

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 092 - FOLDER -002

[03/18/1999 - 03/19/1999]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: IDEA - Federal Spending

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

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

Leslie S. Mustain

03/15/99 11:39:52 AM

Record Type: Record

To: Tanya E. Martin/OPD/EOP, Jonathan H. Schnur/OPD/EOP

cc:

Subject: IDEA MOE, Trigger, and 40% "Commitment"

Hopefully these explanations will help you.

----- Forwarded by Leslie S. Mustain/OMB/EOP on 03/15/99
11:39 AM -----

David Rowe

03/11/99 10:31:47 PM

Record Type: Record

Included in this email is a summary of the following:

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

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

The 40 percent federal funding "commitment" for IDEA.

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

Maintenance of Effort (MOE)

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

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

The IDEA Funding "Trigger"

In general, it is safe to say that:

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

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

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

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

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

40 Percent "Commitment"

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

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

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

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D76]MAIL48550348U.036 to ASCII,
The following is a HEX DUMP:

FF5750431D0D0000010A0201000000002050000000F72C00000000200000C91D6FD6DB8E3C6C675E07
4E2CA4D6B34664B6A5147B743889D93B15224246DDCD1C52F4E9D27DF21DF281F5014E5D7D14F8
7382447E969230092F1127CBD8C820AEE5307537024E9272FE298D495A31E8F1ABB947AC2F3A14

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Hex-Dump Conversion**

Draft Memorandum

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

IDEA Provisions:

(1) 40% federal funding "commitment"

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

(2) Maintenance of Effort (MOE)

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

(3) IDEA Funding "Trigger"

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

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

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

Increases in Federal IDEA Spending

Tobacco

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

Class-Size/IDEA

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

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

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

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

DNC resolution

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: guidance

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: guidance

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

tobacco - supp amendment and USA Today story on lawsuits for fires
ed-flex - if anything new from yesterday after instructions to conferees
medicare - anything new?

thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: one more! sorry

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

and PBOR - if anything to add from mark-up

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: Re: one more! sorry

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

READ:UNKNOWN

TEXT:

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

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

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

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

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

LRM National Council on Disability (LRM National Council on Disability [UNKNOWN])
READ:UNKNOWN

LRM Social Security Administration (LRM Social Security Administration [UNKNOWN])
READ:UNKNOWN

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

Karen DORSEY (Karen DORSEY [UNKNOWN])
READ:UNKNOWN

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

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

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

LRM INTERIOR (LRM INTERIOR [UNKNOWN])

READ:UNKNOWN

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

Deborah CLIFTON (Deborah CLIFTON [UNKNOWN])
READ:UNKNOWN

TEXT:

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

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

----- Forwarded by Melinda D. Haskins/OMB/EOP on 03/18/99
11:55 AM -----
LRM ID: MDH11

ATTACHMENTS (total 14 printed pages):

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

Thursday, March 18, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

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

OMB CONTACT: Melinda D. Haskins
PHONE: (202)395-3923 FAX: (202)395-6148

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

DEADLINE: 10 a.m. Monday, March 22, 1999
In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.

COMMENTS: Please review the attached Department of Labor draft legislative language and descriptors.

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

DISTRIBUTION LIST

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61-JUSTICE - Dennis Burke - (202) 514-2141
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117 & 340-TRANSPORTATION - Tom Herlihy - (202) 366-4687

EOP:

Bruce N. Reed
Elena Kagan
Barbara Chow
Barry White
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Anil Kakani
Michele Ahern
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Rosalyn J. Rettman
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David E. Tornquist
Janet E. Irwin
Barry T. Clendenin
Mark E. Miller
Jeffrey A. Farkas
Anne E. Tumlinson

LRM ID: MDH11 SUBJECT: LABOR Draft Bill on Welfare-To-Work Grant
Extension
RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

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

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

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

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

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

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

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

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

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

TEXT:

WPCY

3fbBHqQ *□, "2KG;%*utW, Z' JYb?P@I{R1G7U3*^0)s ~G~FsQYKB), 3g@zpaX7pL'v~Ff`8
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 g3!TmgTBsJJwxJw
 y4-^2\6&j#Q(7;TFB'Mk\,\$[U{q35&{OSE94BJV@tQ1!_
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mentments of 1999. These amendments would extend the Welfare to Work (WtW) grant program through fiscal year 2000, and includes several changes to enhance the program. The WtW program was enacted as part of the Balanced Budget Act of 1997 to provide employment related services to assist the hardest to employ welfare recipients, and noncustodial parents of children on welfare, to obtain and retain unsubsidized employment. The program is administered by the Department of Labor and the employment related services are provided through the State and local workforce investment systems established under the Workforce Investment Act that provides access to employment and training services for all Americans, including low income workers, displaced workers, and other adults and youth. The linkages between the WtW program and the broader workforce investment system, with that system's attendant information, services, and connections to employers, is intended to maximize the opportunities for hard to employ recipients and noncustodial parents to find and keep jobs. The WtW program is a key component of the overall welfare reform effort. While there has been a decline in welfare caseloads over the last two years, many of the individuals remaining on welfare are long term recipients who face significant barriers to employment. As time limit on TANF assistance begins to take effect, these individuals are in particular need of the targeted assistance linking them to the labor market that the WtW program provides. In addition, the WtW program uniquely provides employment related assistance to noncustodial parents to enable them to increase their contributions to the well being of their children. These amendments appropriate \$1 billion in FY2000 to carry out the WtW program. The key principles and features of the program are maintained, including the focus on work, service to the hard to employ, and administration through the workforce investment system. The amendments also include a number of programmatic enhancements. First, the amendments simplify the eligibility criteria and provide greater flexibility to States and localities to provide assistance to additional categories of hard to employ welfare recipients and noncustodial parents. Concerns have been raised by State and local officials and program operators that the current eligibility criteria are too complex and narrow, with the result that a significant proportion of the least job ready welfare recipients and noncustodial parents are excluded from participation. Specifically, the current law requires that at least 70 percent of funds must be expended to assist participants have at least two of three specified barriers to employment and that the recipient or minor child be a long term recipient. The proposed amendments provide for separate eligibility requirements for recipients and noncustodial parents. With respect to recipients, while retaining the requirement for long term reciprocity, the amendments provide that they must meet at least one rather than two specified barriers to employment. This would provide greater flexibility to the program while assuring that, by combining long term reciprocity with an additional barrier to employment, the program continues to focus on the hard to employ. In addition, the amendments simplify the first specified barrier to employment, which currently requires that the recipient has failed to complete secondary school or obtain a GED and has low skills in reading or math. There have been many reports that due to past practices, such as social promotion, a significant number of recipients who have diplomas still have low basic skills and those low skills are a major barrier to employment. Therefore, the amendments divide this barrier into two separate barriers that allow assistance to recipients who lack a high school diploma (or a GED) or have reading,

computing or math skills at or below the 8th grade level. The amendments also add recipients w

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

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

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

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

SECTION 1. SHORT TITLE.

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

SEC. 2. APPROPRIATIONS FOR FISCAL YEAR 2000.

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

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

SEC. 3. ELIGIBILITY FOR SERVICES.

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

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

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

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

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

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

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

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

(C) striking "or the noncustodial parent";

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

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

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

"(ee) The individual is homeless.

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

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

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

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

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

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

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

“(aa) The noncustodial parent is unemployed.

“(bb) The noncustodial parent is underemployed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 5. ADDITIONAL STATE PLAN ELEMENTS.

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

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

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

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

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

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

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

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

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

SEC. 7. ELIGIBLE SERVICE PROVIDERS.

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

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

SEC. 8. PERFORMANCE BONUSES.

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

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

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

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

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

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

SEC. 9. GRANTS TO INDIAN TRIBES.

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

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

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

SEC. 10. FUNDING FOR EVALUATIONS.

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

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

SEC. 11. TECHNICAL ASSISTANCE.

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

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

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

(b) CONFORMING AMENDMENTS.--

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

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

SEC. 12. SIMPLIFICATION AND COORDINATION OF REPORTING REQUIREMENTS.

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

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

(2) by striking clause (xviii).

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

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

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

SEC. 13. REPORT TO CONGRESS.

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

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

SEC. 14. EFFECTIVE DATES.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: Potus Press Conference Guidance

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: final two-pager on Republican budget

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

TO: Kelley L. O'Dell (CN=Kelley L. O'Dell/OU=WHO/O=EOP @ EOP [WHO])
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TO: Alison Muscatine (CN=Alison Muscatine/OU=WHO/O=EOP @ EOP [WHO])
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TO: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP @ EOP [WHO])
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TO: Joseph J. Minarik (CN=Joseph J. Minarik/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

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

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

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

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

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

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

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READ:UNKNOWN

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READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TEXT:

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

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

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

Melissa -- can you do a blast email?

Message Copied

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

Jessica L. Gibson/WHO/EOP

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D1]MAIL48317158G.036 to ASCII,

The following is a HEX DUMP:

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2719484AAFAA017D4F80AF9B2B89C68BD43A7248BBC93505F488CC0BC30F0B2144D25C705040AA

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

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

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

Fails to Extend Medicare Solvency

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

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

Fails to Extend Social Security Solvency

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

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

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

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

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

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

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

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

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

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: medical marijuana Q&A

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

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B927B266DC1EEF3DCDEEA91C92ACCA00FB347D47E077D85B8535F75ADE450C4D698978CB43A199

**Medical Marijuana Study
March 18, 1999**

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

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

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

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

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

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

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

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

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: AmeriCorps Visibility Call

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TEXT:

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

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: gun directive

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

This latest draft contains minor changes from DOJ and Treasury.

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

Thanks,

Leanne

65574===== ATTACHMENT 1 =====

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

TEXT:

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218B6C480A28AF0B98BC25AF8FF30A25957FFD853A292394D7A3D0AF1CE5B22109DD7E0502B361

March 20, 1999

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

SUBJECT: Deterring and Reducing Gun Crime

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

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

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

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

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

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

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

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

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

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: Nursing Home Enforcement

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

PARTICIPANTS:

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

Dan Mendelson
Mark Miller
Chris Jennings & Staff

No Additions or Substitutes please.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: NEW Update on Arkansas child support

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

Cynthia A. Rice

03/18/99 12:33:15 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP

cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP, J. Eric Gould/OPD/EOP

Subject: Update on Arkansas child support

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

Here's where things stand.

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

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAR-1999 15:38:09.00

SUBJECT: Nursing Home Enforcement meeting

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

The location for this meeting is changed from room 476 to Room 211. The date and time are still the same. (3/22/99 from 11:00 to 12:00).

