expand community policing, and consider targeted new initiatives.	Implementation through FY 2000. New initiatives to be developed in FY 1998.	Majority of nation's police departments have received funds to hire a total of 63,000 new police (or equivalents) and for community policing training.	\$8.8 billion through FY 2000, nearly \$5.5 billion of which will have been appropriated as of FY 1998. New funds not necessary.	Bipartisan support.	Significant. Regular events to highlight signature crime initiative.
<b>Juvenile Crime</b>	Pass a comprehensive anti-gang and youth violence strategy.	House bill passed; Senate will consider bill this fall.	Would allow localities to replicate Boston's successful anti-gang/ youth violence initiative (Operations Ceasefire/ Nightlite).	\$400 million in House appropriations; \$220 million in Senate appropriations.	Republicans more supportive of enforce-ment; Democrats more supportive of preven-tion. Bipartisan opposition to gun provisions.	Significant.
<b>National Drug Strategy</b>	Enact/implement media campaign. Consider new initiatives for 1998 National Drug Strategy.	Media campaign needs to be implemented this fall. New initiatives due in February 1998.	Reduces drug use and its consequences; and reduces drug-related crime and violence.	Overall drug budget is \$16 billion. House and Senate appropriators support between \$110 and \$150 million for media campaign.	Speaker Gingrich and Republicans support media campaign, but not likely to support our other anti-drug initiatives.	Significant. Regular events to highlight drug problem and Administration initiatives.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Community Development Financial</b>	Continue implementation of CDFI program, which	The first awards were made last year totaling \$37.2	To provide capital, credit, and basic banking services to low-income	Administration requested \$125 million for FY 98 and wants approximately	Republicans have opposed this program because it is so closely	Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<p><b>Institutions (CDFIs)</b></p>	<p>provides grants to create a national network of community banks, credit unions, loan funds, microlenders, etc. in low-income and distressed urban and rural communities.</p>	<p>million in investments to 32 CDFIs. A second round of grants will be announced this September.</p> <p>Additionally, the House and Senate are currently considering the President's request to more than double CDFI funding (\$125 million).</p>	<p>and distressed rural and urban communities.</p>	<p>\$1 billion over five years.</p> <p>This is a protected domestic Presidential priority under the budget agreement.</p>	<p>identified with the President. Recent articles in Business Week and other publications concerning alleged mismanagement may raise additional opposition.</p>	
<p><b>CRA Reform</b></p>	<p>Build on the success of the President's CRA Reform by expanding the law on a voluntary basis to non-bank banks, such as mortgage lenders, insurance companies, and securities firms.</p>	<p>DPC, NEC, and OVP will be reviewing proposals this fall. Ideally, this new initiative could be announced within the context of the race initiative over the next 12 months.</p>	<p>Initial CRA Reform has led to billions in new credit to distressed communities. For instance, home loans have risen 67.2% for African-Americans, 48.5% for Hispanics, 31.6% for Native Americans, and 16.4% for Asian Americans. Expanding CRA Reform would provide additional billions in new credit and capital.</p>	<p>No new funds required.</p>	<p>Politically, this new initiative would meet stiff resistance from Republicans and from non-bank financial institutions. Traditional banks should be in favor of this initiative because it has the potential to level the playing field.</p>	<p>Limited.</p>
<p><b>BUILDING BLOCKS</b></p>	<p><b>DESCRIPTION</b></p>	<p><b>TIMELINE</b></p>	<p><b>BENEFITS</b></p>	<p><b>COSTS/FEASIBILITY</b></p>	<p><b>POLITICAL</b></p>	<p><b>PRESIDENTIAL</b></p>

