

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 085 - FOLDER -009

[12/20/1998 - 12/22/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-DEC-1998 18:47:20.00

SUBJECT: Tobacco Attorneys Fees

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

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

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

TEXT:

Here's a summary from Eric on attorneys fees.===== ATTACHMENT 1 ===
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D2]MAIL43883145U.326 to ASCII,
The following is a HEX DUMP:

FF575043510E0000010A020100000002050000007621000000020000CF1B9F96F1CBB078866882
4D80AFF26D07028BC030B0F74B3DC9812596CEAE9D4D19604DB04C65CCEDB263669943357C9CE0

Attorneys Fees Relating to Tobacco Settlements

All attorneys fees have been negotiated outside of the amounts settled by the states. Therefore, the attorneys fees already agreed to in MN, TX, FL, MS as well as any future fee awards will not directly affect state settlement amounts. However, the settlements cap industry annual payments at \$500 million annually, which means lawyers awarded fees in the future may have to wait for payments or have their settlement amortized over a number of years.

Minnesota: When Minnesota settled in May, 1998 the State had a contingency agreement with the law firm of Robins, Kaplan, Miller & Ciresi L.L.P for 25 percent of the settlement agreement. However, as part of the state settlement, the law firm released the State from the contingency contract and entered into a separate agreement with the tobacco industry for the payment of costs and attorneys fees. This was done so to separate the state settlement amount from the attorneys fees. The eventual consequence was that the legal team negotiated fees that were approximately 7 percent of the entire state settlement.

Texas, Florida, and Mississippi: On December 11, the Tobacco Fee Arbitration panel awarded \$8.2 billion in fees to attorneys representing Texas, Florida and Mississippi. The three-person panel awarded Florida's attorneys \$3.43 billion; Texas lawyers \$3.3 billion; and \$1.43 billion to Mississippi's attorneys. The tobacco industry will pay the legal fees in addition to the \$206 billion they agreed to pay in the November, 1998 settlement with 46 states. The awards will be paid out over 25 years, and the unpaid balance of the fees will be adjusted each year for inflation. However, because the state settlement agreements for the three states included provisions requiring legal fees be capped at a level eventually reached by a national settlement, the industry will pay out no more than \$500 million in legal fees annually, which also includes yet-undetermined fees in the 46 other states. The three states were effectively "forced" into arbitration after the states refused to honor contingency agreements made between the firms and the Attorney General's offices. In Florida, the state argued that the attorney general did not have the authority to enter into such a contract. In percentage terms, the awards exceeded what the Florida, Texas and Mississippi attorneys likely could have claimed under their state agreements.

46 State Settlement: Since the majority of states "piggy-backed" their claims on the basis of Florida, Texas, and Mississippi's work, their claims are expected to be smaller and adjudicated quickly. The November omnibus state settlement spells out a two-tier system intended to effectuate quick settlement:

- 1. Liquidated Fees --** Attorneys representing states could apply for reimbursement on a liquidated basis if they are able to settle with the industry. So far eight states (WA, VT, NV, MT, AL, AZ, OR, ID) have settled directly with industry for \$220 million to be paid out over a short period. With an overall limit of \$1.25 billion, liquidated fees are the likely course to be taken by the majority of the remaining states. Liquidated fees will allow the states to settle quickly and avoid the annual limits for arbitration awards. Still, there is a \$250 million annual cap on liquidated fees and they will only be paid through 2003.

2. Arbitration -- For states unable to agree with industry on a liquidated amount, arbitration is available. The three-person panel will be similar to the structure that decided the Texas, Florida, and Mississippi cases. The members of the arbitration panel will consist of a neutral party (agreed to by industry and attorneys), an industry representative, and a representative of the respective state. Arbitration decisions will probably be based of the same criteria used in the recent cases -- a flat 10 percent of what the state was awarded in the agreement, plus a “risk” or “difficulty” factor. However, because the remaining states provided little support, their “risk” multiplier will be extremely low.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-DEC-1998 18:48:13.00

SUBJECT: Use THIS version of: Tobacco Attorneys Fees

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Cynthia A. Rice

12/17/98 09:20:37 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP

cc:

Subject: Tobacco Attorneys Fees

Here's a summary from Eric on attorneys fees.

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

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

TEXT:

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4D80AFF26D07028BC030B0F74B3DC9812596CEAE9D4D19604DB04C65CCEDB263669943357C9CE0

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-DEC-1998 16:06:52.00

SUBJECT:

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

TEXT:

4:00 January Planning is starting now in Lewis' office

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-DEC-1998 19:11:48.00

SUBJECT: Extending Welfare to Work Tax Credit for more than 6 months

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

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

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

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

TEXT:

I understand there's a possibility that we'd propose to only extend the Welfare to Work tax credit for 6 months. As you know, many of the Welfare to Work Partnership companies have lobbied for this tax credit and think it's important to their efforts, and I think a proposed extension of less than a year would be viewed as walking away from an initiative we spent a lot of time bragging about in '96 and '97. I think they'll be pressure from others to extend the other credits (e.g. R&E) for longer, so at least make sure we don't get left behind!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-DEC-1998 18:03:04.00

SUBJECT: New Drafts of Homelessness Announcement and Q&A

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here are new drafts of the homelessness announcement and Q&A. We added a question on the Baltimore numbers. HUD and OMB have signed off on these. The press office tells us that they would like the paper by noon on Tuesday. Thanks, Mary ===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D99]MAIL40274106B.326 to ASCII,
The following is a HEX DUMP:

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ED9F98684C361264E5BD30D803A5916C783EC77609D3B355F5B82EB0B1A27BC7E136B08A36AD3B

Homeless Event Q&As
12/23/98

Q: What did the President announce today?

A: Today President Clinton announced \$850 million in federal government grants to help more than 330,000 homeless persons located in all fifty states obtain transitional housing, permanent housing, and other services. The grants from the Department of Housing and Urban Development (HUD) are part of President Clinton's ongoing Continuum of Care strategy to help break the cycle of homelessness and to create safe, affordable housing for those who need it most.

Q: What will the grants do?

A: The Continuum of Care grants include \$700 million to fund 1420 individual projects, including state and local governments and more than 1000 non-profit organizations who work with the homeless. These competitive grants enable organizations to provide homeless people with transitional and permanent housing and fund supportive services such as job training, child care, substance abuse treatment, and mental health services. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities. In addition, the President announced \$150 million of grants under the Emergency Shelter Grants program. This program assists communities in providing temporary emergency shelter and essential services, and preventing homelessness. Grants are allocated to States, metropolitan cities and urban counties based on a formula which uses several objective measures of community need, including poverty, population, housing overcrowding, age of housing, and growth.

Q: How much total grant money did Baltimore receive?

A: Under the Continuum of Care grants, Baltimore received \$6.6 million in 1997 and will receive \$7.3 million this year. Under the Emergency Shelter Grant Program, Baltimore received 1,360,000 last year and will receive \$1,040, 000 this year. In total for this year, year, Baltimore will receive approximately \$8.3 million.

Q: How many persons are homeless in the United States? Why are they homeless?

A: The Administration's Priority: Home! The Federal Plan to Break the Cycle of Homelessness states that there are as many as 600,000 homeless men, women, and children in the United States on any given night. The homeless population is a diverse group whose homelessness has been caused by a complex array of factors ranging from

economic difficulties and lack of access to affordable housing to mental illness and problems with substance abuse. Approximately 20-25% of the homeless population is made up of families with children. An estimated one-third of the homeless population is experiencing mental illness, while at least 50% of those who are homeless may have substance abuse issues. Some have become homeless as a result of domestic violence, while others were forced into homelessness by a health crisis, such as HIV/AIDS. Roughly a third of the entire male adult homeless population are veterans, and as many as half of all homeless adult men have some kind of military experience.

Q: What has the Clinton Administration done up till now to address homelessness?

A: President Clinton has made addressing homelessness a top priority. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance, and the Administration has implemented the Continuum of Care approach to homelessness. This approach encourages communities to plan comprehensively for the full range of needs of poor and homeless people, and to coordinate services in a way that maximizes the impact of existing resources.

Q: What specifically is the Continuum of Care?

A: In 1993, HUD initiated a new strategy for reducing homelessness, requiring communities to establish "Continuum of Care" plans. A Continuum of Care plan is a coordinated community approach which focuses on ensuring that homeless persons move from homelessness into jobs and permanent housing. The key elements of a Continuum of Care community plan are: outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing.

Under the innovative Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of a number of factors, including the strategy for addressing homelessness, as well as the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses.