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: Voc-Rehab - WIA Meeting

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Carole Kittti (CN=Carole Kittti/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

Attendees:

Ray Uhalde, DoL

Ray Barmucci, DoL

Judy Heumann, ED

Trish McNeil, ED (or someone from her office)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: helms v.picard

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

READ:UNKNOWN

TEXT:

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: Re: helms v.picard

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

READ:UNKNOWN

TEXT:

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

Elena Kagan

03/18/99 05:33:15 PM

Record Type: Record

To: Dan Marcus/WHO/EOP

cc:

Subject: Re: helms v.picard

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

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

SUBJECT: Voc-Rehab - WIA Meeting

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

Sandra Yamin

03/18/99 04:12:57 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, J. Eric Gould/OPD/EOP

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

Subject: Voc-Rehab - WIA Meeting

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

Attendees:

Ray Uhalde, DoL

Ray Barmucci, DoL

Judy Heumann, ED

Trish McNeil, ED (or someone from her office)

Message Copied

To: _____

Laura Emmett/WHO/EOP

Barry White/OMB/EOP

Wayne Upshaw/OMB/EOP

Daniel I. Werfel/OMB/EOP

Maureen H. Walsh/OMB/EOP

Carole Kittti/OMB/EOP

Alison Perkins-Cohen/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 09:19:33.00

SUBJECT: for the president

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

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

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

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

TEXT:

we need updated q&a on tobacco reflecting the verdict in Ohio case. thanks

also - if the patients' bill of guidance has changed at all after last
night's mark up - we will need guidance to reflect that. thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 09:56:17.00

SUBJECT: Draft REVISED POTUS Q&A on tobacco

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D5]ARMS17901478C.036 to ASCII,

The following is a HEX DUMP:

FF5750437E060000010A02010000000205000000C21F000000020000080A847F937AE780D12C9E5
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E5A6B4F4E0B06B6AE675C63B3B712D835EC9DCA25FE27D1E7C1DE6EE8514C2F7AF97CC47B78AC0
70B10AD687EAF92D6E6110B516E8F68FB6E4940700B53B29F9B896D116BAD7930638082B29F9A

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Hex-Dump Conversion

Tobacco Q&A
March 19, 1999 -- DRAFT
POTUS

Q: Yesterday the Senate firmly rejected an amendment to the supplemental appropriations bill that would have ensured states spend half of the tobacco settlement funds on programs to prevent tobacco use, promote public health, and protect farmers. What do you think of this vote?

A: I am disappointed that this amendment was not adopted. Without this amendment states won't have to spend one penny of the tobacco settlement to reduce youth smoking, promote public health, or assist farmers. I strongly oppose giving up the federal share of the states' tobacco settlement without any commitment by the states to use these monies to prevent youth smoking, protect farmers, improve public health, or assist children. My advisers are recommending that I veto the Senate supplemental bill if it is sent to me with a rider which gives up the federal share of the settlement without such a commitment.

Q: What are you going to do next on this issue?

A: We are going to work with our allies to try to proposed different versions of the language which may be more acceptable. This is a critical opportunity to reduce youth smoking and improve the health of millions of Americans for decades to come, and we must move forward.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 10:04:06.00

SUBJECT: O'Connor

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

READ:UNKNOWN

TEXT:

I took a quick look this morning at some of the key O'Connor opinions this morning and will get you copies before the meeting. I hadn't realized how relatively strong a view she had expressed on Estab Clause issues over the years. One striking fact is that she concurred not only in the Court's opinion but also in Souter's passionate concurrence in Lee v. Weisman, the 5-4 decision striking down the rabbi's nondenominational prayer at the public high school graduation.

I'll also give you Powell's concurrence in Wolman, which Seth suggested as a model for O'Connor.

With Breyer and Ginsburg replacing White and Blackmun, the Court is actually more separationist-leaning than it was five years ago.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 10:12:58.00

SUBJECT: DPC Team Leaders Meeting

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Irene Bueno (CN=Irene Bueno/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

There will be a DPC Team Leaders on Monday, March 22, at 9:30 a.m. in Bruce's Office. We hope to see everyone at that time.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 11:42:22.00

SUBJECT: draft radio address one pager

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D98]ARMS17853678Q.036 to ASCII,

The following is a HEX DUMP:

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5AF58C104E586240968DCD48DA1B19AA20F148E28095FA485ED11BD0DF0FE9A99490A05A9A3614
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14BFD57B94743EFA7526DC0A28CC416E343C0041204B33B08CF028655577D93B06944C656F3E81

President Clinton: Deterring and Reducing Gun Crime
March 20, 1999

In weekly radio address, President Clinton will direct the Secretary of the Treasury and Attorney General to develop a comprehensive firearms violence reduction strategy for the nation. Among other things, the strategy will specifically include: the intensive investigation and prosecution of gun criminals; expanded efforts to identify illegal gun markets and gun "hot spots"; and improved coordination with state and local law enforcement and other community-based efforts. The President will also release a new Justice Department report highlighting 60 promising strategies that have helped reduce gun violence in communities throughout the country.

Stepping Up the Fight Against Gun Violence

Gun crimes down, but still too high. Since 1993, the nation's crime rate has dropped by more than 20 percent, and to its lowest level in a generation. During this period gun-related crime has dropped even more: gun murders are down by 33 percent, and crimes committed with firearms are down by 27 percent. But gun-related crime and violence remain serious problems. In 1996, more than 34,000 people died from gunfire -- about 14,000 of which were homicides. And the youth gun murder rate remains especially high -- nearly twice what it was just 15 years ago.

Taking the fight against gun violence nationwide. To continue to reduce gun crime and violence, President Clinton will direct the Secretary of the Treasury and Attorney General -- working with U.S. Attorneys, the Bureau of Alcohol, Tobacco and Firearms (ATF), and all of state and local law enforcement -- to develop a comprehensive national firearms strategy that builds on the successful efforts already in place throughout the country. Specifically, the President will ask that the strategy contain elements to:

Prosecute more gun criminals by expanding efforts such as Project Exile in Richmond, VA. As part of Project Exile, U.S. Attorney Helen Fahey -- working closely with other state, local and federal law enforcement authorities -- targeted gun-carrying felons and other armed criminals for immediate federal prosecution and stiff mandatory sentences in federal prison. Fahey also reached out to the business community and launched an extensive media campaign to educate Richmond's residents about the lengthy, mandatory prison sentences associated with gun crimes. Gun-related homicides in Richmond fell by 41 percent after Project Exile was implemented.

Target illegal gun markets and gun "hot spots" like the Boston Gun Project, where the Boston Police Department and ATF work together to disrupt illegal gun markets by investigating illegal gun trafficking and referring cases for swift prosecution by the federal and state prosecutors. Through the Gun Project, every gun recovered by the police in a crime is traced through ATF's National Tracing Center to uncover sources of illegal weapons and gun trafficking patterns. Combined with other youth violence prevention efforts, the Boston Gun Project has helped contribute to the 75 percent decline in youth homicides since 1995.

Automated Records Management System
Hex-Dump Conversion

Strengthen enforcement of gun laws and regulations through programs like Oakland's Firearms Licenses Compliance Program. This joint effort by the Oakland Police Department and ATF ensures that prospective applicants for federal firearms licenses are subject to a complete and comprehensive background investigation. It also improves gun dealer compliance with all applicable federal, state and local laws -- including local ordinances that prohibit gun dealers from operating in residential neighborhoods. The Oakland program has been credited with helping to reduce the overall number of gun dealers from 57 to 6 between 1994 to 1996.

Enhance supervision of gun criminals as is done by the Minnesota Anti-Violence Initiative (MAVI). Under MAVI, Minneapolis probation and police officers work together to closely monitor gang and gun criminals by making unannounced home visits to probationers at night to make sure they are sticking to the terms of their probation sentence. MAVI is credited with helping Minneapolis reduce its summertime homicides from 40 in 1996 to just 8 in 1997.

Promote innovative local strategies like the St. Louis Firearms Suppression Program (FSP) in Missouri. In response to a tripling of the number of **juvenile homicide suspects, FSP was formed to get guns out of the hands of juveniles. Police officers approached parents in high-crime neighborhoods and asked for their consent to search for and seize illegal guns in their household. If parents agreed to the search, no one in the residence would be charged with a crime if illegal guns turned up. Between 1994 and 1997, FSP officers seized more than 1,300 guns.**

To help communities learn more about these and other successful programs, the President will release a new Justice Department report -- *Promising Strategies to Reduce Gun Violence*. Designed as a "toolbox" for communities, the report details 60 successful strategies to reduce gun violence that were reviewed and recommended by more than 40 national experts from a range of disciplines. The report will be distributed to communities throughout the country.

New Resources for Firearms Enforcement

The President's FY 2000 budget includes new resources to help implement the national strategy called for today. In particular, his budget includes:

\$5 million for more than 40 additional federal prosecutors to conduct intensive firearms prosecution projects targeting violent felons who possess guns, armed drug traffickers, and illegal gun markets;

\$23.8 million for more than 120 new ATF agents to support firearms investigations, arrest violent criminals and gun traffickers, and crack down on illegal gun sales

\$1.3 billion for a 21st Century Policing Initiative to help communities hire more police and prosecutors, and to allow them to target gun crime and other public safety priorities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 12:09:54.00

SUBJECT: Weekly

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

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

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

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D86]ARMS11578678S.036 to ASCII,
The following is a HEX DUMP:

FF5750434C060000010A02010000000205000000A86400000002000068231B95363AABC8BB69D8
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7B80EE3D669E778A0AB4245D60AED32154EEDC70EB2C1962DE0E922753EDAA96E2D4CC3A7267E5

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Specter Amendment. On Thursday, the Senate firmly rejected an amendment to the supplemental appropriations bill that would have ensured states spend half of the tobacco settlement funds on programs to prevent tobacco use, promote public health, and protect farmers. The 29-71 vote leaves intact the Hutchison amendment giving up the federal share of the states' tobacco settlement without any commitment by the states to use these monies on shared national and state priorities. The vote came the day after we issued our SAP outlining your senior advisers' **recommendation that you veto the supplemental bill if it contains objectionable riders like the Hutchison tobacco provision.**

The amendment, offered by Senators Specter and Harkin, would have allowed the states to retain all of the tobacco settlement funds so long as they use 20 percent on programs to combat teen smoking and 30 percent for public health programs or assistance for tobacco farmers and their communities. Opponents of the amendment focused on the states' rights issue -- Senator Lott, for example, called the amendment an example of "typical federal government arrogance." Senators Daschle and Harkin are now in discussions with colleagues, like Hutchison supporter Bob Graham, in an attempt to gauge support for a watered-down version of the amendment that would ensure 50 percent of the funds be spent on a broad menu of purposes that include tobacco prevention, farmer assistance, education, public health, and children.

2. Health Care -- Patients Bill of Rights (PBOR) markup. On Thursday night, the Senate Labor Committee completed its mark up of the Patients Bill of Rights. Senator Kennedy offered the Daschle-Kennedy PBOR as a substitute for the Chairman's mark and it failed along a party line vote. Most of the subsequent strengthening amendments were also defeated among party line votes. The Democrats were pleased with your statement in support of a strong, enforceable, PBOR at the beginning of this mark-up process and have indicated they wish to work closely with us to develop an amendment strategy when this legislation makes it to the Senate floor. It is our hope that we will find a more receptive group of Republicans on the Senate floor to these amendments. Senator Chafee and Senator Specter's interest in this area provides some level of encouragement; however, as each day passes it appears more clear that the House is likely to have a stronger set of provisions, which will hopefully help us in a joint House-Senate conference if this legislation reaches this stage.

3. Health Care -- Update on Medicare. In the wake of the Medicare Commission vote and your announcement of your intention to propose your own Medicare reform initiative, we are developing a range of options for your consideration. This work will be complicated by the March 30th release of this year's Social Security/ Medicare trustees

report, which is expected to push out the exhaustion date of the Medicare trust fund by a number of years. Not only will this impact on our strategy surrounding the dedication of the surplus to Medicare, it will change the scoring of many of the underlying provisions of any proposal. Because it is likely that it will be much easier to reach your previously stated goal of pushing out the exhaustion date to 2020, we believe that it is advisable to stop using any reference to the year 2020 and/or the number of years you wish to extend the life of the trust fund. Instead, we suggest confining our comments to statements like: "We are dedicating 15 percent of the surplus (\$686 billion over 15 years) to Medicare." This will protect our current policy position while enabling us to potentially modify how we describe the impact of this infusion of dollars to the Medicare program.