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

OF PILLAR					RAMIFICATIONS	TIME COMMITMENT
<b>Brownfields</b>	<p>Implement new tax incentive to encourage the cleanup and redevelopment of contaminated and abandoned sites.</p> <p>Seek additional grant funds to do more site assessment and promote economic development of cleaned-up sites.</p>	<p>Signed into law this August. The incentive sunsets in three years.</p> <p>EPA currently has a pilot program in place to provide site-assessment. Funds need to be appropriated this fall.</p>	<p>Allows immediate expensing of cleanup costs. Expected to benefit 14,000 sites.</p> <p>By providing site-assessment for private interests, increases probability that the site will be cleaned up and put into productive use.</p>	<p>\$500 million cost to Treasury, but will allow for \$1.5 billion in expensing. No new funds necessary; included in tax bill.</p> <p>The Administration has awarded \$20 million under the pilot program. EPA has requested \$300 million and HUD \$25 million. Funds need to be appropriated this fall. EPA funding is in good shape; HUD's chances of obtaining funding for this program are low.</p>	<p>General bipartisan support and strong support from mayors. Environmental groups support, but are not active on the issue.</p> <p>Same as above for EPA program.</p>	<p>Limited.</p>
<b>Homeownership Initiative</b>	<p>Continue implementation of initiative to create more homeownership opportunities by removing barriers facing first-time home buyers; elements include cutting the FHA mortgage insurance premium, enforcing fair housing</p>	<p>Program started in 1995. The initiative is ongoing. New program features include encouraging police officers to move into HUD-owned properties in designated areas and allowing use of</p>	<p>More than 2.5 million new homeowners to date. The expansion of homeownership over the last three years is the largest in thirty years. Benefits include lowering costs to purchase homes, making communities safer, and cracking down on racial barriers to</p>	<p>Key costs: President's FY 98 budget includes \$50 million for home ownership zones and \$23 million for housing counseling. No funding has yet been provided for home ownership zones during FY 98 appropriations process. About \$15 million for counseling to be funded</p>	<p>Bipartisan support for home ownership generally. Varying levels of support for Administration's initiative.</p>	<p>Limited.</p>

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR  
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

	laws, and creating Homeownership Zones.	Section 8 vouchers for home-ownership.	homeownership.	in FY 98 appropriations.		
<b>Expansion of Low-Income Housing Tax Credit (LIHTC)</b>	Consider expansion of LIHTC, a tax credit that encourages the private development of affordable housing for low-income persons.	DPC and NEC will review proposals this fall. Any proposed expansion will need to be considered during the FY 99 budget process.	This tax credit generates \$1.8 billion in private low-income apartment investment annually..	New funds will be necessary on the tax side of the budget, but no estimates are currently available.	In the past, opposition has been led by Chairman Archer of the Ways and Means Committee.  Strong support from community groups, financial services industry, and non-profit intermediaries -- like LISC and Habitat for Humanity.	Limited.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Electronic Funds Transfer 1999</b>	Issue regulations to encourage mainstream financial institutions to provide access to basic banking services to all Americans	Treasury is required to publish draft regulations in September to implement Electronic Funds Transfer 99, which requires all beneficiaries to receive their government checks electronically. Regulations must	Potential to provide basic banking services to 10 million unbanked Americans.	No new funds necessary.	Banks will oppose regulations if costs of providing services to unbanked are too high or not subsidized. Community groups may oppose regulations on a number of grounds, including excessive fees/costs, requirements to use only certain types of	Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

		be in force by 1999.			institutions, allowing check cashing operations and other "fringe" providers to act as financial intermediaries, etc.	
<b>Reform of public and assisted housing</b>	<p>Continue to carry out commitment to demolish 100,000 units of nation's worst public housing. Reform public housing by: 1) allowing public housing agencies (PHAs) to attract and keep more working families in public and assisted housing while maintaining sufficient help for the poorest families; 2) giving PHAs greater flexibility while ensuring responsible management/ upkeep of the nation's public housing stock.</p> <p>Maintain our commitment to the Section 8 program by: (1) Renewing expiring Section 8 contracts through appropriations; and (2) Reforming current practice of subsidizing above-market rents by restructuring Section 8</p>	<p>Working to enact reforms within the public housing authorization bill currently being considered by Congress. (House passed; Senate bill still awaiting floor action.) Demolition of distressed public housing and development of replacement housing ongoing over next 4 years.</p> <p>House and Senate have passed appropriations bills with provisions to renew Section 8 contracts. A version of mark-to-market (MTM) legislation is included in the</p>	<p>Significant portion of nation's worst public housing will be demolished and replaced with a mix of portable vouchers and new townhouse-style apartments with mixed-income occupants. Flexibility in setting rents can help tenants moving from welfare to work.</p> <p>Renewal of Section 8 contracts protects against displacement of tenants and possible spike in homelessness. Mark-to-market reform would reduce FHA losses and reduce discretionary subsidy costs and defaults.</p>	<p>The FY98 budget request contains \$524 million to revitalize severely distressed public housing--including demolition and replacement costs. The House and Senate appropriations bills have fully funded the Administration's request. Legislative proposal to reform rent rules and provide housing authorities with flexibility do not have large budget impacts.</p> <p>The President's budget contains \$9.2 billion for Section 8 contract renewals affecting 1.8 million units. The House enacted this level; Senate enacted \$8.66 billion. The Administration's</p>	<p>General bipartisan support for rent-setting reforms to promote mixed-income housing, and greater flexibility and accountability for PHAs. Congressional Democrats concerned with possible failure to reserve sufficient housing for poorest families. General bipartisan support for tearing down of dilapidated public housing projects.</p> <p>Bipartisan support to renew expiring Section 8 contracts. Our MTM proposal does not have strong Congressional support and is opposed by owners of private housing projects and some tenant groups</p>	Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