Q: *How is the Continuum of Care approach working?*

A: The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study found that as a result of such efforts, between 4 to 14 times as many homeless persons are receiving a wide-array of assistance to help them move into jobs and housing. The study also indicated that the number of children being assisted has grown from 6,500 in 1992 to 89,000 in 1995. The report pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been

replaced by comprehensive planning and coordinated housing and service delivery. The success of the Continuum of Care approach was recently recognized when it was named one of 25 finalists for the prestigious Harvard-Ford Foundation Excellence in Government Award.

Q: How much McKinney Act funding is in the FY '99 budget?

A: HUD's McKinney Act homeless assistance is funded at \$975 million in FY 1999, an increase of \$152 million or 18 percent over the 1998 enacted level of \$823 million. This is also an increase of \$403.4 million or 71 percent over the 1993 enacted level of \$571.6 million.

Q: *What McKinney Act programs are the grants awarded under?*

A: These grants are part of the Stewart B. McKinney Homeless Assistance Act which is the main federal program addressing homelessness. These grants provide funding under four HUD McKinney Act programs: the Emergency Shelter Grants program, the Supportive Housing Program (SHP); the Shelter Plus Care (S+C) program; and the Section 8 Mod Rehab Single Room Occupancy (SRO) program.

***PRESIDENT CLINTON ANNOUNCES \$850 MILLION IN GRANTS
TO HELP MORE THAN 330,000 HOMELESS AMERICANS***

December 23, 1998

Today President Clinton will announce \$850 million in grants to help more than 330,000 homeless people in all fifty states obtain housing and receive vital social services. The grants, issued by the Department of Housing and Urban Development (HUD), are part of President Clinton's Continuum of Care strategy to create safe, affordable housing and break the cycle of homelessness.

Continuum of Care Grants for the Homeless

The President will announce \$700 million in Continuum of Care competitive grants to help homeless persons in 307 communities located in 46 states, the District of Columbia, and Puerto Rico. The grants provide homeless people with transitional and permanent housing and fund social services such as job training, child care, substance abuse treatment, and mental health services. The grants are provided under the Stewart B. McKinney Homeless Assistance Act and fund 1420 individual projects including more than 1000 non-profit organizations. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities.

Emergency Shelter Grants

The President will also announce \$150 million in funding for the Emergency Shelter Grants program. Under this program, states and cities select local projects to receive funding. The funds are distributed through a formula based on a community's housing and poverty needs. Attached is a state by state list of funds that will be distributed under the Continuum of Care and Emergency Shelter Grants program.

President Clinton's Continuum of Care Program to End the Cycle of Homelessness

President Clinton's Continuum of Care program, initiated in 1993, requires local public and private agencies to work together to create a comprehensive plan to address the needs of poor and homeless people, and to coordinate services to use resources most efficiently. The goal of the Continuum of Care strategy is to give communities the decision-making authority to craft plans that move away from short-term emergency measures and toward permanent solutions that help homeless people become self-sufficient. Under the Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of the strategy for addressing homelessness, including the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses. Since taking office in 1993, President Clinton has overseen a more than 70

percent increase in McKinney Act homeless assistance.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-DEC-1998 12:59:32.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Podesta's 1:00 mtg. is ready to start now

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Janelle E. Erickson (CN=Janelle E. Erickson/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:21-DEC-1998 13:22:19.00

SUBJECT: Tobacco Conf Call

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

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

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

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

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

TEXT:

Tobacco Conference Call, today, 4:00 PM
6-6755 or 6-6766 code 2095

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-DEC-1998 18:25:13.00

SUBJECT: radio address paper

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

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

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

TEXT:
This is the draft drunk driving paper for the radio address. It contains the information on the proposed rule which Jose' raised at team leaders this morning.

Since this morning, I found out about yet another possible announcement -- the release of an HHS/SAHMSA first-time study: Driving After Alcohol and Drug Use. This has some interesting data, including an estimate that over 46 million drivers used alcohol or drugs within two hours prior to driving. HHS is going to confirm tomorrow morning whether they can release this for Saturday. They sounded pretty optimistic that it could be done. I've included language on this for the press paper, in case we can use the report. I can also draft up a version without it, in case it drops out.

Let me know if you have any questions.

Thanks,
Leanne

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D63]MAIL45491106C.326 to ASCII,
The following is a HEX DUMP:

FF57504370040000010A02010000000205000000AE340000000200000853EC38E72213E897E6AF4
3D56A350CC98FA0EE9C3AC0F69CEF058AB068AA5EAFF442CD63BEAE78DB36FB739462E44393506

Combating Drunk Driving and Underage Drinking December 26, 1998

In his radio address to the nation, President Clinton will release the findings of a new study which shows that within one year, an estimated 46 million American drivers used alcohol and/or drugs within two hours prior to getting behind the wheel of a car. To address this problem, President Clinton will announce: (1) the availability of \$25 million in Justice Department grants to combat underage drinking; (2) the issuance of an interim rule by the Department of Transportation to strengthen state efforts against drinking and driving; and (3) a renewed challenge to Congress to save lives by setting a nationwide drunk driving standard of .08 blood alcohol content (BAC).

Drinking and driving remains a serious problem

- **New survey documents alcohol and drug use among drivers.** The President will release the findings of a Department of Health and Human Service (HHS) study which estimates that within one year, 28% -- 46.5 million -- of the 166 million drivers in the U.S. used either drugs or alcohol or both within two hours of driving. The vast majority of the total, 38 million, were drivers who drank alcohol within two hours of driving. This first-time study is a collaborative effort by the Substance Abuse and Mental Health Services Administration (SAMHSA) and the National Highway Traffic Safety Administration (NHTSA). The findings were based on data from the 1996 National Household Survey on Drug Abuse and interviews with nearly 12,000 drivers.

Taking action to keep our streets safe

- **Keeping youth sober and safe.** The President will announce that the Justice Department will make \$25 million available to help states curb underage drinking. About one-third of all motor vehicle fatalities involving youths ages 15 to 20 are alcohol-related. The Combating Underage Drinking initiative, administered by the Office of Juvenile Justice and Delinquency Prevention, will provide grants to support and enhance the enforcement and prevention efforts of states and localities to prohibit the sale and consumption of alcoholic beverages by minors.
- **Giving states new incentives.** The President will announce the issuance of a new rule by the Transportation Department to help strengthen state efforts to combat impaired driving. The interim final rule will set forth new criteria by which states can qualify for grants from the Section 410 Alcohol-Impaired Driving Grant Incentive Program, including: imposing graduated licenses for young drivers, testing BAC levels in fatal crashes, and establishing programs to target drinking and driving by young adults (ages 21-34). The Transportation Equity Act for the 21st Century, signed into law by President Clinton this summer, authorizes \$219.5 million over 6 years -- a 65% increase -- to continue the Alcohol-Impaired Driving Grant Incentive Program.
- **Fighting for a tough national impaired driving standard.** President Clinton will reiterate his challenge to Congress to enact legislation that makes .08 BAC the legal limit for impaired driving when it returns next year. It has been estimated that if all states had .08 laws, alcohol-related deaths would decrease by 500 to 600 per year. The President supports bipartisan legislation that would give states three years to enact .08 legislation, or risk losing highway funds. Sixteen states and D.C. have already adopted .08 laws: UT, OR, ME, CA, VT, KS, NC, NM, NH, FL, VI, HI, AL, ID, IL, and WA.

President Clinton: A record of leadership

- **Fewest alcohol-related deaths since 1975.** Earlier this year, the Transportation Department released data showing that the rate of alcohol-related crashes fell from nearly 41% in 1996 to 38.6% in 1997 -- the first time that the rate dropped below 40% and the fewest number of alcohol-related fatalities (16,189) since the Transportation Department began record-keeping in 1975. Since 1982, the number of alcohol-related fatalities has dropped by more than a third.
- **Zero tolerance for underage drinking and driving the law in 50 States.** In 1995, President Clinton fought for and signed legislation requiring states to have "zero alcohol tolerance" laws for underage drinking and driving by October 1, 1998, or risk losing highway funds. At that time, just 24 states and D.C. had zero tolerance laws. Today, all 50 states have zero tolerance laws on the books.

**Drunk Driving Radio Address
Questions and Answers
December 26, 1998**

SAHMSA Study

Q. What were the other findings from this study?

A. The President will release the findings of a Department of Health and Human Service (HHS) study which estimates that 28% -- 46.5 million -- of the 166 million drivers in the U.S. used either drugs or alcohol or both within two hours of driving. The vast majority of the total, 38 million, were drivers who drank alcohol within two hours of driving. Other key findings from the *Driving After Alcohol and Drug Use* study include:

- Driving after drug use was more common among drivers who were young -- 13% for those age 16 to 20 vs. 5% for those age 21 and older;
- An estimated 5% (9 million) of drivers operated a motor vehicle within two hours after drug use with or without alcohol;
- Marijuana was the illicit drug used most often by drivers who drove after drug use (used by 70% of those who drove after drug use);
- Driving after alcohol use was more common among males (31%) than females (14%);
- Female drivers age 21 and older who drove after drinking generally had higher average blood alcohol concentration (BAC) levels than men the same age; and
- Young drivers between the ages of 16-20 were more likely than older drivers to report binge drinking (consuming 5 or more drinks) on the most recent occasion they drove after alcohol use.