2. Health Care -- Update on nursing home quality and enforcement problems. In recent days, the Senate Aging Committee, chaired by Senator Grassley, has been releasing a series of GAO and HHS IG reports critical of HCFA's nursing home quality enforcement activities. The reports indicate that HCFA has failed to ensure that the states are fulfilling their nursing home quality obligations. The reports findings include that: HCFA has failed to pursue the investigation of serious quality complaints, inadequately addressed problems associated with repeat offenders, and inadequately intervened in cases where health and safety violations resulted in actual harm to residents. Some of these findings have been or are being addressed by a nursing home quality initiative you unveiled last year. Others are new and are disturbing. In response, we have instructed HCFA to aggressively improve their enforcement activities by requiring states to investigate complaints that allege harm to residents within 10 working days, increasing the minimum fine for facilities violating quality standards to \$50 to \$1,000, and making it easier for states to impose fines of up to \$10,000 for quality violations. We are also working on additional enforcement improvement provisions which are outlined below.

3. Health Care -- Signing ceremony for the Nursing Home Resident Protection Act. Next week, you are tentatively scheduled to sign into law legislation which prohibits the transfer of Medicaid patients by nursing homes wishing to privatize their entire resident population. This legislation was inspired by cases in Florida in which residents actually died as they were being transferred. The legislation that will be presented to you explicitly prohibits nursing homes who decide to withdraw from the Medicaid program from evicting Medicaid patients. At this event, we are contemplating one or more announcements to underscore our commitment to nursing home quality enforcement. The first is a new legislative proposal that creates new Federal criminal (5 to 10 years in prison) and civil penalties (of up to \$1,000,000 per facility in a corporate chain out of compliance) for individuals, facility chains, or management companies if they engage in conduct that results in a pattern of physical or mental harm to residents. In addition, we are contemplating using this as an opportunity to criticize the Republican bill for its across the board 12 percent cut which will result in a significant reduction in nursing home quality enforcement activities.

4. Health Care -- Update on TANF/ Medicaid guidebook. Next Monday, we have asked HCFA to release new guidance for states to ensure that those eligible for Medicaid --especially children --are enrolled. There have been a number of reports that

some states may be inappropriately preventing families from obtaining Medicaid coverage by imposing waiting periods for issuing an application or determining Medicaid eligibility. **This guidance makes it clear that these delays are impermissible and inconsistent with the law and underscores your long standing commitment to ensure that welfare reform does not reduce access to the Medicaid program. The letter and guidebook will be issued prior to the release of a report from George Washington University's Center for Health Policy Studies which implies that the welfare reform statute has created barriers to receiving Medicaid. While we believe the guidance is expected to be well received by advocates, we do not expect states to raise serious concerns about this communication.**

5. Health Care -- Update on the FDA's recent action to limit the use of antibiotics in animal feed. The FDA has increased evidence that the routine use of antibiotics in livestock to promote growth may diminish the drugs' power to cure infections in people. As more people consume antibiotics through foodstuffs, they appear to be more resistant to antibiotics when in need of pharmacological intervention. In response, the FDA has released a draft of new regulations that would require manufacturers to test new livestock drugs to see if they foster the growth of resistant bacteria that cause disease in people, both before and after they are approved for use. If they are shown to foster resistance, FDA can curtail their distribution or remove them from the market entirely. The drug and agriculture industries say that the FDA is unnecessarily restricting access to antibiotics, which they insist have not been proved to harm people and are essential to producing affordable meat and poultry. Public health advocates believe that the use of these antibiotics for animals should be severely restricted, if not eliminated altogether, in order to prevent the further development of resistant bacteria. The new FDA proposal is consistent with your "superbug" initiative that provides a significant increase in funding (\$25 million) to finance a new electronic disease surveillance network that facilitates the timely transmission of information to physicians in order to ensure that new strains of bacteria are identified swiftly and treated effectively.

6. Health Care -- Update on stem cell research. On Friday, the journal *Science* will publish a letter from 73 prominent scientists, including 67 Nobel prize winners, that supports plans by NIH to consider financing research with stem cells that originate from human embryos. This should bolster our efforts on Capitol Hill to push back legislation designed to repeal NIH's authority to make this decision.

7. Welfare Reform -- TANF Rule: We have been working closely with HHS and OMB to complete the final welfare regulations and have reached consensus on the major issues. We have incorporated most of the suggestions made by the states and advocates while continuing to hold states accountable for work, time limits, and maintenance of effort requirements. The final rule provides states with more flexibility to use TANF funds to provide supports to working families such as child care, transportation, and job retention services. Because so many families have left welfare for work, many governors have told us they want to use TANF funds to support families who have gone to work to ensure they don't return to welfare. We propose to do so through the rule by defining such supports for working families as "non-assistance" and thus no longer subject to time limits and certain other

TANF requirements. Without such a change many states have been reluctant to use TANF to provide these supports to working families, since such supports would count toward the federal five year time limit. We've also included work subsidies as "non-assistance" something that labor unions and anti-poverty advocates encouraged us to do and that we think will encourage more states to use such subsidies. (In 1997, only 1 percent of working welfare recipients were in subsidized jobs while 17 percent were in workfare.) The rule should be ready for release in mid-April. We expect a generally positive reaction and are exploring appropriate announcement opportunities.

8. Welfare Reform -- Cuts in TANF Funds Restored: On Thursday, the Senate agreed to an amendment by Senator Stevens to eliminate from the supplemental appropriations bill the \$350 million cut in TANF funds (the provision deferred funds from FY 1999 to FY 2002 and would have established a precedent for future TANF cuts). As you know, our SAP opposed the TANF cut and Governors lobbied hard against it. Stevens substituted a change to HUD's Section 8 housing program which OMB assures us has no adverse programmatic impact -- essentially it defers spending from FY 1999 to FY 2000, which is merely an accounting change since so many housing contracts straddle both years.

9. Welfare Reform -- Urban Caseloads: You sent us a note saying we should do more to strengthen welfare to work efforts in cities with slower caseload declines. We wanted to report on two efforts now underway. The Department of Labor just launched a two-year technical assistance initiative to help 10 large cities (Boston, Houston, Detroit, Philadelphia, Chicago, Los Angeles, New York, Seattle, New Orleans, and Minneapolis) develop strategies to move hard-to-employ welfare recipients into good jobs, with an emphasis on job retention and advancement and ensuring close coordination between the welfare and workforce systems. Teams from these cities are meeting together for the first time next week. The Welfare to Work Partnership has a targeted effort in 30 cities with high poverty rates and large concentrations of welfare recipients, including Atlanta, Baltimore, Chicago, Los Angeles, Miami, New Orleans, New York, Philadelphia, and Washington, D.C. In August, the Partnership is holding a major convention in Chicago for delegations from these cities; this could be a good opportunity to mark the third anniversary of the welfare law and Eli Segal hopes you will participate.

You also asked whether the slower rate of caseload decline in some cities is related to unemployment. In general, those cities with slower rates of caseload decline did have higher unemployment rates. For example, El Paso, Los Angeles, New York, and Philadelphia had the slowest caseload declines and three of the four had central city unemployment rates above 7% in August 1998 when the caseload decline was measured (Philadelphia's rate of 5.9% was also well above the national average of 4.5%). However, Baltimore and Cleveland had high unemployment, but also had somewhat greater caseload declines.

10. Welfare -- Food Assistance: You asked what we could do to ensure that families obtain food assistance, in light of reports that more working families are seeking help from private food banks. We are working to address these issues on two fronts: first to ensure states follow the food stamp law and provide assistance to all eligible individuals who seek assistance;

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and second, to develop and implement new initiatives to make the food stamp program more accessible to working families. We have taken numerous steps in recent months to ensure states follow the food stamp law. USDA has launched investigations of state and local practices, including an inquiry in New York City which found local welfare offices were not allowing individuals to apply for food stamps on their first visit to the office. (USDA has issued a formal warning and will impose penalties if these practices are not changed. Meanwhile, a U.S. District Court judge has issued an injunction and has required the city to provide a corrective action plan, which remains sealed.) At the same time, USDA issued formal guidelines to every state reminding them of their obligations to ensure that applicants are aware of their right to file an application for food stamps, process applications in a timely manner, and continue food stamp benefits when TANF benefits are denied or terminated.

In addition to these enforcement actions, we are working with USDA and others to develop and implement efforts to make food stamps more available to eligible families. Historically, individuals with earned income who are eligible for food stamps have been about half as likely to obtain them as individuals receiving cash assistance. There are several possible reasons for this. First, individuals with earnings are eligible for far less in food stamps and they may decide the amount is not worth it. For example, the monthly food stamp allotment for a family of three with a \$300 weekly income and \$500 monthly rent is \$40. When the same family reaches weekly earnings of \$342, the household is no longer eligible. Second, families need to follow somewhat cumbersome procedures to report their earnings to the food stamp office and it is often difficult for working families to get to this office during open hours.

We are currently working with USDA and OMB to devise administrative proposals to help address these and other potential barriers and we will provide you with an analysis of our options soon. While some of the options under consideration can be implemented through regulation, they may cost several hundred million dollars. In order to ensure we maintain our commitment to saving the surplus, we must enact other regulations saving a comparable amount -- a requirement OMB imposes on an agency-by-agency basis (e.g., USDA savings must pay for new USDA costs). These regulatory offsets could be difficult to obtain.

In addition to possible administrative actions, we will be working to enact the proposals in this year's budget to increase funds for food stamp outreach (the budget contains \$3.5 million to provide a 50 percent federal match for activities including media campaigns and distributing informational materials at various community locations such as shelters, senior centers, and churches) and to provide \$60 million for eligibility for an additional 15,000 legal immigrants who become elderly after their pre-1996 arrival. (The Agricultural Research Act restored benefits to those elderly as of 1996, as well as children, people with disabilities, and refugees.)

11. Children and Families -- New Study on Early Intervention: You asked that we consider how to take advantage of the findings of a new study showing that school-based early intervention can pay off in terms of reducing risky behavior and improving academic achievement in young people. The 12-year study, based in Seattle, showed that children in grades one through six and their parents who participated in a program designed to foster an interest in learning and bolster self-esteem involvement were, by age 18, 19 percent less likely to

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have committed violent acts, 13 percent less likely to engage in sexual intercourse, 19 percent less likely to have had multiple sex partners, and 35 percent less likely to have caused or to have become pregnant, as well as more likely to stay in school and achieve higher grades. **Currently, the federal government funds similar programs through** the \$50 million in abstinence education grants provided to states under the welfare reform law. In addition to bolstering this welfare reform initiative, these new findings may be especially effective in advancing our ESEA proposal to reform the Safe and Drug Free Schools and Communities program. As you'll recall, under our proposal, the program will be changed from a formula grant program to a competitive grant program, in which grant recipients will be required to use research-based drug and violence prevention programs, such as that described in the Seattle study. We are seeking \$591 million for FY 2000, a \$25 million increase over the prior year. Finally, these findings highlight strategies that should be explored seriously as part of our National Strategy to Prevent Teen Pregnancy to ensure continuation of the positive trends in reducing teen pregnancies and births. We will work with HHS and the National Campaign to Prevent Teen Pregnancy to pursue this further.