	housing portfolio insured by FHA ("mark-to-market" proposal).	Senate FY 98 VA-HUD bill (see right).		mark-to-market proposal generates \$1.25 billion in savings between FYs 1998-2002.	who prefer the Senate version. A HUD-Senate compromise version may be included in FY 98 VA-HUD appropriations.	
<b>Housing Mobility</b>	Possible new initiative that would combine enforcement and voluntary proposals to promote housing choice.	The DPC and NEC are reviewing for possible inclusion in FY99 budget and announcement in context of race initiative.	Enhance low-income and/or minority families' access to better housing and neighborhoods.	Between \$50-\$100 million in new funding per year.	Some Republicans will oppose certain aspects (e.g., enhanced fair housing testing) on the grounds that these efforts represent unwarranted Federal intrusion into the housing market. Realtors may oppose for similar reasons. Supporters include fair housing and civil rights communities.	Limited.
<b>Lead Paint Reduction Initiative</b>	Possible new performance-based program for further reducing childhood blood lead levels, especially those of children in large central cities.	The DPC and the NEC are reviewing for possible inclusion in FY99 budget	To reduce children's exposure to lead paint in schools and homes.	Not yet determined.	Children's and public health groups support.	Limited.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	
<b>Metropolitan</b>	Implement Vice Presidential initiative	Initiative announced in April	Benefits central cities by reducing federal	No new funds currently	Some Republicans oppose because of	Limited, assuming continued Vice

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>Cooperation</b>	to promote greater regional cooperation and discourage urban sprawl in general. Special emphasis on Empowerment Zones.	1997. Agencies are currently reviewing policies. Vice President will report on initiative at next White House Community Empowerment Conference, which may be scheduled in February, 1998.	disincentives to urban investment, making "greenfields" less attractive as alternatives, and making the urban and regional economies more competitive. Central city residents in particular would benefit through linkage to greater regional job opportunities. Benefits suburbs, particularly inner- ring suburbs, by pooling resources and providing more efficient expenditures, improving the quality of life, and enhancing the regional economy. Benefits rural communities by preserving vital farmland.	necessary.	perceived federal interference in what is viewed as a local matter. Developers, the real estate industry, and some private rights advocates would be expected to resist.  Growing diverse consensus is supporting this initiative -- Mayors, county governments, farmers, environmentalists, and churches.  New state legislation in number of states, such as Maryland and Minnesota, have shown the strength of this coalition.	Presidential involvement.
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**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Welfare to Work Coalition to Sustain</b>	Provide leadership and technical assistance to	Ongoing, with quarterly working	More than 20 national civic groups have joined,	No additional funding required.	Has bipartisan support.	Limited, assuming continued Vice