This first-time study is a collaborative effort by the Substance Abuse and Mental Health Services Administration (SAHMSA) and the National Highway Traffic Safety Administration (NHTSA). The findings were based on data from the 1996 National Household Survey on Drug Abuse and interviews with nearly 12,000 drivers.

Underage Drinking Grants

Q. Can you provide greater detail about the federal funding announced by the President?

- A. The President announced the availability of \$25 million for States to combat underage drinking. The program is administered by the Office of Juvenile Justice and Delinquency Prevention at the Department of Justice. Under the program, each State can receive \$360,000 to support and enhance their efforts to prohibit and prevent the sale and consumption of alcoholic beverages by minors. For example, States can use funds to create task forces of state and local law enforcement and prosecutorial agencies to target establishments suspected of a pattern of violating State laws, or to create links with private efforts to inform both businesses and youths of the consequences of illegal alcohol sales and purchases. Five million dollars of the \$25 million total will be made available for discretionary grants to support similar activities.

Department of Transportation Interim Rule

Q. Can you provide greater detail on the interim rule and the Section 410 program?

- A. The interim final rule -- which will be published in the Federal Register next week -- sets forth new procedures by which States can qualify for Section 410 alcohol-impaired driving incentive grants, administered through the Department of Transportation. The Section 410 grant program was reauthorized in the Transportation Equity Act for the 21st Century (TEA-21) signed by the President earlier this year.

New qualifying programs for Section 410 grants include: graduated licensing for young drivers, programs to target young adult drivers (ages 21-34) for drinking and driving, graduated penalties for high-BAC drivers, and testing drivers in fatal crashes for blood alcohol content. In addition, States can receive Section 410 grants by meeting certain performance criteria based on alcohol fatality rates. States may only use grant funds to implement and enforce impaired driving programs.

In addition to revising the eligibility criteria, TEA-21 significantly increased funding for Section 410 grants in TEA-21 to \$219.5 million over six years -- a 65% increase over its previous authorization level in ISTEA.

.08 Blood Alcohol Content

- Q. Why is the President continuing to push for .08 BAC legislation when the Congress refused to include the measure in the omnibus highway bill enacted earlier this year? Why should the Congress enact .08 legislation with sanctions when they just enacted a \$500 million incentive grant program to encourage states to adopt .08 laws?**

- A. While we hope the incentive grants will serve to encourage more states to pass life-saving

.08 laws, they are only a first step. The President believes we must continue to push for a measure to help ensure that all 50 states have .08 laws -- and sanctions have been an effective tool to accomplish similar objectives. Zero tolerance for youth drinking and driving is a good example. Before the President fought for and signed this into law in 1995, after years of incentive grants, only 24 states had zero tolerance laws. Three years after he signed a law which required states to have zero tolerance or risk losing highway funds, all 50 states and D.C. now have them. The same thing happened with the minimum drinking age, which has been credited with saving thousands of lives. We could save an estimated 500 - 600 lives a year if every state had an .08 law -- which is why the President refuses to relent on this issue.

Q. In March 1998, the President signed a directive to Secretary Slater to, among other things, make .08 BAC the standard on federal property. What is the status?

A. The Department of Transportation has been working with affected federal agencies to accomplish the President's directive. Department of Interior's The National Park Service is in the process of developing a rulemaking to amend its relevant regulation to lower the legal limit in park areas to .08 BAC. Similarly, the Department of Defense has initiated plans to amend all applicable internal directives and regulations to lower the legal limit on military installations. The Joint Service Committee on Military Justice is developing legislation to amend their Uniform Code of Military Justice, which provides the impaired driving penalties for military personnel. And the U.S. Coast Guard is working to establish a .08 BAC standard on our nation's waterways to reduce the number of alcohol-related recreational boating casualties.

Q. Is there any evidence that lowering the limit from .10 blood alcohol content (BAC) to .08 BAC has any real effect on reducing the number of alcohol-related crashes?

A. Yes. To date, four studies have evaluated the effects of .08 BAC laws in the United States. Each study has shown that lowering the BAC limit to .08 was associated with significant reductions in alcohol-related fatal crashes. One key study of five states that lowered their BAC limit to .08 found that drunk driver fatalities were reduced by an average of 16%. And a Boston University study concluded that when all states lower their BAC limits to .08, alcohol-related deaths are expected to decrease by about 500 to 600 every year.

Q. What are some of the most recent statistics on drunk driving?

A. The most recent comprehensive statistics were released earlier this summer by the Department of Transportation, collected by the Fatality Analysis Reporting System (FARS). Some of the key findings from the 1997 FARS report include:

- Fewest alcohol-related deaths since 1975. The rate of alcohol-related crashes fell

from nearly 41% in 1996 to 38.6% in 1997 -- the first time that the rate dropped below 40% and the fewest number of alcohol-related fatalities since the Transportation Department began record-keeping in 1975. And since 1982, the overall number of alcohol-related fatalities has dropped by more than one-third.

- Decline in youth killed by drunk drivers. The 1997 FARS data also shows that alcohol-related deaths among 15 to 20 year-olds dropped 5%, from 2,324 in 1996 to 2,209 in 1997.
- Alcohol a large factor in fatal crashes. Alcohol was involved in 7.0% of all crashes, but 38.6% of all fatal crashes. Three out of every 10 Americans will be involved in an alcohol-related crash some time in their lives.
- States with lowest alcohol related fatalities: Utah had the lowest percentage of alcohol-related fatalities (20.6%), followed by New York (27.4%). Kansas and Arkansas were the only other states with alcohol-related fatality rates under 30%.
- Modest decline in overall number of fatalities. Fatalities dropped slightly from 42,065 in 1996 to 41,967 in 1997 -- 98 fewer deaths. The rounded fatality rate dropped from 1.7 deaths per 100 million vehicle miles traveled to 1.6 deaths -- despite increased travel and higher speed limits. Sixty-three percent of those killed on the highways were not wearing seat belts.

Q. Why is December Drunk and Drugged Driving Prevention Month?

- A. Traditionally, December is a month of holiday parties, increased travel, and new Year's Eve celebrations. All of these events contribute to more vehicles on the road and more impaired drivers. Between 1988-1997, a total of 15,577 people lost their lives in alcohol-related crashes during the month of December alone. And while the annual number of drunk driving fatalities is 35% less than a decade ago, the number of people who are killed in drunk driving crashes is still far too high. During "3D Prevention Month", federal, state, and local governments work with safety activists, law enforcement, businesses and medical professionals, schools, and others to host thousands of local activities with a single emphasis: to reduce impaired driving crashes, injuries, and fatalities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Nanda Chitre (CN=Nanda Chitre/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-DEC-1998 18:58:30.00

SUBJECT: fyi

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

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

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

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

TEXT:

December 22, 1998

AMA Urges Expansion of Gun Laws

A.P. INDEXES: TOP STORIES | NEWS | SPORTS | BUSINESS |
TECHNOLOGY | ENTERTAINMENT

Filed at 6:45 p.m. EST

By The Associated Press

CHICAGO (AP) -- Laws barring felons from buying guns should be expanded to prospective buyers who have committed misdemeanors, researchers say in Wednesday's Journal of the American Medical Association.

Their study found that handgun purchasers with a prior misdemeanor conviction were nearly five times as likely as gun buyers without a criminal record to be charged with new offenses involving firearms or violence.

A critic of the study said its methods were flawed and that its authors and underwriters are activists favoring gun bans regardless of science.

But Jim Brady, the former presidential press secretary who was wounded in an assassination attempt on Ronald Reagan, supported the study's conclusions in an editorial accompanying the findings.

The editorial, co-written by Brady's wife, Sarah, and by Dr. Thomas B. Cole of JAMA's editorial staff, said California has successfully stopped would-be gun buyers if they have convictions for violent misdemeanor crimes.

"The findings (of the study) strongly suggests there are compelling reasons to do so," the editorial said.

The study was led by Dr. Garen J. Wintemute of the University of California, Davis, and underwritten in part by the California Wellness Foundation.

The researchers did a 15-year study of 5,923 randomly chosen people in California who legally purchased handguns in 1977, based on state records. The researchers were able to track 5,177 for the full study period, while the others could not be verified as continued residents of California.

Of the 2,735 subjects convicted before their gun purchases of at least one misdemeanor, 1,379 (50.4 percent) were subsequently charged with new crimes. Only 239 purchasers out of 2,442 who had no prior criminal history were subsequently charged (9.8 percent).