12. Political Reform--Campaign Finance Reform: There have been some positive signs, albeit small, that some of the key opponents of campaign finance reform maybe willing to entertain some possible compromises. Specifically, Mitch McConnell indicated recently that a soft-money-hard-money trade-off is "worth discussing." Other Republicans have signaled at least a willingness to consider alternatives. Norm Ornstein believes there maybe a small window of opportunity to resurrect campaign finance reform if Democrats and Republicans can reach agreement on raising the \$1,000 contribution limit and indexing it for inflation. Ornstein has proposed a five-point plan that would 1) raise the contribution limit to \$3,000 and index it for inflation; 2) end soft money and increase limits on hard-money contributions to parties; 3) bring greater disclosure to issue advocacy as proposed in the Senators Snowe and Jeffords amendment which was passed in the Senate last year; 4) bring small donors back to politics by providing a tax credit for contributions of \$100 or \$200 (the credit was repealed in 1986). In addition, candidates who raise over a threshold of amount of small contributions -- like \$25,000 in \$100 contributions or less -- would become eligible for a voucher program for broadcast time, half to be paid for by the broadcasters and half by the Federal government. Under the Ornstein proposal, for every \$1,000 in small contributions raised, a candidate would receive a \$500 broadcast voucher. Ornstein is planning to discuss this proposal with the authors of last year's bipartisan finance reform bill, Senators McCain and Feingold and Representatives Shays and Meehan. We will be having discussions with Ornstein as well and will keep you apprised.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Amy Weiss (CN=Amy Weiss/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:19-MAR-1999 14:32:16.00

SUBJECT: need guidance asap

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

\$17.5B GOP Anti-Crime Bill Unveiled

By LAURIE KELLMAN Associated Press Writer

\$17.5

protect programs the
impose harsher

said Sen. Orrin
Committee.

last week on
from her budget.
nationwide, and she

States is still
and violent crime
industrialized nation.

WASHINGTON (AP) -- Senate Republicans unveiled a
billion anti-crime agenda today that would
Clinton administration wants to eliminate and
sentences on illegal drug users.

``It is based on what we know reduces crime,``
Hatch, R-Utah, chairman of the Judiciary

Hatch clashed with Attorney General Janet Reno
her proposal to cut several anti-crime grants
Reno said crime was down significantly
wanted to shift money to other priorities.

But Hatch said today that crime in the United
``significantly high by historical standards,``
rates here remain the highest of any

Senate GOP leadership sources who demanded

anonymity said
senior
that approach the
have opposed
would lose such a
tragedies at schools and

igniting a gun battle,
Va., program
local gun-related
federal mandatory
Richmond dropped
effect. It also
that ``an
prison.``

bill moving through
floor during the

aside for federal
would protect:

state and local

prison-building and
for at least 85

the GOP bill marks a new willingness among some
Republicans to take on legislative initiatives
gun-control issue. Republicans, many of whom
such legislation in recent years, feared they
battle after nationally publicized firearms
elsewhere.

Hatch's agenda, however, faces little risk of
GOP sources said. It would expand a Richmond,
in which the U.S. attorney prosecutes as many
crimes in federal court as possible and seeks
minimum sentences. Hatch said homicides in
50 percent in that city after that program took
includes a media campaign to spread the message
illegal gun will get you five years in federal

Aides close to Hatch said they anticipate the
the committee this spring and to the Senate
summer.

Much of the bill's funding has already been set
grants Reno proposes cutting, but which Hatch

--A grant used for equipment and technology for
law enforcement crime-fighting.

--Federal assistance to states for
incarceration of violent and repeat offenders

p

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June Shih (CN=June Shih/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:19-MAR-1999 14:37:40.00

SUBJECT: radio draft

TO: Loretta M. Ucelli (CN=Loretta M. Ucelli/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: 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: Tracy Pakulniewicz (CN=Tracy Pakulniewicz/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

Draft 3/19/99 2:30 pm

Shih

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON GUN DIRECTIVE
THE WHITE HOUSE
MARCH 20, 1999

Good Morning. Today I want to talk to you about the next important steps we can take to rid our streets of gun violence and to make America's communities even safer for our families. I am very proud to be joined in the Oval Office by Attorney General Janet Reno, Treasury Undersecretary Jim Johnson, Bureau of Alcohol, Tobacco and Firearms Director John McGaw, as well as some of the law enforcement officials who are leading this fight in communities all across America.

Over the past six years, we have worked hard to fight crime -- putting in place a strategy of more prevention, stricter enforcement and tougher punishment. We've made it possible for 11,000 communities to put more than 92,000 new police officers on the beat; taken more criminals and deadly assault weapons off the street, and with Brady background checks, stopped more than a quarter of a million handguns from falling into the hands of convicted felons.

As a result, the crime rate has dropped by more than 20 percent -- to the lowest level in a generation. Gun crimes have declined by more than a quarter. Gun murders have fallen by a third. Slowly, but surely, neighborhoods once abandoned to the crack of gunfire and the wail of

ambulance sirens are coming alive with the sounds of children playing freely in the streets.

This is indeed encouraging news. But we must do more. Every day, 93 people are killed -- and another 240 are injured -- by gunfire. While the numbers are declining, any story of a child caught in the crossfire of gang shootout, or a police officer struck down by a criminal's bullet, or a store clerk murdered in a robbery is one tragedy too many.

That is why today I am directing Attorney General Reno and Treasury Secretary Robert Rubin to develop a comprehensive strategy to reduce gun violence in America even further. I am asking them to work closely with local, state and federal law enforcement officials -- and to report back to me with a plan to take proven local strategies to fight gun crime -- increasing the prosecution of gun criminals, targeting hot spots and shutting down illegal gun markets, and keeping closer tabs on gun offenders on probation -- nationwide.

Strategies such as Richmond, Virginia's Project Exile. Under the leadership of U.S. Attorney Helen Fahey, Project Exile has sent a strong message to would-be gun criminals all across the city: If you use a gun to commit a crime, you're going to prison. Project Exile has taken hundreds of gun criminals off the street by taking their cases to federal court, where stiff sentences are mandatory and bail is less likely. As a result, gun murders are down by a remarkable 41 percent.

After six years of hard work, America is winning the war against crime. But we can't quite declare victory yet. We must keep more guns from falling into the wrong hands by requiring background checks at gun shows and banning juvenile offenders from owning guns for life. We must hire more ATF agents and more federal prosecutors to crack down on gun criminals. And I ask you to support our 21st Century Policing Initiative to give law enforcement the manpower, the high tech tools, and prevention strategies they need to keep us safe. Unfortunately, the Republicans in Congress are threatening to decimate this crucial initiative. That would be a big mistake.

We must move forward in our fight for safer streets and safer families. Let no one rest until community in America is safe from crime and violence. Thanks for listening.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 14:48:11.00

SUBJECT: 1-pgr...take two

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

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

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

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

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

TEXT:
I hope this works better...jc3

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D37]ARMS11330288G.036 to ASCII,
The following is a HEX DUMP:

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President Clinton: Deterring and Reducing Gun Crime
March 20, 1999

In weekly radio address, President Clinton will direct the Secretary of the Treasury and Attorney General to develop a national strategy to increase gun prosecutions and further reduce gun violence. Among other things, the strategy will specifically call for: the intensive investigation and prosecution of gun criminals; expanded efforts to identify illegal gun markets and gun "hot spots"; and improved coordination with state and local law enforcement and other community-based efforts. The President will also release a new Justice Department report highlighting 60 promising strategies that have helped reduce gun violence throughout the country.

Stepping Up the Fight Against Gun Violence

Gun crimes down, but still too high. Since 1993, the nation's crime rate has dropped by more than 20 percent, and to its lowest level in a generation. During this period gun-related crime has dropped even more: gun murders are down by 33 percent, and crimes committed with firearms are down by 27 percent. But gun-related crime and violence remain serious problems. In 1996, more than 34,000 people died from gunfire -- about 14,000 of which were homicides. And the youth gun murder rate remains especially high -- nearly twice what it was just 15 years ago.

Taking the fight against gun violence nationwide. To continue to reduce gun crime and violence, President Clinton will direct the Secretary of the Treasury and Attorney General -- working with U.S. Attorneys, the Bureau of Alcohol, Tobacco and Firearms (ATF), and all of state and local law enforcement -- to develop a comprehensive national strategy to prosecute more gun criminals and further reduce gun violence by building on the successful efforts already in place throughout the country.

Prosecuting more gun criminals. The President will ask that U.S. Attorneys and ATF to work with state and local law enforcement to investigate and prosecute more gun criminals by expanding efforts such as Project Exile in Richmond, VA. As part of Project Exile, the Richmond U.S. Attorney -- working closely with other state, local and federal law enforcement authorities -- targeted gun-carrying felons and other armed criminals for immediate federal prosecution and stiff mandatory sentences in federal prison. Law enforcement authorities also reached out to the business community and launched an extensive media campaign to educate Richmond's residents about the lengthy, mandatory prison sentences associated with gun crimes. Gun-related homicides in Richmond fell by 41 percent after Project Exile was implemented.

Targeting illegal gun markets. The President will also ask law enforcement authorities to target illegal gun markets and gun "hot spots," as is done in Boston. Through the Boston Gun Project, every gun recovered by Boston police at a crime scene is traced through ATF's National Tracing Center to its source. The Boston Police Department and ATF then work together to disrupt illegal gun markets by investigating illegal gun trafficking and referring cases for swift prosecution by both federal and state prosecutors. As a result of these and other youth violence

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prevention efforts, youth homicides in Boston have dropped 75 percent since 1995.

Coordinating our strategy with state and local efforts. Today's directive also calls for the Treasury and Justice Departments to develop a strategy that builds on the many successful strategies already in place around the country. To help communities learn more about such programs, the President will release a new Justice Department report -- *Promising Strategies to Reduce Gun Violence*. Designed as a "toolbox" for communities, the report details 60 successful strategies to reduce gun violence that were reviewed and recommended by more than 40 national experts, including: coordinated enforcement of all local, state, and federal gun laws and regulations; closer, tougher supervision of gun criminals on parole or probation; and increased efforts to keep guns out of the hands of juveniles. The report will be distributed to communities throughout the country next week.

New Resources for Firearms Enforcement

The President's FY 2000 budget includes new resources to help implement the national strategy called for today. In particular, his budget includes:

\$5 million for more than 40 additional federal prosecutors to conduct intensive firearms prosecution projects targeting violent felons who possess guns, armed drug traffickers, and illegal gun markets;

\$23.8 million for more than 120 new ATF agents to support firearms investigations, arrest violent criminals and gun traffickers, and crack down on illegal gun sales; and

\$1.3 billion for a 21st Century Policing Initiative to help communities hire more police and prosecutors, and to allow them to target gun crime and other public safety priorities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 15:06:13.00

SUBJECT: Nursing Home Enforcement meeting -

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

This meeting, which is still scheduled for Monday, March 22, 1999, will now be held from 4:45 to 5:30 in Room 472 OEOB. All participants are asked to be present. Thanks!!!