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>Success</b>	civic organizations and religious groups helping former welfare recipients succeed in the work force. Effort led by the Vice President.	conferences between the Vice President and the Coalition (effort launched in May 1997).	representing hundreds of local chapters throughout the country.			Presidential involvement.
<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
<b>Federal Government Welfare Hiring</b>	Provide leadership, oversight, and assistance to federal agencies hiring welfare recipients. Effort led by the Vice President.	Ongoing, with goal of 10,000 hires by the year 2000 (effort launched in March 1997).	Will help at least 10,000 welfare recipients get jobs in the federal government.	No additional funding required.  Requires an intensive outreach effort by agency personnel offices.	House Committee on Government Reform and Oversight conducted a hearing on the initiative in April 1997 and has indicated its interest in continued oversight.	Limited.
<b>Welfare to Work Transportation</b>	Provide funds to help communities provide transportation for people leaving welfare for work.	Seeking authorization in fall of 1997 as part of NEXTEA; would require yearly appropriation (proposal made by the President in his FY 1998 budget).	Will help the 94 percent of welfare recipients who do not own cars; in particular will help those individuals living in rural areas or in cities where most of new jobs are in the suburbs.	Requires \$600 million in new funds over six years (\$100 million a year).	Has support, but most local officials and members of Congress have other transportation priorities.	Limited.
<b>Reward States for Successful Job Placement for Welfare Recipients</b>	Welfare law provides work performance bonuses to states most successful in moving	Will develop bonus system by end of 1997; award bonuses in fiscal	States will have to track success in job placement and retention, tell us how many people leave	No additional funding required -- \$1 billion cost was included in welfare law.	Has strong bipartisan support.	Limited.

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
 [E.G. UNDERCLASS, CITIES, WELFARE REFORM]

<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
	people into jobs. Formula and criteria to be developed by HHS in consultation with states.	years 1999-2003.	welfare for work.	Will require additional tracking by states.		
<b>Parental Responsibility</b>	<p>Increase child support collections to over \$20 billion by the year 2000 through strict enforcement of new hire reporting, license revocation, centralized state collections, and streamlined paternity establishment requirements of the new welfare law.</p> <p>Increase involvement of both parents, particularly fathers, in children's lives through grants to states for access and visitation programs (part of new welfare law) and new initiatives to be determined.</p>	<p>Ongoing effort to monitor state compliance with provisions enacted as part of the new welfare reform law and earlier legislation.</p> <p>Develop possible new initiatives in the fall of 1997, perhaps as part of the race initiative.</p>	<p>One in four children live in a single parent household and may need child support enforcement services. Currently, there are about 20 million families in the child support system.</p> <p>Only 68 percent of children live with both parents, a proportion which has declined over time for all ethnic groups. (Currently 75 percent of white children, 62 percent of Hispanic children, and 33 percent of African American children live in two parent households.)</p> <p>Involvement of both</p>	<p>No additional funding required. Implementing the new child support enforcement procedures will require enormous efforts by states, with guidance and oversight from the federal agencies.</p> <p>New initiatives, to be determined, may require additional funding.</p>	<p>Tougher child support enforcement has broad bipartisan support; however, some women's groups advocate a federalized child support system, rather than the current federal-state partnership.</p> <p>While the goal of promoting two parent families is accepted across the political spectrum, there are vastly different views of how to achieve that goal.</p>	<p>Limited.</p> <p>Limited.</p>

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>BUILDING BLOCKS OF PILLAR</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL RAMIFICATIONS</b>	<b>PRESIDENTIAL TIME COMMITMENT</b>
			parents improves the well being and future prospects of children.			
<b>Teen Pregnancy Prevention</b>	Reduce the teenage pregnancy rate by one-third by the year 2005 by promoting the efforts of the National Campaign to Prevent Teen Pregnancy, funding community based prevention efforts, developing proposals to reduce statutory rape, and other new initiatives to be determined.	Ongoing.	More than 4 in 10 young women become pregnant before age 20 and 75 percent of teens who give birth do so outside of marriage.  Preventing teen pregnancies improves the economic prospects of young people, decreases welfare dependency and child poverty, and reduces the need for abortions.	No additional funds are expected to be required, but ongoing funding of key health and social services programs is essential.  The National Campaign is supporting state and local actions, enlisting the help of the media, and ensuring the best research and facts are available.	Political disagreements remain over contraception vs. abstinence based approaches.	Limited.
<b>Tracking the Progress and Implementation of Welfare Reform</b>	Monitor state and local welfare reform efforts and help them solve implementation problems (i.e., whether FICA must be paid for workfare participants).  Promote research and evaluation of welfare reform efforts.	Ongoing.	Will help ensure that welfare reform promotes work and protects kids.  Provides ideas for possible new initiatives.	No additional research funds are expected to be required but some effort may be necessary to get full appropriation. (About \$40 million a year is needed; \$20 million of that was included as mandatory funds in welfare reform law.)	May help allay concerns about effects of welfare reform.  May entail criticizing state and local political allies and praising political opponents.	Limited.
<b>BUILDING</b>	<b>DESCRIPTION</b>	<b>TIMELINE</b>	<b>BENEFITS</b>	<b>COSTS/FEASIBILITY</b>	<b>POLITICAL</b>	<b>PRESIDENTIAL</b>

**ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**  
**[E.G. UNDERCLASS, CITIES, WELFARE REFORM]**

<b>BLOCKS OF PILLAR</b>					<b>RAMIFICATIONS</b>	<b>TIME COMMITMENT</b>
<b>Return to Work</b>	<p>Increase the number of individuals on SSI or SSDI disability rolls who leave for work by enacting the President's Ticket to Independence proposal which would increase the availability of private rehabilitation services for beneficiaries by rewarding providers who successfully return people to work.</p> <p>In addition, other new initiatives may be developed.</p>	<p>Ongoing effort to enact legislation in the 105th Congress.</p>	<p>Improves economic status of the disabled.</p> <p>May in the long run reduce federal entitlement costs.</p>	<p>No additional funding required -- Ticket to Independence proposal is cost-neutral within the budget window.</p>	<p>Bipartisan interest in the issue. In addition to our proposal, Republican and Democratic Congressional proposals have been offered.</p>	<p>Limited.</p>

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1997 18:00:44.00

SUBJECT: Food Safety Plan

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

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

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

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

TO: Jerold R. Mande ( CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [ OSTP ] )  
READ:UNKNOWN

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

TO: Alison C. Perkins ( CN=Alison C. Perkins/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

TO: K. Lisa Grove ( CN=K. Lisa Grove/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

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

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

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

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

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

CC: T J. Glauthier ( CN=T J. Glauthier/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

CC: Jim R. Esquea ( CN=Jim R. Esquea/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

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

READ:UNKNOWN

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

CC: G. E. DeSeve ( CN=G. E. DeSeve/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

TEXT:

OMB is working with USDA to generate a planning response to the recent Hudson Foods meat recall. Within the next two days we expect to have draft legislation circulated to you for comments through OMB's standard LRD process.

At this point, Secretary Glickman favors a simple request for increased authority for dealing with tainted food crises, including recalls and levying of civil penalties. Other suggestions for a comprehensive Administration plan include a broader pathogen reduction approach, such as the Administration proposed in 1994, and increased authorities for FDA as well as USDA. If you have thoughts about the strategy or coordination of the Administration's response to the food safety issues raised by the recent events, please feel free to discuss them with TJ Glauthier at OMB (x54561). Comments on the legislation proper should be directed to LRD.

Please let me know of any others who should be included in these reviews.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:26-AUG-1997 20:03:43.00

SUBJECT: Daily Report Item for Wednesday

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Elisabeth Stock ( CN=Elisabeth Stock/O=OVP @ OVP [ UNKNOWN ] )

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Stories are very likely to appear in Thursday's papers of a new MDRC study of Minnesota's welfare to work program. Attached above is a daily item I think should go in the Wednesday report -- the findings are interesting, and MDRC studies always make news, particularly on slow news days. Elizabeth Stock drafted this using the MDRC press release, executive summary, and a memo Olivia and Pat Ruggles sent to Secretary Shalala. Elizabeth's in the office Wednesday if you have questions (6-7871); Diana, I've also left copies of the materials for you. Attached below are some q&as describing the report.

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

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

TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D58]MAIL40364283H.216 to ASCII,  
The following is a HEX DUMP:

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131EBC6D86694F33A67817FE7B66E8B310671F2BFACEEC9BCD8FA2329D9CEC3FC8685EBB74D3EE



**Daily Report**  
**Cynthia Rice/Elizabeth Stock**  
**8/27/97**

**On Thursday, the Manpower Demonstration Research Corporation (MDRC) will release a study showing Minnesota's Family Investment Program (MFIP) has both increased employment and reduced poverty among long-term welfare recipients. This welfare reform program was one of the first to provide both financial incentives to work and mandatory participation in employment-related activities. This combination appears to be a winning one: the program increased employment from 38 to 52 percent and reduced poverty from 60 to 44 percent over an 18 month period. However, because participants were able to earn more and still receive benefits, MFIP increased the duration of welfare receipt for some participants, and increased welfare spending by 8 percent.**