Counting only the worst crimes -- murder and non-negligent manslaughter, forcible rape, robbery and aggravated assault -- 421 people with previous convictions (15.4 percent) were subsequently charged compared with 60 of people with no criminal history (2.5 percent), researchers said.

But Dr. Edgar A. Suter, chairman of Doctors for Integrity in Policy Research, a nonprofit group that has countered medical research vilifying guns, said the study was politically skewed.

"The individuals involved with this want to make guns look as bad as they can," Suter said Tuesday from San Ramon, Calif., where he is a family practitioner. He said the study failed to fully examine the population of gun buyers because many with clean criminal records had been pared from state files of gun purchasers.

The authors said including such buyers would not have changed

the results

substantially. They said the public has the misperception that laws requiring

background checks of prospective gun buyers ``prohibit gun purchase by

all but the law-abiding.

``In fact, many thousands of persons with a history of criminal activity

legally purchase firearms every year,`` they added, citing previous

research.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:22-DEC-1998 13:11:27.00

SUBJECT: Summary of Head Start options

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

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

TEXT:

Attached below is an e-mail from Barbara to Gene (sent at his request) outlining the Head Start options for the President's FY 2000 budget. No decision has been made, but it's clear that OMB plans to up the Head Start budget to stay on track to serving 1 million children by 2002. Assuming OMB and HHS can find the budget authority for it, I would favor OMB's suggested resolution described below -- \$5.267 billion for FY 2000 to add 44,000 new Head Start slots, bringing the program to a total of 881,000 slots.

----- Forwarded by Nicole R. Rabner/WHO/EOP on 12/22/98
 11:46 AM -----

Record Type: Record

To: Gene B. Sperling/OPD/EOP@EOP, Charles R. Marr/OPD/EOP@EOP
 cc: Melissa G. Green/OPD/EOP@EOP, Peter A. Weissman/OPD/EOP@EOP, Sandra Yamin/OMB/EOP@EOP, Jennifer Friedman/OMB/EOP@EOP
 Subject: Summary of Head Start options

Information on Head Start.

----- Forwarded by Barbara Chow/OMB/EOP on 12/22/98 11:05
 AM -----

Jennifer Friedman
 12/21/98 07:23:11 PM
 Record Type: Record

To: Barbara Chow/OMB/EOP@EOP
 cc: Barry White/OMB/EOP@EOP, Jack A. Smalligan/OMB/EOP@EOP, Matthew McKearn/OMB/EOP@EOP, Sandra Yamin/OMB/EOP@EOP
 Subject: Summary of Head Start options

Following is an overview of options for the Head Start funding level for the FY2000 President's Budget. All options remain on the path toward serving 1 million children by FY02, including 80,000 infants and toddlers in Early Head Start. The options range in cost from \$4,997 million to \$5,395 million in FY00, with five year costs that are \$5.3 billion to \$6 billion over guidance levels. The table attached below summarizes the options proposed by HHS and considered by OMB.

As you know, the Head Start reauthorization greatly increased the set-aside for quality activities. Due to this law change, as well as other program policies, the cost of new slots has risen dramatically. While the FY99 P.B. assumed that the request level of \$4,660 million would create 30,000 to 36,000 new slots, this funding level as enacted will now

only provide for approximately 15,000 new slots in FY99, for total enrollment of 837,000.

In HHS' FY00 budget submission, the Department originally requested \$4,997 million (\$337 million over FY99 enacted), and subsequently revised this request to \$5,395 million (\$735 million over FY99 enacted). The passback level was at guidance, and equal to their original request of \$4,997 million.

In HHS' first appeal, the Department reiterated their request of \$5,395 million, proposing to add 54,000 slots, for total enrollment in FY00 of 891,000. Subsequently, HHS revised their appeal downward. Their second appeal is in the same ballpark as the OMB proposed resolution of \$5,267 million. This funding level would create 44,000 slots, for total enrollment of 881,000. There is a logic to adding 44,000 slots in FY00, as the FY99 P.B. assumed the addition of 44,000 new slots in FY00 (albeit, to a higher base).

HHS' third appeal, a \$100 million increase over passback to \$5,097 million, would provide for 29,000 new slots and a total enrollment of 866,000.

Summary of Head Start Expansion Options
(All dollars in millions)

	Date Submitted	FY00	New Slots	Total Slots
HHS Request	9/98	\$4,997	20,000	857,000
HHS Revised Request	11/9/98	\$5,395	54,000	891,000
Passback	11/24/98	\$4,997	20,000	857,000
HHS First Appeal	12/1/98	\$5,395	54,000	891,000
OMB Proposed Resolution	12/3/98	\$5,267	44,000	881,000
HHS Second Appeal	12/18/98	\$5,267	44,000	881,000
HHS Third Appeal	12/21/98	\$5,097	29,000	866,000

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 11:20:44.00

SUBJECT: New drafts

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D44]MAIL47694065E.326 to ASCII,

The following is a HEX DUMP:

FF575043AE030000010A0201000000020500000009B12000000020000B2F776ED8486F3C577F7E8
34EA4952D1731E80446A64C4ECB521A6F98D099B6FD69BC46BDC72C619BA6A47A252DBFA4B7174

Homeless Event Q&As
12/23/98

Q: What did the President announce today?

A: Today President Clinton announced \$850 million in federal government grants to help more than 330,000 homeless persons located in all fifty states obtain transitional housing, permanent housing, and other services. The grants from the Department of Housing and Urban Development (HUD) are part of President Clinton's ongoing Continuum of Care strategy to help break the cycle of homelessness and to create safe, affordable housing for those who need it most.

Q: What will the grants do?

A: The Continuum of Care grants include \$700 million to fund 1420 individual projects, including state and local governments and more than 1000 non-profit organizations who work with the homeless. These competitive grants enable organizations to provide homeless people with transitional and permanent housing and fund supportive services such as job training, child care, substance abuse treatment, and mental health services. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities. In addition, the President announced \$150 million of grants under the Emergency Shelter Grants program. This program assists communities in providing temporary emergency shelter and essential services, and preventing homelessness. Grants are allocated to States, metropolitan cities and urban counties based on a formula which uses several objective measures of community need, including poverty, population, housing overcrowding, age of housing, and growth.

Q: How much total grant money did Baltimore receive?

A: Under the Continuum of Care grants, Baltimore received \$6.6 million in 1997 and will receive \$7.3 million this year. Under the Emergency Shelter Grant Program, Baltimore received 1,360,000 last year and will receive \$1,040, 000 this year. In total for this year, Baltimore will receive approximately \$8.3 million.

Q: How many persons are homeless in the United States? Why are they homeless?

A: The Administration's Priority: Home! The Federal Plan to Break the Cycle of Homelessness states that there are as many as 600,000 homeless men, women, and children in the United States on any given night. The homeless population is a diverse group whose homelessness has been caused by a complex array of factors ranging from

economic difficulties and lack of access to affordable housing to mental illness and problems with substance abuse. Approximately 20-25% of the homeless population is made up of families with children. An estimated one-third of the homeless population is experiencing mental illness, while at least 50% of those who are homeless may have substance abuse issues. Some have become homeless as a result of domestic violence, while others were forced into homelessness by a health crisis, such as HIV/AIDS. Roughly a third of the entire male adult homeless population are veterans, and as many as half of all homeless adult men have some kind of military experience.

Q: What has the Clinton Administration done up till now to address homelessness?

A: President Clinton has made addressing homelessness a top priority. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance, and the Administration has implemented the Continuum of Care approach to homelessness. This approach encourages communities to plan comprehensively for the full range of needs of poor and homeless people, and to coordinate services in a way that maximizes the impact of existing resources.

Q: What specifically is the Continuum of Care?

A: In 1993, HUD initiated a new strategy for reducing homelessness, requiring communities to establish "Continuum of Care" plans. A Continuum of Care plan is a coordinated community approach which focuses on ensuring that homeless persons move from homelessness into jobs and permanent housing. The key elements of a Continuum of Care community plan are: outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing.

Under the innovative Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of a number of factors, including the strategy for addressing homelessness, as well as the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses.

Q: *How is the Continuum of Care approach working?*

A: The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study found that as a result of such efforts, between 4 to 14 times as many homeless persons are receiving a wide-array of assistance to help them move into jobs and housing. The study also indicated that the number of children being assisted has grown from 6,500 in 1992 to 89,000 in 1995. The report pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been

replaced by comprehensive planning and coordinated housing and service delivery. The success of the Continuum of Care approach was recently recognized when it was named one of 25 finalists for the prestigious Harvard-Ford Foundation Innovations in Government Award.

Q: How much McKinney Act funding is in the FY '99 budget?

A: HUD's McKinney Act homeless assistance is funded at \$975 million in FY 1999, an increase of \$152 million or 18 percent over the 1998 enacted level of \$823 million. This is also an increase of \$403.4 million or 71 percent over the 1993 enacted level of \$571.6 million.