PARTICIPANTS:

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

Eric Holder
Dan Mendelson
Mark Miller
Chris Jennings & Staff

No Additions or Substitutes please.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa N. Benton (CN=Melissa N. Benton/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:19-MAR-1999 15:47:56.00

SUBJECT: LRM MNB30 - - LABOR Testimony on Occupational Safety and Health Administra

TO: Brian S. Mason (CN=Brian S. Mason/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Sarah Rosen (CN=Sarah Rosen/OU=OPD/O=EOP@EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Broderick Johnson (CN=Broderick Johnson/OU=WHO/O=EOP@EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Stuart Shapiro (CN=Stuart Shapiro/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

LRM COMMERCE (LRM COMMERCE [UNKNOWN])

READ:UNKNOWN

LRM HHS (LRM HHS [UNKNOWN])

READ:UNKNOWN

LRM Small Business Administration (LRM Small Business Administration [UNKNOWN])

READ:UNKNOWN

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

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

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

TEXT:

NOTE TO EOP STAFF: YOU WILL NOT RECEIVE A HARD COPY OF THIS LRM.

----- Forwarded by Melissa N. Benton/OMB/EOP on 03/19/99

03:43 PM -----

LRM ID: MNB30

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

Friday, March 19, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution
below

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

OMB CONTACT: Melissa N. Benton

PHONE: (202)395-7887 FAX: (202)395-6148

SUBJECT: LABOR Testimony on Occupational Safety and Health
Administration's Agenda

DEADLINE: 11:00 a.m. Monday, March 22, 1999

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

COMMENTS: To follow is testimony to be delivered on Tuesday, March 23rd, by DOL/OSHA (Charles Jeffress) before the Workforce Protections Subcommittee of House Education and the Workforce.

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Janet R. Forsgren

LRM ID: MNB30 SUBJECT: LABOR Testimony on Occupational Safety and Health Administration's Agenda
RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

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

You may also respond by:

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

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

TO: Melissa N. Benton Phone: 395-7887 Fax: 395-6148
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant):
395-7362

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

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

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

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

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

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

TEXT:

Unable to convert ARMS_EXT: [ATTACH.D32]ARMS19026388M.036 to ASCII,

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**STATEMENT OF CHARLES N. JEFFRESS
ASSISTANT SECRETARY FOR OCCUPATIONAL SAFETY AND HEALTH
U.S. DEPARTMENT OF LABOR
BEFORE
THE SUBCOMMITTEE ON WORKFORCE PROTECTIONS
HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE**

March 23, 1999

Mr. Chairman, Members of the Subcommittee, I am pleased to come before you today to discuss OSHA's efforts to protect workers while forming partnerships with employees and employers. When I appeared before the subcommittee last April I described how OSHA is changing the way it does business. Today I shall discuss some highlights of the past twelve months as well as my priorities for next year.

OSHA's core mission is to provide a safe and healthy workplace for every working man and woman in the Nation. We are encouraged by the latest occupational injury and illness statistics. For the fifth consecutive year the rate of injuries and illness declined. In fact the rate for 1997 was the lowest since BLS began reporting this information in the early 1970s. The improvement is particularly impressive in a booming economy when many new and inexperienced workers have entered the workforce. Historically, new employees have been more likely to get hurt on the job than more experienced workers. Much of the credit for the improvement can be attributed to millions of employers and employees working every day to eliminate on-the-job hazards. I am proud that OSHA and its 25 State plan partners have been a catalyst for these private sector efforts, using results-driven enforcement efforts, compliance assistance and commonsense standards to bring about workplace improvements.

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Many challenges remain. Even with the decline in rates there were more than 6 million workplace injuries and illnesses in our Nation in 1997. Almost 3 million injuries or illnesses required recuperation away from work or restricted duties on the job. More than 6,000 workers died from on-the-job injuries in 1997 and many thousands more die each year as result of chronic diseases related to occupational exposures to toxic substances.

Priorities for FY 2000

In order to accomplish the goals of OSHA's Strategic Plan I have established four priorities for the agency for the next fiscal year. They are: (1) Creative partnership; (2) Strong enforcement; (3) Improved rulemaking; (4) Expanded education and outreach. These priorities are designed to enable OSHA to reach the primary FY 2002 goals of our Strategic Plan, which are: (1) a 20 percent reduction in injuries and illnesses in 100,000 workplaces; (2) a 15 percent reduction in injuries and illnesses among five high-hazard industries; (3) a 15 percent reduction in three specific injuries and illnesses--silicosis, amputations and lead poisoning.

Creative Partnerships. OSHA will continue to form partnerships with workers, employers, insurance companies, safety and health professional groups, trade associations and anyone else interested in improving workplace conditions. Partnerships may be local or nationwide. I have directed each area office to make a special effort to develop a partnership, and I will be asking for reports on their progress. I have also met with representatives of the insurance industry and others to talk about forming nationwide partnerships.

Earlier this month OSHA partnered with the Small Business Administration to hold a Small Business Forum here in Washington. The forum showcased information and services available

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to help small businesses improve safety and health. OSHA plans to follow-up on this conference by holding a series of similar conferences throughout the nation during National Small Business Week in May.

OSHA joined with industry last November to hold a partnership conference celebrating the positive impact of strategic partnerships on employee protection and lower workers' compensation costs for employers. Secretary of Labor Herman summed up the spirit of the conference when she said:

We've spent 6 years changing the way we do business in the Labor Department-- focusing on results, thinking outside the box, emphasizing cooperation. We've been telling you there's a different OSHA in town. This conference gives you a chance to observe first hand the new ways we've been working together to get results.

In one success highlighted during the conference, OSHA worked with the Steel Erectors' Safety Association of Colorado (SESAC) to enhance education and improve workplace safety. As a consequence, SESAC members have seen positive results. Calcon Constructors, for example, reduced its workers' compensation rate by almost two-thirds, saving sixty-three cents on every dollar in workers' compensation costs as a result of its partnership with OSHA. In addition, since the time Calcon initiated partnership efforts with OSHA in 1992, the company has reduced its rate of injuries and illnesses by over eighty percent.

Another successful partnership is happening in Port Arthur, Texas where the Huntsman Petrochemical Aromatics and Olefins Plant is a member of OSHA's Voluntary Protection Programs (VPP), our primary recognition program for employers. Workers at this site have repeatedly credited VPP participation as one vital factor contributing to improved management and employee relations. The plant's current three-year injury incidence rate is 74 percent below

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the industry average, and its lost workday rate is 99 percent below average.

OSHA's partnership efforts under VPP continue to increase. We have added 92 sites to the VPP since last year--an increase of 22 percent--for a total of 507 Federal and State VPP sites.

We also continue to work closely with our 23 State partners with OSHA-approved State Plans. We have requested funds from the Congress to enable New Jersey to join in that partnership by funding safety and health coverage for its public employees.

In addition, we are establishing partnerships with other Federal agencies. Last July, OSHA signed an agreement with the U.S. Department of Agriculture on grain dust hazards, and more recently, we entered into an agreement with the National Park Service to provide assistance in improving safety and health programs for employees at 10 park sites. These sites will then serve as models for the entire park system.

Strong enforcement. OSHA's credibility requires balance. Not only is partnership important, but the agency must pursue employers who ignore the rules and endanger their employees. While the Cooperative Compliance Program has been stayed pending review by a federal appeals court, OSHA has implemented an interim plan, targeting the most dangerous workplaces, which is proving very effective at identifying significant cases. The Interim Targeting Program which OSHA instituted in April 1998 is identifying four times as many significant cases--those in which proposed penalties are \$100,000 or more--as our old inspection targeting methods. In the coming year we intend to bolster the agency's targeted enforcement efforts.

Improved rulemaking is another priority. OSHA is working smarter in developing

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standards. I have designated a single leader to be in charge of all standards activity and we will pilot test the use of teams for each project. Where appropriate, OSHA will use negotiated rulemaking and will utilize national consensus and international standards to speed up our rule-making process. Standards will emphasize outcomes and results rather than layers of requirements.

OSHA is continuing to eliminate outdated standards and re-write its rules into plain language. Last April we proposed a revision of overly detailed standards covering dipping and coating operations, which are designed to protect employees from fires and explosions. The new Rule will be published shortly. The text has been made much shorter and duplicative requirements have been eliminated. As of June 1998, the agency had eliminated over 1000 pages of outdated or redundant regulations, which will result in savings of almost \$10 million annually for employers. This year OSHA will continue to simplify regulations when we issue the final revised rule on exit routes. We will also be doing "lookback" reviews of significant standards to determine how effective they have been in saving lives and whether we should consider changes and revisions..

In December, with broad support, OSHA issued a standard which requires training for more than 1.5 million workers who operate powered industrial trucks. Evaluation of each operator's performance is required as part of initial and refresher training. The rule is expected to prevent 11 deaths and almost 10,000 injuries each year and to save employers \$118 million annually from reductions in medical costs, workers compensation and lost output.

This year OSHA plans to publish a proposed rule for safety and health programs and we will finalize a revision of the agency's recordkeeping regulations. These are what we call

“building-block standards” because they are fundamental to workplace protection.

Ergonomics is the most important standard we intend to propose this year. Work-related musculoskeletal disorders account for 34% of all lost-workday injuries and illnesses. These disorders cost employers \$15- \$20 billion in workers compensation costs each year, amounting to \$1 out of every \$3 spent on workers’ compensation. Yet this problem is preventable. The National Academy of Sciences (NAS) has found compelling evidence that interventions can avert disabling injuries. The Nation’s leading professional society of occupational physicians, the American College of Occupational and Environmental Medicine (ACOEM), has urged us to move forward. In a letter to OSHA of February 15 ACOEM stated that there is “an adequate scientific foundation for OSHA to proceed with a Proposal and, therefore, no reason for OSHA to delay...” OSHA has spent the last several years talking to hundreds of business people who have responded to problems by implementing successful ergonomic programs in their workplaces. Clearly, as so many employers, workers, and scientists have already learned, ergonomics programs work. The draft ergonomics proposal OSHA released last month for the purposes of the SBREFA process incorporates the basic features of successful ergonomics programs already used by many businesses to reduce their musculoskeletal injuries/illnesses.

Expanded education and outreach

The largest single program increase in the budget which I requested last week is for compliance assistance. OSHA plans to place a compliance assistance specialist in each Federal area office, to provide advice and assistance to businesses, particularly small business employers. This staff will be devoted exclusively to providing general advice on regulations and programs in response to requests by employers, employees, and others in their community. OSHA also

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seeks increased funding for the Susan Harwood Training Grant program to address priority areas in the Strategic Plan.

OSHA's interactive software advisors continue to be extremely popular. The advisors, which are available on OSHA's Web Page, offer instant assistance in complying with OSHA standards. The latest additions are the *Hazard Awareness Advisor*, which is designed to help employees and employers, especially small businesses, locate hazards in their workplace, and *Safety Pays*, which shows employers the impact that occupational injuries and illness can have on the company's bottom line.

We also released three new, major publications last year, to help employers understand OSHA's regulations. They include a guide to scaffold use in the construction industry; a guide for small business employers to assess the need for use of personal protective equipment in their workplaces; and a booklet on protection for healthcare workers who respond to emergencies involving chemical, biological, or radioactive hazards.

In another effort to expand our compliance assistance for employers OSHA issued a new directive on the Hazard Communication Standard allowing employers to provide Material Safety Data Sheets to their employees electronically so that they are aware of chemical hazards and protective measures.