**Past studies have shown that mandatory employment-focused programs have often increased employment but not reduced poverty in the short run, while programs that let families keep more of their welfare benefits while working made families financially better off but did not produce big increases in employment. MFIP, by combining work requirements with incentives, has succeeded on both fronts. Minnesota, which started MFIP as a 7 county demonstration project under the Bush Administration and expanded it to 8 counties under a 1996 Clinton Administration waiver, has now adopted a modified version of the program statewide under TANF.**

**Summary**  
**Manpower Demonstration Research Corporation Study**  
**on Minnesota Family Investment Program (MFIP)**  
**8/26/97**

**On Thursday, the Manpower Demonstration Research Corporation (MDRC) will release a study showing Minnesota's Family Investment Program (MFIP) has both increased employment and reduced poverty among long-term welfare recipients. This welfare reform program was one of the first to provide both financial incentives to work and mandatory participation in employment-related activities. This combination appears to be a winning one: the program increased employment from 38 to 52 percent and reduced poverty from 60 to 44 percent over an 18 month period. However, because participants were able to earn more and still receive benefits, MFIP increased the duration of welfare receipt for some participants, and increased welfare spending by 8 percent.**

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**Questions and Answers  
Manpower Demonstration Research Corporation Study  
on Minnesota Family Investment Program (MFIP)**

**Question:** What are the principal attributes of the MFIP program?

**Answer:** There are three principal attributes of the MFIP program. First, MFIP provides recipients with enhanced financial incentives to encourage work. Recipients continue to receive some MFIP benefits until their income is 40 percent above the poverty line. Second, MFIP requires long-term recipients to participate in mandatory employment and training services. This requirement is for single parents who have received welfare for 24 of the past 36 months and who are working fewer than 30 hours per week. Third, MFIP consolidates AFDC, Food Stamps, and the State's Family General Assistance into one cash grant.

**Question:** What are the principal findings of the MDRC study on MFIP?

**Answer:** MFIP has produced some of the largest employment effects for long-term recipients that MDRC has seen in a welfare-to-work program, and has helped a proportion of families leave poverty. At the end of the 18-month follow-up period, MFIP increased employment by almost 40 percent: 52 percent of these recipients were working compared with 38 percent of their counterparts in the traditional AFDC program. MFIP also reduced poverty by more than 25 percent: 44 percent of the MFIP families had income below the poverty line, compared with 60 percent of the families in AFDC.

**Question:** How long has MFIP been operational and which agency is responsible for running it?

**Answer:** The Minnesota Department of Human Services has been operating the MFIP since April 1994, under waivers granted under the Bush Administration and expanded under the Clinton Administration.

**Question:** Where does MFIP operate?

**Answer:** MFIP has been operating in the three urban counties of Hennepin (which includes Minneapolis), Anoka, and Dakota, and the four rural counties of Mille Lacs, Morrison, Sherburne, and Todd. In May 1996, HHS approved a waiver to expand MFIP to Ramsey County. The Ramsey county program was not part of the MDRC study, however.

**Question:** Is Minnesota planning on building upon the success of MFIP?

**Answer:** Yes, Minnesota has adopted a modified version of MFIP as its statewide policy under TANF. Minnesota will reduce the income level at which working recipients become ineligible for welfare from 40 percent to 20 percent above the poverty line. This change should reduce the short-run costs of implementing the MFIP model statewide and reduce the duration of welfare receipt for some participants.

**Question:** Was Minnesota able to achieve these results without an increase in welfare spending?

**Answer:** No. MFIP increased welfare spending over the 18-month period by 8 percent, and increased the duration of welfare receipt for some participants, because working recipients were able to earn more and still be eligible for MFIP benefits. The Minnesota Department of Human Services is willing to make this investment because it believes that it will help families achieve permanent self-sufficiency.

**Question:** Will MDRC continue to study the MFIP program?

**Answer:** Yes. MDRC will produce a final MFIP evaluation report in 1999. This final report will examine the program's longer-term impacts, including child outcomes as well as financial measures.