Q: *What McKinney Act programs are the grants awarded under?*

A: These grants are part of the Stewart B. McKinney Homeless Assistance Act which is the main federal program addressing homelessness. These grants provide funding under four HUD McKinney Act programs: the Emergency Shelter Grants program, the Supportive Housing Program (SHP); the Shelter Plus Care (S+C) program; and the Section 8 Mod Rehab Single Room Occupancy (SRO) program.

***PRESIDENT CLINTON ANNOUNCES \$850 MILLION IN GRANTS
TO HELP MORE THAN 330,000 HOMELESS AMERICANS***

December 23, 1998

Today President Clinton will announce \$850 million in grants to help more than 330,000 homeless people obtain housing and receive vital social services to reach self-sufficiency. The grants, issued by the Department of Housing and Urban Development (HUD), are part of President Clinton's Continuum of Care strategy to create safe, affordable housing and break the cycle of homelessness.

Continuum of Care Grants for the Homeless

The President will announce \$700 million in Continuum of Care competitive grants to help homeless persons in 307 communities located in 46 states, the District of Columbia, and Puerto Rico. The grants provide homeless people with transitional and permanent housing and fund social services such as job training, child care, substance abuse treatment, and mental health services. The grants are provided under the Stewart B. McKinney Homeless Assistance Act and fund 1420 individual projects including more than 1000 non-profit organizations. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities.

Emergency Shelter Grants

The President will also announce \$150 million in funding for the Emergency Shelter Grants program. Under this program, states and cities select local projects to receive funding for emergency shelter and other homeless needs. The funds are distributed through a formula based on a community's housing and poverty needs. Attached is a state by state list of funds that will be distributed under the Continuum of Care and Emergency Shelter Grants program.

President Clinton's Continuum of Care Program to End the Cycle of Homelessness

President Clinton's Continuum of Care program, initiated in 1993, requires local public and private agencies to work together to create a comprehensive plan to address the needs of poor and homeless people, and to coordinate services to use resources most efficiently. The goal of the Continuum of Care strategy is to give communities the decision-making authority to craft plans that move away from short-term emergency measures and toward permanent solutions that help homeless people become self-sufficient. The key elements are outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing. Under the Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of the strategy for addressing homelessness, including the coordination and involvement of federal, state and local

agencies, nonprofit organizations, homeless persons, and in many cases, local businesses. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance. In 1998, Harvard University's Kennedy School of Government and the Ford Foundation recognized the Continuum of Care policy as one of the 25 finalists in Innovations in American Government.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 20:01:44.00

SUBJECT: Welfare-to-Work/TANF option for FY2000 budget

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

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

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

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

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

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

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

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

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

TEXT:

Per your conversation with Barbara this evening, see Anil's e-mail below on W-t-W/TANF option for FY00 budget.

----- Forwarded by Sandra Yamin/OMB/EOP on 12/22/98 07:53 PM -----

Anil Kakani

12/22/98 10:53:35 AM

Record Type: Record

To: Barbara Chow/OMB/EOP@EOP

cc: See the distribution list at the bottom of this message

Subject: Welfare-to-Work/TANF option for FY2000 budget

The latest data on State TANF spending raise new doubts about whether we could reasonably expect Congress to provide \$1 billion for Welfare-to-Work in FY 2000. This note presents an alternative to the preliminary decision for a one-year, \$1 billion extension of WtW.

TANF baseline and expenditure data. HHS's revised TANF baseline for the 2000 Budget reduces outlays by over \$6 billion over the period FY 00-04 (including FY99, this rises to nearly \$9 billion), as described below:

(outlays in millions)

(actual)	FY98	FY99	FY00	FY01	FY02	FY03	FY04	00-04
1/98 baseline	13,802	15,933	17,028	17,105	17,242	17,211		
17,184								
revised '99 baseline	13,284	13,071	14,496	14,912	15,622			
16,765	17,848							
change from 1/98	(518)	(2,863)	(2,533)	(2,193)	(1,620)			
(446)	664	(6,128)						

This change assumes undrawn balances of nearly \$16 billion by FY 2001. CBO, which previously projected lower outlays for FYs 99-01 than HHS, has preliminarily indicated they will further reduce their baseline even more than HHS. According to TANF financial data, through three quarters in FY98 states have drawn down only 2/3 of available Federal dollars.

As illustrated in the first columns in the table below, states have also been very slow to spend WtW funds.

Welfare-to-Work Baseline

(outlays in millions)

(actual)	1998	1999	2000	2001	2002	2003	2004	98-04
1/98 baseline	466	1,299	890	322	---	---	---	
revised '99 baseline	16	872	1,464	523	22	---	---	

change from 1/98 (450) (427) 574 201 22 --- --- (80)

Note: 1999 Baseline OL are lower in total because the FY 1999 Omnibus Appropriation Act amended the Social Security to require unallotted State formula grants (\$79 M of FY 1998 grants) revert to the Treasury's General fund.

Option

A "targeted" WtW program. The \$1 B passback consists of \$675 M for formula grants, \$225 M for competitive grants, and \$100 million for bonus grants. An alternative would request \$250 M for competitive grants only, targeted on particular hard-to-serve subgroups of WtW's eligible population. FY 2000 OL associated with this alternative would be \$13 million, compared with \$178 M in the \$1 B preliminary decision. This approach would:

Mirror the FY 1999 competitive grants. In FY 1999, the \$240 M competitive pot will target \$90 - \$120 M on particularly needy subgroups of WtW's eligible population, including noncustodial parents, the disabled, substance abusers, and victims of domestic violence. This FY 2000 request could continue FY 1999's focused approach.

Finance the DPC "fatherhood initiative." DPC plans to use WtW to launch a fatherhood initiative in FY 2000. They are exploring changes to WtW to better target noncustodial parents, including less strict eligibility criteria, and new program design elements, such as personal responsibility contracts and coordination with child support enforcement agencies. An alternative to targeting the WtW competitive grants on several subgroups would be to use the entire \$250 M for noncustodial parents.

TANF rule changes could encourage WtW-like activities in the base TANF program. In addition to dramatically lower caseloads and other reasons

cited by the Secretary in her memo to the President on TANF spending, some have argued that certain TANF NPRM provisions (i.e., separate state programs, penalty reductions, definition of assistance) have had a chilling effect on states providing non-cash assistance and support services (including WtW-like activities).

With the TANF final regulations currently at OMB for clearance, significant changes are being considered to encourage the provision of non-cash transitional assistance and other assistance to enhance job retention and advancement and earnings gains for individuals now working in entry-level jobs. Specific language could be included to highlight allowable uses of TANF dollars to finance WtW employment activities.

Message Copied

To: _____

Barry White/OMB/EOP@EOP
Jack A. Smalligan/OMB/EOP@EOP
Larry R. Matlack/OMB/EOP@EOP
Maureen H. Walsh/OMB/EOP@EOP
Michele Ahern/OMB/EOP@EOP
Sandra Yamin/OMB/EOP@EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 11:48:21.00

SUBJECT:

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

TEXT:

Bruce is holding on 65584

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 17:40:11.00

SUBJECT: New drafts of homeless paper with FY2000 budget included

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Here are new drafts from Tom and I of the paper with FY2000 budget numbers. HUD and OMB have signed off. Thanks, Mary===== ATTACHMENT
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D33]MAIL49794575Y.326 to ASCII,
The following is a HEX DUMP:

FF575043AE030000010A020100000002050000006F16000000020000BE57B3CED24EDF4EBC934E
59BFB6C49EE4C0A54BAF0545285322FE8ADA48237380DDB6C460A2C657FA440DA9E46F4DDA47A0

Homeless Event Q&As
12/23/98

Q: What did the President announce today?

A: Today President Clinton announced that his Fiscal Year 2000 budget will include \$1.125 billion in homeless assistance, a more than 15 percent increase over the \$975 million enacted last year. President Clinton also announced that HUD is awarding \$850 million in grants to help more than 330,000 homeless people obtain housing and receive vital social services to reach self-sufficiency. The grants, issued by the Department of Housing and Urban Development (HUD), are part of President Clinton's Continuum of Care strategy to create safe, affordable housing and break the cycle of homelessness.

Q: What specifically did the President announce regarding his FY2000 homeless assistance budget?

A: The President announced that his FY2000 budget for HUD includes \$1.125 billion for homeless assistance. The budget includes \$1.025 billion for homeless grant programs and \$100 million for 18,000 additional Section 8 vouchers targeted to helping homeless people move from homeless facilities into permanent residences. If enacted, the \$1.125 billion will be the largest ever appropriation to HUD for homeless assistance. The budget request represents a more than 15 percent increase above the \$975 million that was enacted for HUD homeless programs for FY 1999.