Enhanced Whistleblower Protection. To ensure that Americas's workers can exercise their rights under the OSH Act without fear of retaliation, I have recommended that the Administration send to the Congress legislation that strengthens the OSH Act's whistleblower protection. There is a good deal of evidence that many workers do not feel free to complain about unsafe conditions and that some employers feel they can retaliate against whistleblowers

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with impunity. Increased whistleblower protection is an important priority for OSHA.

* * *

Mr. Chairman, I believe that the "New OSHA" has an impressive story to tell. Since the agency was reinvented in 1995 we have seen injury/illness rates decline while OSHA has achieved a careful balance between enforcement and cooperation. OSHA's programs are combining tough enforcement, creative partnership and results-driven management. I appreciate the opportunity to testify today and to outline OSHA's success and its priorities for FY 2000.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Essence P. Washington (CN=Essence P. Washington/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:19-MAR-1999 15:58:55.00

SUBJECT: NT 4.0 Roll-Out

TO: Irene Bueno (CN=Irene Bueno/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: WEINSTEIN_P@A1@CD@VAXGTWY (WEINSTEIN_P@A1@CD@VAXGTWY @ VAXGTWY [EOP]) (OPD)

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Sarah A. Bianchi (CN=Sarah A. Bianchi/O=OVP @ OVP [OVP])

READ:UNKNOWN

TEXT:

Paul has asked me today, to find out, what non-standard software, everyone has on their computer. Please e-mail me, or have your assistant contact me, today before 5:00 pm with that information. Sorry for the short notice!

Thanks

----- Forwarded by Essence P. Washington/OPD/EOP on
03/19/99 03:48 PM -----

Ashley L. Raines

03/17/99 04:41:10 PM

Record Type: Record

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

cc: Douglas R. Matties/OA/EOP

Subject: NT 4.0 Roll-Out

First, I apologize for the length of this message, but there are some very important issues that I need to address. As I have mentioned over the last several months, the entire EOP complex will be getting a new load on their computers called NT 4.0. It will look very different from the current load, but similar to Windows 98. Lotus Notes will remain our e-mail system. Netscape will remain our web browser. The main reason for the new load is to become Y2K compliant. The roll-out of this new load for OPD will begin on Monday, March 29th.

There are several new pieces of software that will be provided as the "standard load" which are mostly Microsoft Office products including Word, Excel, Powerpoint, etc. WordPerfect, Lotus 1-2-3 and All-In-1 will be provided until September 1st in order for staff to become accustomed to the new software and for the staff to transfer their WordPerfect and Lotus documents to Word and Excel, respectively.

We need to identify the staff's calendar needs. IS&T thinks (although they're still checking) Lotus Organizer and Calendar Creator will continue to be provided, I just need to know who prefers what. If IS&T doesn't provide these, then we'll have to buy licenses for the calendars people use. The current version of On-Time is not Y2K compliant and it is not possible to transfer data in On-Time to another calendar product.

Therefore, I need a list of staff who absolutely need On-Time so we can look at buying licenses for the current, Y2K compliant version for those staff. It would be nice for everyone to use the same calendar, but I understand the need for staff who use On-Time to keep their data and not lose it.

The most immediate action we need to take is to identify any "non-standard" software that OPD staff use for official business functions that will not be provided with the "standard load". These include, but are not limited to, On-Time, Lexis Nexis, Travel Manager, Time and Attendance (PPI), Haver Analytics, and Bloomberg. IS&T did a software inventory which picked up such software as PalmPilot Desktop, Ghostscript, PostScript Text Viewer, The PointCast Network, RealPlayer, Microsoft Bookshelf and many others.

Note: PalmPilot is currently not supported by IS&T and will not be approved as a non-standard software package. IS&T is focusing most of their attention to Y2K efforts and this is not part of those efforts. IS&T understands the importance of this software and plans to address it in the future.

In order for staff to continue using these special programs, they must 1) identify the software package needed 2) state an official business need 3) if they already have the license for it, provide me the license 4) provide the CD or disk for the software, if available and they have the license 5) present proof of Y2K compliancy. Please provide this information to me by 12 noon Friday or earlier, if you can.

I am sending to each of you information provided by IS&T with specific information about what to expect from the roll-out, NT 4.0 and training opportunities for staff to get used to the new load before it is installed.

Thank you in advance for your help with this project!! Call me with any questions.

COMMON SOFTWARE APPLICATION LIST FOR THE
NEW WINDOWS NT 4.0 DESKTOP
Will be the Latest Versions

Common Software

Operating System	Microsoft Windows NT 4.0 Desktop
Groupware	Lotus Notes
E-Mail	Lotus Notes
Office Suite	MS Office 97
Wordprocessing	Word
Spreadsheet	Excel
Database	Access and Query
Business Presentation	Power Point
Photo Editor	Photo Editor
Scheduler (compliant)	Your current scheduler if possible (must be Y2K)
Web Browser	Netscape Navigator 4.08
PDF Reader	Adobe Acrobat Reader 3.01
Anti-Virus	Norton Anti-Virus
File Viewer	QuickView Plus
3270 (Mainframe)	Dynacomm Communications Suite
Dial Out	Dynacomm Communications Suite
Uencode and	

File Compression WinZip
File Transfer Protocol IPSwitch WSFTP

Message Sent

To: _____

Paul J. Weinstein Jr./OPD/EOP

Brian A. Barreto/OPD/EOP

Jonathan A. Kaplan/OPD/EOP

Essence P. Washington/OPD/EOP

Todd A. Summers/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 16:03:10.00

SUBJECT: Weekly Items -- Education

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Education-Ed-Flex/Class Size/Special Education. This week, the Senate appointed all the members of the Labor and Human Resources Committee as its conferees on Ed-Flex. The House will likely appoint conferees next week. When the House takes up appointment of its own conferees, Democrats (Clay) are expected to offer a motion to instruct House conferees. The "message" for the instruction would be that the conferees support the class size program as currently structured (i.e. dropping the provision allowing school districts to fund special education with class size appropriations) and also support increased funding for special education. Although congressional staff level discussions will begin as soon as House conferees are named, it is highly unlikely that the conference will get underway before the two week Easter break that begins next Friday. Both WH legislative affairs and the Education Dept's legislative affairs staff have heard from various sources that Lott, Frist, Hastert, Goodling and others have agreed to take the special ed/class size provision out of the Ed-Flex bill. However, no one has been able to confirm this (or find out where Jeffords is) and we are continuing to work to ensure the special ed/class size measure is deleted in conference. Meanwhile, Senate Democrats now have 26 of the 34 signatures that they are seeking on a letter calling for a veto if the conference fails to remove the special ed/class size provision. We are continuing to hold on the issuing a veto statement.

Education -- University Admissions Policy. The San Francisco Chronicle reported that today the University of California regents are expected to approve a plan to open UC's eight undergraduate campuses to students in the top 4 percent of each high school class in the state. To qualify under the proposal, current high school sophomores would have to rank in the top 4 percent of their junior year classes with no lower than a C in eleven college-prep courses. The students will still have to take the SATs as well as four other required courses in their senior year. About 12,000 students will receive invitations from UC to apply, including roughly 3,600 who do not now qualify for UC. Many of the 3,600 are from urban and inner-city schools. They include 2,023 white students, 161 black students, 408 Asian-Americans and 716 Latinos --this would yield a higher proportion of black and Latinos than in the rest of the student body but not enough to drastically change the overall mix of students. This policy is similar to one in Texas where the state legislature passed a measure that guaranteed admission to state colleges for the top 10 percent of each high school's graduates.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 16:12:42.00

SUBJECT: Take III

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

CC: Karin Kullman (CN=Karin Kullman/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

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President Clinton: Deterring and Reducing Gun Crime
March 20, 1999

In his weekly radio address, President Clinton will direct the Secretary of the Treasury and Attorney General to develop a national strategy to increase gun prosecutions and further reduce gun violence. The strategy will also call for: expanded efforts to identify illegal gun markets and gun "hot spots"; improved coordination with state and local law enforcement; closer supervision of gun criminals on parole or probation; and innovative, community-based efforts. The President will also release a new Justice Department report highlighting 60 promising strategies that have helped reduce gun violence throughout the country.

Prosecuting More Gun Criminals

To continue to reduce gun crime and violence, President Clinton will direct the Secretary of the Treasury and Attorney General -- working with U.S. Attorneys, the Bureau of Alcohol, Tobacco and Firearms (ATF), and all of state and local law enforcement -- to develop a comprehensive national strategy to investigate and prosecute more gun criminals.

Project Exile. The President will call for the expansion of programs like **Project Exile in Richmond, VA.** Under Project Exile, the Richmond U.S. Attorney -- working closely with other state, local and federal law enforcement authorities -- targeted gun-carrying felons and other armed criminals for immediate federal prosecution and stiff mandatory sentences in federal prison. As of last November, Project Exile had achieved the following results: 372 persons were indicted for federal gun violations; 440 guns were seized; 300 persons were arrested or held in state custody; 222 arrestees (or about 75 percent) were held without bond; 247 persons were convicted; and 196 persons were sentenced to an average of 55 months imprisonment. And gun-related homicides have dropped by more than 40 percent last year.

"An illegal gun will get you 5 years in federal prison." As part of Project Exile, law enforcement authorities also reached out to the community and launched an extensive media campaign to get a simple message across to Richmond's gun criminals: "An illegal gun will get you 5 years in federal prison." This message was advertised on 15 billboards throughout the city, a fully painted city bus (that changes routes daily and covers the entire city each week), and a series of radio and television promotional spots. Criminals in Richmond routinely testify that they did not carry a firearm because of their knowledge of the stiff federal penalties.

Boston Gun Project. The Boston Gun Project, is another example of enhance firearms prosecutions. After tracing all guns recovered at crime scenes to their source, the Boston Police Department and ATF work together to disrupt illegal gun markets by investigating illegal gun trafficking and referring cases for swift prosecution by both federal and state prosecutors. As a result of these and other youth violence prevention efforts, youth homicides in Boston have dropped 75 percent since 1995.

Building on the Success of Local Strategies

Although crimes committed with firearms are down by 27 percent nationally, gun-related crime and violence remain serious problems. To help all communities benefit from the many successful strategies already in place throughout the country, the President's directive also calls for the Treasury and Justice Departments -- in developing their national strategy -- to specifically consider the follow elements:

- comprehensive crime gun tracing, analysis and mapping; increased use of ballistics identification technology; and coordinated use of crime gun information to identify illegal gun markets, gun "hot spots" and illegal gun traffickers;
- coordinated law enforcement and regulatory enforcement efforts to ensure compliance with all applicable laws by federally-licensed dealers and prospective gun sellers and purchasers;
- targeted deterrence of violent offenders through improved coordination of with probation and parole officials supervising such offenders and swift and certain punishment of for those found to have violated the conditions of their parole or probation; and
- problem-solving analysis and innovative strategies to work closely with the community members to identify gun criminals, remove weapons in the hands of juveniles, search for and seize crime guns, and increase the public's knowledge of their community's gun-related crime and violence problem.

The President will release a new Justice Department report -- *Promising Strategies to Reduce Gun Violence*. Designed as a "toolbox" for communities, the report details 60 successful strategies to reduce gun violence that were reviewed and recommended by more than 40 national experts. The report will be distributed to communities throughout the country next week.