Q: How are the \$850 million in grants distributed?

A: The Continuum of Care grants include \$700 million to fund 1420 individual projects, including state and local governments and more than 1000 non-profit organizations who work with the homeless. These competitive grants enable organizations to provide homeless people with transitional and permanent housing and fund supportive services such as job training, child care, substance abuse treatment, and mental health services. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities. In addition, the President announced \$150 million of grants under the Emergency Shelter Grants program. This program assists communities in providing temporary emergency shelter and essential services, and preventing homelessness. Grants are allocated to States, metropolitan cities and urban counties based on a formula which uses several objective measures of community need, including poverty, population, housing overcrowding, age of housing, and growth.

Q: What did the President announce about housing vouchers for the homeless?

A: The President announced his FY2000 budget will include \$100 million to help over 18,000 homeless people obtain affordable housing under the Department of Housing and Urban Development's (HUD) Section 8 housing assistance program. This program provides housing assistance to low-income families in the form of Section 8 vouchers. Families generally pay no more than 30 percent of their adjusted income for rent with the balance paid to the landlord by HUD.

Q: How much total grant money did Baltimore receive?

A: Under the Continuum of Care grants, Baltimore received \$6.6 million in 1997 and will receive \$7.3 million this year. Under the Emergency Shelter Grant Program, Baltimore received 1,360,000 last year and will receive \$1,040, 000 this year. In total for this year, Baltimore will receive approximately \$8.3 million.

Q: How many persons are homeless in the United States? Why are they homeless?

A: The Administration's Priority: Home! The Federal Plan to Break the Cycle of Homelessness states that there are as many as 600,000 homeless men, women, and children in the United States on any given night. The homeless population is a diverse group whose homelessness has been caused by a complex array of factors ranging from economic difficulties and lack of access to affordable housing to mental illness and problems with substance abuse. Approximately 20-25% of the homeless population is made up of families with children. An estimated one-third of the homeless population is experiencing mental illness, while at least 50% of those who are homeless may have substance abuse issues. Some have become homeless as a result of domestic violence, while others were forced into homelessness by a health crisis, such as HIV/AIDS. Roughly a third of the entire male adult homeless population are veterans, and as many as half of all homeless adult men have some kind of military experience.

Q: What has the Clinton Administration done to address homelessness?

A: President Clinton has made addressing homelessness a top priority. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance, and the Administration has implemented the Continuum of Care approach to homelessness. This approach encourages communities to plan comprehensively for the full range of needs of poor and homeless people, and to coordinate services in a way that maximizes the impact of existing resources.

Q: What specifically is the Continuum of Care?

A: In 1993, HUD initiated a new strategy for reducing homelessness, requiring

communities to establish "Continuum of Care" plans. A Continuum of Care plan is a coordinated community approach which focuses on ensuring that homeless persons move from homelessness into jobs and permanent housing. The key elements of a Continuum of Care community plan are: outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing.

Under the innovative Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of a number of factors, including the strategy for addressing homelessness, as well as the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses.

Q: How is the Continuum of Care approach working?

A: The results of the Continuum of Care efforts over the last few years were documented in a 1996 report from the Barnard-Columbia Center for Urban Policy. The study found that as a result of such efforts, between 4 to 14 times as many homeless persons are receiving a wide-array of assistance to help them move into jobs and housing. The study also indicated that the number of children being assisted has grown from 6,500 in 1992 to 89,000 in 1995. The report pointed to a significant transformation in the way communities are addressing homelessness. The fragmented approach of the past has been replaced by comprehensive planning and coordinated housing and service delivery. The success of the Continuum of Care approach was recently recognized when it was named one of 25 finalists for the prestigious Harvard-Ford Foundation Innovations in Government Award.

Q: How much McKinney Act funding is in the FY '99 budget?

A: HUD's McKinney Act homeless assistance is funded at \$975 million in FY 1999, an increase of \$152 million or 18 percent over the 1998 enacted level of \$823 million. This is also an increase of \$403.4 million or 71 percent over the 1993 enacted level of \$571.6 million.

Q: What McKinney Act programs are the grants awarded under?

A: These grants are part of the Stewart B. McKinney Homeless Assistance Act which is the main federal program addressing homelessness. These grants provide funding under four HUD McKinney Act programs: the Emergency Shelter Grants program, the Supportive Housing Program (SHP); the Shelter Plus Care (S+C) program; and the Section 8 Mod Rehab Single Room Occupancy (SRO) program.

*PRESIDENT CLINTON ANNOUNCES SIGNIFICANT
INCREASE IN HOMELESS ASSISTANCE
FOR FY2000 BUDGET AND \$850 MILLION IN GRANTS
TO HELP MORE THAN 330,000 HOMELESS AMERICANS
December 23, 1998*

Today President Clinton will announce that his Fiscal Year 2000 budget will include \$1.125 billion in homeless assistance, a more than 15 percent increase over the \$975 million enacted last year. President Clinton also will announce that HUD is awarding \$850 million in grants to help more than 330,000 homeless people obtain housing and receive vital social services to reach self-sufficiency. The grants, issued by the Department of Housing and Urban Development (HUD), are part of President Clinton's Continuum of Care strategy to create safe, affordable housing and break the cycle of homelessness.

Fiscal Year 2000 Budget

The President will announce that his FY2000 budget for HUD includes \$1.125 billion for homeless assistance. The budget includes \$1.025 billion for homeless grant programs and \$100 million for 18,000 additional Section 8 vouchers targeted to help homeless people move from homeless facilities into permanent residences. If enacted, the \$1.125 billion will be the largest ever appropriation to HUD for homeless assistance. The budget request represents a more than 15 percent increase above the \$975 million that was enacted for HUD homeless programs for FY 1999.

Continuum of Care Grants for the Homeless

The President will announce \$700 million in Continuum of Care competitive grants to help homeless persons in 307 communities located in 46 states, the District of Columbia, and Puerto Rico. The grants provide homeless people with transitional and permanent housing and fund social services such as job training, child care, substance abuse treatment, and mental health services. The grants are provided under the Stewart B. McKinney Homeless Assistance Act and fund 1420 individual projects including more than 1000 non-profit organizations. The non-profit organizations receiving funds include local chapters of the Salvation Army, Volunteers of America, and Catholic Charities.

Emergency Shelter Grants

The President will also announce \$150 million in funding for the Emergency Shelter Grants program. Under this program, states and cities select local projects to receive funding for emergency shelter and other homeless needs. The funds are distributed through a formula based on a community's housing and poverty needs. Attached is a state by state list of funds that will

be distributed under the Continuum of Care and Emergency Shelter Grants program.

President Clinton's Continuum of Care Program to End the Cycle of Homelessness

President Clinton's Continuum of Care program, initiated in 1993, requires local public and private agencies to work together to create a comprehensive plan to address the needs of poor and homeless people, and to coordinate services to use resources most efficiently. The goal of the Continuum of Care strategy is to give communities the decision-making authority to craft plans that move away from short-term emergency measures and toward permanent solutions that help homeless people become self-sufficient. The key elements are outreach and assessment; emergency shelter; transitional housing and services; permanent housing; and permanent supportive housing. Under the Continuum of Care program, each community submits a list of priority projects to HUD. The applications are evaluated on the basis of the strategy for addressing homelessness, including the coordination and involvement of federal, state and local agencies, nonprofit organizations, homeless persons, and in many cases, local businesses. Since taking office in 1993, President Clinton has overseen a more than 70 percent increase in McKinney Act homeless assistance. In 1998, Harvard University's Kennedy School of Government and the Ford Foundation recognized the Continuum of Care policy as one of the 25 finalists in Innovations in American Government.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 11:21:30.00

SUBJECT: draft homeless release

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

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

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

TEXT:

Here is the state-by-state breakout which we would attach to our announcement. North Dakota is missing, but HUD will be sending this shortly.

----- Forwarded by Mary L. Smith/OPD/EOP on 12/22/98
11:21 AM -----

JULIE B. GOLDBERG
12/21/98 02:18:27 PM
Record Type: Record

To: Mary L. Smith/OPD/EOP
cc:
Subject: draft homeless release

Mary -

Here's HUD's release - looking forward to your paper!