New Resources for Firearms Enforcement

The President's FY 2000 budget includes new resources to help implement the national strategy called for today. In particular, his budget includes:

\$5 million for more than 40 additional federal prosecutors to conduct intensive firearms prosecution projects targeting violent felons who possess guns, armed drug traffickers, and illegal gun markets;

\$23.8 million for more than 120 new ATF agents to support firearms investigations, arrest violent criminals and gun traffickers, and crack down on illegal gun sales; and

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\$1.3 billion for a 21st Century Policing Initiative to help communities hire more police and prosecutors, and to allow them to target gun crime and other public safety priorities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 16:55:05.00

SUBJECT: draft Q&A

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

Please review the attached Q&A. Thanks.

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

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

TEXT:

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Reducing Gun Violence Radio Address
March 20, 1999
Questions and Answers

Q: The NRA has criticized this Administration for failing to support Project Exile in Richmond, Virginia. Isn't today a reversal on your position for this initiative?

A: Not at all. It is important to keep in mind that Project Exile was launched by one of President Clinton's U.S. Attorneys, Helen Fahey, who is with us today. We support her efforts to collaborate with state and local law enforcement, ATF, FBI, and other community leaders to aggressively prosecute armed felons in federal court. Project Exile has received national attention for its success: by targeting criminals with guns for immediate federal prosecution and stiff mandatory federal prison sentences, they have helped to decrease gun homicides by 40 percent, seized over 400 guns, and sentenced nearly 200 offenders to an average of 55 months in prison. We believe it is a model that other U.S. Attorneys should consider as they assess how best to address their local gun violence problems.

Q: Are you planning to mandate that all U.S. Attorneys prosecute all firearms cases in federal court, as they do in Project Exile?

A: Project Exile is taking an aggressive approach to reducing gun crime and homicides in Richmond through increased federal gun prosecutions -- and we believe other U.S. Attorneys should work with their communities to consider whether a strategy like Project Exile's will help address their local gun crime problems. However, some federal prosecutors may find that their gun violence problems significantly differ from those in Richmond; for instance, they may have a bigger problem with illegal gun traffickers should be targeted who they should target for federal prosecution. Other jurisdictions may find that state laws carry tougher penalties than the federal laws for certain gun offenses, in which case it may make more sense to prosecute certain gun offenders in the state or local courts. The strategy called for today will focus on stepped up prosecutions to reduce and deter gun violence, but without mandating a one-size-fits-all solution.

Q: Haven't federal gun prosecutions actually declined during this Administration?

A: While the number of federal firearms prosecutions has decreased since 1992, we believe that this is in part because federal and state systems are now working better together and the federal system is concentrating its resources on significant gun criminals. As a result, the number of federal gun offenders that received prison sentences of 5 years or more has increased by 30 percent since 1992. Nearly all of the decline in federal firearms prosecutions since 1992 occurred among lower level offenders (those who receive probation up to 3 years of imprisonment).

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Moreover, combined federal and state prosecutions are up from 1992. Between 1992 and 1996-- when most of the decline in federal firearms prosecutions occurred -- state prosecutions of weapons offenders increased sharply, more than offsetting the federal decline.

It is also worth noting that a 1995 Supreme Court decision affected our ability to bring certain gun cases in federal court. This issue was resolved when the President signed into law a legislative fix to this decision last November.

Q: Doesn't this directive to create a national strategy to reduce gun violence mean that you haven't had one to date?

A: No. This Administration has taken some of the boldest, most comprehensive steps ever to keep guns off the streets and out of the hands of juveniles and criminals:

- Brady Law. The President stood up to the gun lobby and secured passage of the Brady Law, which has helped to prevent over a quarter of a million felons, fugitives, and stalkers from getting handguns nationwide.
- National Instant Criminal Background Check System. Last November, we put into place the National Instant Criminal Background Check System, which has already conducted 2.6 million background checks on gun purchasers, and stopped over 27,000 prohibited buyers from getting firearms.
- Assault Weapons. The President fought for and secured the 1994 assault weapons ban to bar the manufacture and importation of 19 of the deadliest assault weapons. Last year, President Clinton took executive action to ban the importation of over 50 models of deadly modified assault weapons.
- Crime Gun Tracing and Illegal Gun Trafficking. The President's Youth Crime Gun Interdiction Initiative (YCGII) is in place in 37 cities to crack down on the illegal gun markets that supply firearms to juveniles and criminals. As a result of YCGII, crime gun tracing by ATF has increased from about 50,000 traces to 200,000 traces annually.

These actions as well as the efforts of communities across the country to combat gun violence are having a significant impact: since 1992, the number of violent crimes committed with guns has dropped 27 percent.

Q: How do you plan on paying for proposals that come out of the strategy once it is ready?

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A: In his directive, the President asked the Secretary and Attorney General to make recommendations on how best to allocate federal resources to support the strategy. Our FY 2000 budget already proposes new resources at both the state/local and federal levels to help address gun violence and public safety: nearly \$1.3 billion is proposed to hire more local police and prosecutors, add new crime-fighting technologies, and promote community partnerships with law enforcement. And his budget provides a nearly \$30 million increase for ATF and U.S. Attorneys to step up their prosecution and enforcement efforts.

Q: Earlier this week, the *Washington Post* reported that dozens of handguns were sold to felons and other prohibited purchasers without background checks in Maryland due to a State police backlog. The Maryland State Police blame their backlog in part on the FBI National Instant Criminal Background Check System, which took effect last November. What is your response?

A: We do not believe the NICS is responsible for the one to two-month backlog for background checks reported in Maryland. Over 70 percent of the background checks submitted to NICS are immediately processed; the vast majority of the remainder are processed within the day. Moreover, the NICS is currently operating without a backlog.

Since NICS took effect on November 30, 1999, it has handled nearly 2.6 million Brady background checks; of these, the FBI handled 1.3 million and stopped over 27,800 illegal gun sales to felons, fugitives, and other prohibited purchasers. The remaining 1.3 million were processed by states that have agreed to serve as NICS points-of-contact. We do not, at this time, have information on the number of denials at the state level.

Q: What is your response to Representative Barr's NRA-supported legislation to block lawsuits that cities have filed against the gun manufacturers? Do you have a position on legislation proposed by Senator Boxer to give cities the right to sue gun manufacturers and distributors? And do you have a position on the bill introduced by Senator Schumer yesterday which would regulate the sale of guns on the Internet?

A: The Barr legislation is an attempt by the gun lobby to avoid the very serious issues about gun trafficking and gun safety raised by the cities' lawsuits. We are watching these suits closely, and will do all we can to resist efforts that would prevent the cities from presenting their evidence. Similarly, we are supportive of efforts such as Senator Boxer's that specifically allow cities to put such evidence before the courts.

While we are still reviewing Senator Schumer's legislation, the President's policy continues to be: no background check, no handgun. That is why some of the President's top firearms-related priorities for the year are to extend the Brady waiting period and to ensure background checks at gun shows. We will review the Schumer legislation with

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this position in mind.

At the same time, we will continue to press forward on our other efforts to stop gun trafficking, ban violent juveniles from buying guns, and promote gun safety. We will not -- and we hope individual states and cities will not -- back down to the gun lobby on these issues.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 17:35:28.00

SUBJECT: republican crime package

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

can we please get guidance on the republican crime packagae - we are starting to get a lot of questions. also - it would be good to recycle the guidance we have of their criticism of our budget for crime - thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 17:39:48.00

SUBJECT: ESEA Reauthorization Meetings

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Constance J. Bowers (CN=Constance J. Bowers/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Leslie S. Mustain (CN=Leslie S. Mustain/OU=OMB/O=EOP@EOP [OMB])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

We have scheduled two ESEA Reauthorization meetings for next week:

1. Monday, March 22 at 5:00PM
2. Tuesday, March 23 at 2:30PM

Please hold these times on your schedule. I have confirmed these times with Mike Smith and Bruce Reed's schedules. I will get back to you with a room number and a complete list of attendees when I have them.

Tanya: Please let me know if there is anyone else I need to include from EOP. FYI -- Ann O'Leary is taking care getting the word out to the appropriate Ed folks. Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 18:16:19.00

SUBJECT: republican crime package

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

can you please cc: jake siewert, barry toiv, amy weiss, nanda chitre,
julia payne and mike hammer on this guidance? thanks.

----- Forwarded by Elizabeth R. Newman/WHO/EOP on
03/19/99 06:15 PM -----

Elizabeth R. Newman

03/19/99 05:34:23 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Jose Cerda III/OPD/EOP, Leanne A.
Shimabukuro/OPD/EOP

cc:

Subject: republican crime package

can we please get guidance on the republican crime packagae - we are
starting to get a lot of questions. also - it would be good to recycle
the guidance we have of their criticism of our budget for crime - thanks

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 18:44:46.00

SUBJECT: Additional budget paper

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: jgreen (jgreen @ pfaw [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

TO: Laura D. Schwartz (CN=Laura D. Schwartz/OU=WHO/O=EOP @ EOP [WHO])
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TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
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TO: John Podesta (CN=John Podesta/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
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TO: Robert D. Kyle (CN=Robert D. Kyle/OU=OMB/O=EOP @ EOP [OMB])
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TO: Charles Konigsberg (CN=Charles Konigsberg/OU=OMB/O=EOP @ EOP [OMB])
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TO: Thomas A. Kalil (CN=Thomas A. Kalil/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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

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

READ:UNKNOWN

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

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

TO: Cheryl M. Carter (CN=Cheryl M. Carter/OU=WHO/O=EOP @ EOP [WHO])
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TO: David Belsky (CN=David Belsky/OU=WHO/O=EOP @ EOP [WHO])
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TO: Marsha E. Berry (CN=Marsha E. Berry/OU=WHO/O=EOP @ EOP [WHO])
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TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP @ EOP [WHO])
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TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
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TO: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])
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TO: Jackson T. Dunn (CN=Jackson T. Dunn/OU=WHO/O=EOP @ EOP [WHO])
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TO: Mona K. Sutphen (CN=Mona K. Sutphen/OU=NSC/O=EOP @ EOP [NSC])
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TO: Michele Jolin (CN=Michele Jolin/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Sandra L. Via (CN=Sandra L. Via/OU=OMB/O=EOP @ EOP [OMB])
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TO: Victoria A. Wachino (CN=Victoria A. Wachino/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Robert L. Nabors (CN=Robert L. Nabors/OU=OMB/O=EOP @ EOP [OMB])
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TO: Jonathan E. Smith (CN=Jonathan E. Smith/OU=WHO/O=EOP @ EOP [WHO])
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TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP @ EOP [WHO])

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

READ:UNKNOWN

TO: Richard M. Samans (CN=Richard M. Samans/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Doris Parker (CN=Doris Parker/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

TO: Sonyia Matthews (CN=Sonya Matthews/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Sarah Rosen (CN=Sarah Rosen/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: HorwitzR (HorwitzR @ sec.gov @ INET @ LNGTWY [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

TO: Jeanne Lambrew (CN=Jeanne Lambrew/OU=OPD/O=EOP @ EOP [OPD])
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TO: Karin Kullman (CN=Karin Kullman/OU=OPD/O=EOP @ EOP [OPD])
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TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
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TO: Eli P. Joseph (CN=Eli P. Joseph/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

TO: Adrienne C. Erbach (CN=Adrienne C. Erbach/OU=OMB/O=EOP @ EOP [OMB])
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TO: Tracy Pakulniewicz (CN=Tracy Pakulniewicz/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

TO: Heather M. Riley (CN=Heather M. Riley/OU=WHO/O=EOP @ EOP [WHO])
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TO: Jade L Riley (CN=Jade L Riley/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jason H. Schechter (CN=Jason H. Schechter/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sharon H. Yuan (CN=Sharon H. Yuan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Dora Kale (CN=Dora Kale/OU=NSC/O=EOP @ EOP [NSC])
READ:UNKNOWN

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

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

TO: MITSLER_E (MITSLER_E @ A1 @ CD @ LNGTWY [EOP]) (NSC)
READ:UNKNOWN

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

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

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

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

TEXT:

----- Forwarded by Melissa G. Green/OPD/EOP on 03/19/99
06:44 PM -----

Charles R. Marr
03/19/99 06:32:52 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP
cc:
Subject: Additional budget paper

Melissa -- can you blast email.