Julie
----- Forwarded by Julie B. Goldberg/WHO/EOP on 12/21/98
02:05 PM -----

Roger V. Salazar
12/21/98 09:36:13 AM

Record Type: Record

To: Julie B. Goldberg/WHO/EOP
cc:
Subject: draft homeless release

----- Forwarded by Roger V. Salazar/WHO/EOP on 12/21/98
09:36 AM -----

Megan C. Moloney

12/21/98 08:37:49 AM

Record Type: Record

To: Roger V. Salazar/WHO/EOP

cc:

Subject: draft homeless release

FYI --

----- Forwarded by Megan C. Moloney/WHO/EOP on 12/21/98
08:38 AM -----

david_m._egner @ hud.gov

12/18/98 07:04:39 PM

Record Type: Record

To: Megan C. Moloney/WHO/EOP

cc:

Subject: draft homeless release

Here is a release we would like to put out on Wednesday when the President announces homeless grants. Also included is an attachments listing the grants to each state. We will also have two more attachments: 1) list of all grants 1,420 grants, organized by state 2) vignettes telling success stories of five people (who do not want their full names used) who were homeless. I will get you these when they are done. The grant list will be useful for regional press. We plan on contacting media around the country from here and from our regional offices after the President's announcements. We should talk to discuss what we are doing.

I know Ginny Terzano, our Assistant Secretary, is dealing with the White House on logistics of the event.

Please get back to me Monday and let me know: 1) Do you have any problems with the release and want any changes? 2) If the quote I drafted for the President OK, or do you want to change it? 3) Do you want to distribute our release along with your material at the White House, or do you just want us to use our stuff for faxing and for our website?

Fred Karnas, our homeless expert, has made edits to the fact sheet the White House has drafted, and shown this to me. All the numbers and descriptions in the fact sheet and my release are consistent.

(See attached file: jo.doc)

hud NEWS

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Department of Housing and Urban Development – Andrew Cuomo, Secretary
Office of Public Affairs, Washington, DC 20410

NOTE: LIST OF ALL GRANT RECIPIENTS BY STATE IS ON HUD'S WEBSITE.

HUD No. 98-643
(202) 708-0685
<http://www.hud.gov/news.html>

FOR RELEASE
xx a.m. Wednesday
December 23, 1998

PRESIDENT CLINTON ANNOUNCES \$850 MILLION IN ASSISTANCE TO HELP MORE THAN 330,000 HOMELESS AMERICANS

WASHINGTON – President Clinton today announced \$850 million in grants to help more than 330,000 homeless Americans get housing, job training, child care, mental health services and substance abuse treatment so they can move from homelessness to self-sufficiency.

A total of \$700 million of the Department of Housing and Urban Development assistance is targeted to 1,420 long-term programs around the country to help individuals and families permanently end their homeless status. These programs will provide transitional and permanent housing assistance and will help people overcome problems that can lead to homelessness, such as a lack of basic education and job skills, mental illness and drug addiction.

The remaining \$150 million in grants are for emergency shelter programs that provide food and shelter on a short-term basis to homeless people so they aren't forced to live on the streets and go hungry.

(UNAPPROVED) “These grants will save and transform the lives of some of the most vulnerable people in our country,” President Clinton said. “In this holiday season, they give homeless Americans the most valuable gift of all – a brighter future filled with hope and prosperity, instead of despair and poverty. Our assistance will enable homeless people across this nation to achieve the American Dream of decent housing, a job with a living wage, and a chance to help their children build successful lives.”

“The President's policies recognize that if we give homeless people the help they need, they can overcome their problems and work their way out of poverty,” Cuomo said. “I have met men and women across this nation who would be dead today or would be living on the streets if not for our programs.”

The \$850 million in assistance announced today will go to over 300 communities, all 50 state governments, the District of Columbia, Puerto Rico and American territories. In addition, over 1,000 non-profit organizations such as the Salvation Army, Volunteers of America and Catholic Charities will receive funding for homeless assistance programs.

“Every homeless person is a victim of enormous personal tragedy and incredible

hardship,” Cuomo said. “Helping these men, women and children rebuild their lives isn’t easy and isn’t cheap, but it’s one of the most important investments we can make. It’s an investment that says America is the land of opportunity not just for some of us, but for all us.”

-more-

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HUD No. 98-643
Page Two

HUD will award \$975 million in the homeless grants a year from now, as a result of increased funding for homeless programs in HUD's fiscal 1999 budget. President Clinton had sought an even larger increase to \$1.15 billion for the program in the 1999 budget he proposed.

HUD has invested nearly \$5 billion in programs to help homeless Americans since President Clinton took office in 1993. That's more than three times as much as the \$1.5 billion HUD spent on homeless assistance programs from the time they were created in 1987 until 1993.

The \$700 million in competitive grants for long-term programs announced today are part of HUD's Continuum of Care approach to addressing homelessness across the nation. The grants are awarded to states, local governments and non-profit groups based on a number of factors that measure the effectiveness of plans to help homeless people become self-sufficient.

The \$150 million emergency shelter grants are awarded through a formula based on a community's housing and poverty needs. States and cities select projects to receive the funding at the local level.

The Continuum of Care, which is the centerpiece of the federal policy on homelessness announced by President Clinton in 1993, stresses permanent solutions to homelessness through comprehensive and collaborative community planning. Communities submit plans to HUD that reflect efforts to address the complexities of homelessness through a range of housing and services.

This year, the Continuum of Care was one of 25 finalists, out of 1,400 competitors, for the prestigious Innovations in American Government Award that is awarded by the Ford Foundation and the Kennedy School of Government at Harvard University.

Cuomo said the Continuum of Care approach has been successful because it brings together non-profit groups, the private sector and local and state governments in a partnership to design local programs to help homeless people become self-sufficient.

A Columbia University study concluded that HUD's homeless policies spelled out in the Continuum of Care "have had a positive impact on communities across the nation" and were an improvement from past efforts that focused on short-term emergency shelter.

Key elements of the Continuum of Care are:

- Outreach and assessment efforts to identify individual and family needs and make connections to facilities and services.
- Provision of emergency shelter and appropriate social services as safe alternatives to the streets.
- Transitional housing and necessary social services to help people move to permanent housing and independent living.

- Permanent housing to help meet the long-term needs of homeless individuals and families.

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LISTING OF HUD HOMELESS ASSISTANCE PROGRAM GRANTS

Here is a list of Department of Housing and Urban Development homeless assistance program grants announced today. Continuum of Care (CoC) Grants are for long-term programs designed to help homeless people get permanent housing and jobs to become self-sufficient. Emergency Shelter Grants provide short-term food and shelter.

ALABAMA - \$6.5 million, including: CoC - \$4.4 million and ESG - \$2 million.

ALASKA - \$1.8 million, including: CoC - \$1.6 million and ESG - \$192,000.

ARIZONA - \$13.7 million, including: CoC - \$11.9 million and ESG - \$1.8 million.

ARKANSAS-\$2.7 million, including: CoC - \$1.6 million and ESG - \$1.1 million.

CALIFORNIA - \$141.5 million, including: CoC - \$123.1 million and ESG - \$18.4 million.

COLORADO - \$7.7 million, including: CoC - \$6.2 million and ESG - \$1.5 million.

CONNECTICUT - \$6.6 million, including: CoC - \$5 million and ESG - \$1.6 million.

DELAWARE - \$2.7 million, including: CoC - \$2.4 million and ESG - \$281,000.

DISTRICT OF COLUMBIA - \$9.6 million, including: CoC -\$8.8 million and ESG - \$827,000.

FLORIDA - \$35.6 million, including: CoC - \$29.4 million and ESG - \$6.2 million.

GEORGIA - \$17.4 million, including: CoC - \$14.4 million and ESG - \$3 million.

HAWAII - \$3.1 million, including: CoC - \$2.5 million and ESG - \$637,000.

IDAHO - \$1.6 million, including: CoC - \$1.2 million and ESG - \$414,000.

ILLINOIS - \$47 million, including: CoC - \$39.5 million and ESG - \$7.5 million.

INDIANA - \$13.4 million, including: CoC - \$10.6 million and ESG - \$2.8 million.

IOWA - \$6.8 million, including: CoC - \$5.1 million and ESG - \$1.6 million.

KANSAS - \$1.2 million, including: ESG - \$1.2 million.

KENTUCKY - \$12.1 million, including: CoC - \$10.1 million and ESG - \$2 million.

LOUISIANA - \$14.4 million, including: CoC - \$11.5 million and ESG - \$2.9 million.

MAINE - \$780,000, including: ESG - \$780,000.

MARYLAND - \$17.4 million, including: CoC - \$15.2 million and ESG - \$2.2 million.

-more-

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Homeless Grant List
Page Two

MASSACHUSETTS - \$33.5 million, including: CoC - \$29 million and ESG - \$4.5 million.

MICHIGAN - \$34.1 million, including: CoC - \$28.5 million and ESG - \$5.6 million.

MINNESOTA - \$14.6 million, including: CoC - \$12.1 million and ESG - \$2.5 million.

MISSISSIPPI - \$2.2 million, including: CoC - \$650,256 and ESG - \$1.6 million

MISSOURI- \$27.8 million, including: CoC - \$24.9 million and ESG - \$2.9 million

MONTANA - \$1.3 million, including: CoC - \$1 million and ESG - 363,000.

NEBRASKA - \$4.8 million, including: CoC - \$4 million and ESG - \$828,000.

NEVADA - \$3.7 million, including: CoC - \$3.2 million and ESG - \$563,000.

NEW HAMPSHIRE - \$3.2 million, including: CoC - \$2.7 million and ESG - \$511,000.

NEW JERSEY - \$22.7 million, including: CoC - \$18.4 million and ESG - \$4.3 million.

NEW MEXICO - \$3.6 million, including: CoC - \$2.8 million and ESG - \$805,000.

NEW YORK - \$98.9 million, including: CoC - \$84.3 million and ESG - \$14.6 million.

NORTH CAROLINA - \$6.9 million, including: CoC - \$4.4 million and ESG - \$2.5 million.

OHIO - \$34.6 million, including: CoC - \$27.9 million and ESG - \$6.7 million.

OKLAHOMA - \$1.3 million, including: ESG - \$1.3 million.

OREGON - \$7.8 million, including: CoC - \$6.5 million and ESG - \$1.3 million.

PENNSYLVANIA - \$54.8 million, including: CoC - \$45.5 million and ESG - \$9.3 million.

RHODE ISLAND - \$4.5 million, including: CoC - \$3.8 million and ESG - \$712,000.

SOUTH CAROLINA - \$6.3 million, including: CoC - \$4.7 million and ESG - \$1.6 million.

SOUTH DAKOTA - \$566,325, including: CoC - \$222,325 and ESG - \$344,000.

TENNESSEE - \$11.1 million, including: CoC - \$9 million and ESG - \$2 million.

TEXAS - \$39.2 million, including: CoC - \$28.9 million and ESG - \$10.3 million.

UTAH - \$2.1 million, including: CoC - \$1.3 million and ESG - \$824,000.

VERMONT - \$1.9 million, including: CoC - \$1.6 million and ESG - \$338,000.

-more-

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Homeless Grants
Page Three

VIRGINIA - \$13 million, including: CoC - \$10.6 million and ESG - \$2.4 million.

WASHINGTON STATE - \$22 million, including: CoC - \$19.7 million and ESG - \$2.3 million.

WEST VIRGINIA - \$2.3 million, including: CoC - \$1.3 million and ESG - \$1 million.

WISCONSIN - \$15.1 million, including: CoC - \$12.3 million and ESG - \$2.8 million.

WYOMING - \$223,765, including: CoC - \$64,765 and ESG - \$159,000.

AMERICAN SAMOA, GUAM, NORTHERN MARIANAS, VIRGIN ISLANDS - \$300,000
in ESG.

PUERTO RICO - \$9.4 million, including: CoC - \$4.8 million and ESG - \$4.6 million.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 18:19:26.00

SUBJECT: Livable & Clean Community Bonds

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

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

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

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

TO: George T. Frampton (CN=George T. Frampton/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

CC: Elizabeth J. Potter (CN=Elizabeth J. Potter/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

CC: Wesley P. Warren (CN=Wesley P. Warren/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

CC: Pieter J. Boelhouwer (CN=Pieter J. Boelhouwer/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

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

CC: Bradley M. Campbell (CN=Bradley M. Campbell/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

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

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

TEXT:

The following issues have been raised as concerns regarding the proposed Livable & Clean Community Bonds (LCCBs) -- more commonly known as "green bonds." (Yes, we are surveying what is the best name for these new bonds).

ISSUE #1: Some have raised concerns about who should run the competition for this program -- These individuals believe that Secretary

Babbit and the Department of the Interior would be the best poster child for the bond program because they argue the agency is relatively non-controversial and that their discretionary budget will include a large chunk of livable communities money.

Others have suggested that EPA should be responsible for running the bond competition for the following reasons: 1) The activities for which the bonds can be used fit better with EPA's mission; 2) EPA has a direct relationship with the mayors of our largest cities and many of the suburbs who will be most positively affected by this program. This relationship is built upon EPA's 228 brownfield sites and other activities. Interior does not have this kind of relationship nor with the types of regions where we want to promote metropolitan-wide planning; 3) EPA's FY2000 budget is currently \$600 million below last year's enacted level. Giving EPA the authority to run the LCCB competition will help relieve some of the criticism that will come from sectors of the environmental and public health community. These folks will not view the increase in Interior's budget as compensation for the drastic cut in EPA's budget for 2000. LCCBs, on the other hand, will provide some compensation; 4) Because of their experience with the "brownfields expensing provision" -- specifically their role in working with State Environmental Departments in certifying IRS compliance, EPA is more fluent in tax policy matters than Interior; 5) EPA has played a lead role in developing this proposal, Interior is not familiar with the idea; 6) The activities that the bonds are to be used for are most suited to EPA's current policy mandate.

Staff at OMB and NEC have indicated support for EPA, OMB's argument based mainly on the issue of EPA's budget problems. OVP has indicated interest in Interior. While we recognize the validity of arguments on both sides, DPC would favor EPA as well.

However, I believe the following compromise would assuage some of the political concerns raised about EPA running the bond program. Under this proposal, EPA would chair a subgroup of the Community Empowerment Board (CEB). The subgroup would include Treasury, Interior, HUD, FEMA (?), and USDA. EPA would consult with each of these agencies, all of which have relevant expertise related to the bond program, and then the Administrator would allocate the bonds to the winners of the competition. By making this a subgroup of the CEB, we insure that the VP is the name most associated with this program and that distressed communities will get fair treatment (an issue raised by Treasury). In addition, by requiring consultation with other agencies, we broaden the message and the audience for the proposal, reinforce that this is an administration-wide initiative, and strengthen the regionalism and planning aspects of the program. Finally, by placing EPA in charge of the selection process, we effectively deal with the issues raised in paragraph three of this email.

ISSUE #2: Do we include Brownfields commercial redevelopment as one of the eligible activities for the bonds?

There has been some concern expressed regarding allowing some of those brownfields in urban areas to be redeveloped for commercial purposes and not solely for open spacesould reduce open spaces and parks. Several of us, NEC, CEQ, EPA, and DPC believe that we should allow some development of brownfields in urban, distressed areas for commercial purposes because 1) it will reduce sprawl by drawing development back to urban centers and away from suburban and rural outlying areas; 2) promote job and business creation, which is a core component of this proposal and which is essential to building support on the Hill among Democrats and Republicans who will oppose this idea if it is just seen as a enviro idea; 3) will

help target the proposal towards distressed communities, since brownfields are predominantly located in low-income neighborhoods.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:22-DEC-1998 18:46:23.00

SUBJECT: Press Plan for Holdiay Week

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

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

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

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

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

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

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

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

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

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

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

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

TO: Megan C. Moloney (CN=Megan C. Moloney/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

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

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

TO: Antony J. Blinken (CN=Antony J. Blinken/OU=NSC/O=EOP @ EOP [NSC])
READ:UNKNOWN

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

TEXT:

Please find a attached a DRAFT press plan for stories to be leaked/events to be framed for the next week. This is a draft working document and I will update it as we go along. So please e-mail me any comments/updates. I will be out of the office Wednesday and Monday morning, so in the interim please e-mail any changes to Amy Weiss.

Thanks, all. ===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D73]MAIL45589575N.326 to ASCII,
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PRESS PLAN FOR HOLIDAY WEEK

Saturday, December 26 -- Drunk Driving Radio Address

- Slater on TV for Saturday morning, Saturday night (Neschis)

Sunday, December 27 -- Bioterrorism

- Leak bioterrorism story to NYT Saturday for Sunday (Jennings/Clark)
- Shalala on Sunday night TV (Neschis)

Monday, December 28 -- Y2K

- Leak Social Security/Y2K story to USA Today (Gribben)
- Apfel on Monday morning shows (CNN) (Neschis)

Tuesday, December 29 -- Violence Against Children

- Package New Haven success story for TODAY (Neschis/Cerda/Robinson)

Wednesday, December 30 -- AIDS Budget

- Leak AIDS Budget numbers to AP and Knight-Ridder Tuesday for Wednesday (Kagan)
- Thurman on TV (Neschis)

Thursday, December 31 -- Welfare to Work

- Leak Welfare to Work to LA Times?/NY Times? Wednesday for Thursday (Kagan/Reed)

Friday, January 1 -- Y2K

- Pitch Koskinen to networks for pre-packaged Y2K stories (Neschis)

Saturday, January 2 -- Millennium Radio Address/Food Safety

- Leak food safety story Friday for Saturday (**Spector/Kagan/Balderston**)
- Glickman on weekend TV (**Neschis**)

Sunday, January 3 -- Military Readiness

- Leak story Saturday for Sunday to NY Times (Bennet?) (**Mathews**)

Monday, January 4 -- Long-Term Care

- Leak story Sunday for Monday to LA Times, NY Times and Washington Post (**Kagan/Jennings**)