These are additional one-pagers on Republican budget:

Urban
Environment
Education and Training

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

TEXT:
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Republican Budget Shortchanges Urban America

March 19, 1999

Building on the success of six years of fiscal discipline and the virtuous economic cycle it created, President Clinton has proposed a budget that includes a more than \$3.4 trillion debt reduction lock-box that extends the solvency of Social Security until 2055 and extends Medicare's solvency for more than a decade. It invests in education and a cleaner environment, and a stronger urban America.

To build on the President and Vice President's strong foundation of community empowerment initiatives -- which includes programs to promote greater access to capital and credit, more affordable housing, and spur the creation of private investment and job creation -- the FY2000 budget includes proposals to:

- _ Expand the Low Income and Housing Tax Credit.
- _ Make the brownfields tax expensing provision permanent.
- _ Create Better America Bonds to allow communities to create parks and open spaces.
- _ Spur private investment in distressed neighborhoods through a new markets initiative.
- _ Expand the welfare-to-work housing voucher program.

The Republicans have responded with a proposal that puts top priority on a tax cut which explodes in cost and is targeted away from the middle class. Because the tax cut is so large and consumes the entire on-budget surplus, the funds available for critical investments in urban America are squeezed dramatically:

The Republican budget would require a more than 10 percent cut in 2000 and over 20 percent cut in 2004 unprotected discretionary programs. This would have a devastating impact on programs critical to our urban areas:

- **The cut to HUD's HOME program would deny tenant-based rental assistance to 1,300 families. Further, funds would be lost for new construction, rehabilitation, or acquisition of over 10,000 affordable housing units.**
- **The Republicans' reductions would wipe out the Administration's proposal of adding 100,000 new housing vouchers, including 25,000 to help move families from welfare to work, 18,000 for the homeless, and 15,000 for extremely low-income elderly.**
- **The Community Development Financial Institutions Fund (CDFI) would be reduced by over \$11 million, with the result that 16 fewer community development institutions (CDFIs) would receive capital funding and 12 fewer financial institutions would receive Bank Enterprise Act grants. By 2004, the Republican budget would reduce CDFI's funding by \$26 million, eliminating federal assistance to 37 CDFIs and 28 commercial CDFI lenders.**

A low priority in the Republican budget: Programs critical to urban America would be at risk because of the squeeze on the overall discretionary funds proposed. The assumptions made in the Republican budget resolutions show that programs important to urban America would be a low priority in competition for those funds:

- **The Senate Budget Resolution proposes \$5.3 billion in 2000 for community and regional development, \$3.4 billion or 39.2 percent less than a freeze and \$3.6 billion or 40.7 percent less than the President's budget. This would mean a massive reduction to the Community Development Block Grant Program (CDBG), one of the most popular and flexible sources of funds that mayors and governors use to improve economic opportunity and housing in low-income communities. Thousands of local neighborhood improvement efforts would be jeopardized. Cuts of 40 percent in this set of HUD programs would translate into a loss of assistance to 82,000 homes and loss of support for 114,000 jobs in low-income areas.**

Republican Budget

Shortchanges Education and Training

March 19, 1999

Building on the success of six years of fiscal discipline and the virtuous economic cycle it created, President Clinton has proposed a budget that includes a more than \$3.4 trillion debt reduction lock-box that extends the solvency of Social Security until 2055 and extends Medicare's solvency for more than a decade. The President's budget continues to place top priority on investments in education, including:

- **Performance Accountability:** \$200 million in Title I to hold States and school districts more accountable for raising student achievement.
- **21st Century Community Learning Centers/After-School and Summer School Programs:** \$600 million for the 21st Century/After-School program, an increase of \$400 million over the FY 1999 level to help schools end social promotion through extended learning time.
- **New Qualified Teachers and Smaller Class Sizes:** \$1.4 billion as the second installment of the President's plan to help schools recruit, hire, and train 100,000 new teachers by 2005 and reduce class size in the early grades.
- **Tax Credits to Build Modern Schools for Our Children.** A centerpiece of the President's tax cut agenda is to provide Federal tax credits to support nearly \$25 billion in bonds to build and renovate public schools at a cost of \$3.7 billion over 5 years.
- **A \$963 Million Three-Part Initiative To Close America's Skills Gap:** 1) \$190 million increase for adult education and family literacy initiative. 2) \$368 Million increase for a universal re-employment initiative. 3) \$405 million increase for a youth employment initiative.
- **Expanding Head Start:** A \$607 million increase that will add 42,000 new slots for young children, including 7,000 Early Head Start slots, for total enrollment of 877,000 and on track to meet the one million participation goal by 2002.

The Republicans have responded with a proposal that puts top priority on a tax cut which explodes in cost and is targeted away from the middle class. Republicans have talked about making education a higher priority, but the actions in this budget are in the other direction. Because the tax cut is so large and consumes the entire on-budget surplus, the funds available for critical investments in education would be squeezed dramatically.

The Republican budget would require a more than 10 percent cut in 2000 and over 20 percent cut in 2004 unprotected discretionary programs. This would have a devastating impact on critical education, training, and other programs for children:

- **Head Start** funding would be less than FY 1998 levels, a reduction of \$1.1 billion from the FY 2000 Budget. A reduction of this magnitude would roll back all expansion progress made under the Clinton Administration, cutting services to up to 100,000 children, and making it practically impossible to reach the goal of serving one million children in Head Start by 2002. By 2004, Head Start enrollment would drop below FY 1999 levels by over 230,000 children.
- **Work Study** would be cut by \$106 million from the FY 1999 level of \$870 million, to the lowest level since FY 1996. The number of students served would decrease by 112,000, from 930,000 in FY 1999. If the Republican plan were assumed to continue through FY 2004, over a quarter of a million fewer students (257,000) would have the chance to work their way through college than in FY 1999.

Automated Records Management System
Hex-Dump Conversion

- **TRIO** funding would decrease by \$73 million, from \$600 million in FY 1999. As a result, approximately 117,000 fewer students would receive college preparation and support services in FY 2000 than in FY 1999. By FY 2004, the Republican plan would cut 224,000 disadvantaged students from TRIO programs.
- **GEAR-UP** would be reduced \$15 million, from \$120 million in FY 1999. This funding level would not be sufficient to fund non-competing continuation awards from FY 1999. Approximately 5,900 fewer low-income students would receive early intervention services in FY 2000 than in FY 1999. The Republican plan would further cut GEAR-UP so that more than 36,000 fewer students would receive services in FY 2004 than in FY 1999.
- **Dislocated Worker Assistance** would be cut by \$171 million below FY 1999, denying training, job search assistance, and support services to about 90,200 dislocated workers. In FY 2004, the Republican plan would deny services to over 205,600 dislocated workers.
- About 73,100 **training and summer job opportunities for low-income youth** would be eliminated. In FY 2004, about 166,000 low-income youth would be denied training and summer job opportunities.
- This reduction could terminate **Jobs Corps'** planned 4-center expansion and/or force Job Corps to close 5-6 other centers in 2000. This could eliminate about 5,000 residential training slots for extremely disadvantaged youth in 2000. In 2004, this could result in over 11,000 students being denied the opportunity to participate in Job Corps.
- The **Child Care and Development Block Grant (CCDBG)** would be reduced by \$122 million, eliminating child care assistance for up to 34,000 low-income children. By 2004, the number of children receiving assistance would drop below FY 1999 levels by up to 79,000 children.
- **WIC** funding would be cut to below FY 1995 levels, a reduction of over \$480 million from the FY 1999 level of \$3.9 billion, eliminating nutrition assistance for over 875,000 low income women, infants, and children each month. Furthermore, if the Republican plan were assumed to continue through FY 2004, funding for the program would be reduced by \$1.1 billion below the FY 1999 funding level, cutting approximately 1.9 million participants from the program.

The Republican Budget: Sacrificing Our Environment and Public Health

President Clinton is proposing a record \$33.9 billion in FY 2000 to protect our environment and public health, including major new initiatives to preserve America's lands legacy, combat air pollution and global warming, and help build livable communities for the 21st century.

The Republican budget not only fails to fund these environmental priorities, but imposes drastic cuts that would stop toxic waste cleanups, shut down national parks, cripple water quality programs, and heighten the risk of deadly wildfires.

The Republican budget slashes funding for priority domestic programs 12 percent in FY 2000 and 28 percent in 2004. Across-the-board cuts would have these devastating impacts on public health and the environment:

- ***Stopping 135 Toxic Waste Cleanups*** - The Republican budget would cut Superfund by a total of \$1.5 billion over the next five years, needlessly jeopardizing public health by preventing as many as 135 priority cleanups nationwide -- 92 percent of the federally led cleanups planned.
- ***Shutting Down National Parks*** - Cuts to the National Park Service would reduce services and hours of operation at 378 parks and other facilities serving almost 300 million visitors a year. In FY 2004, \$575 million in cuts would shut down many smaller parks and backcountry areas in larger parks, and jeopardize visitor safety by blocking vital maintenance and repairs.
- ***Squandering Our Lands Legacy*** - By failing to fund the President's Lands Legacy initiative, the Republican budget would block federal efforts to preserve natural treasures, and deny states and communities \$588 million to protect farmland, coastland, urban parks and other green spaces.
- ***Slashing Water and Public Health Protections*** - By FY 2004, cuts to the Environmental Protection Agency would eliminate funding for the Clean Water Action Plan, which helps communities clean up the 40 percent of surveyed waters still too polluted for fishing or swimming; and let polluters off the hook by crippling EPA's ability to enforce public health protections.
- ***Gambling with Global Warming*** - Cuts to the Department of Energy and EPA would gut efforts toward cleaner, more efficient energy for homes, transportation, and industry; and keep the Partnership for a New Generation of Vehicles from meeting its goal of new cars three times more fuel-efficient than today's models by 2004.
- ***Crippling Wildlife Protections*** - Cuts to the Fish and Wildlife Service, National Oceanic and Atmospheric Administration, and Army Corps of Engineers would hamper salmon restoration in the Pacific Northwest, shut down wildlife refuges, and halt efforts to restore endangered species.
- ***Raising the Risk of Deadly Wildfires*** - FY 2000 cuts to the Forest Service and Bureau of Land Management would close some lands to the public and reduce firefighting capabilities. A total of \$700 million in FY 2004 cuts for these two agencies would cripple firefighting capabilities, jeopardizing lives and property throughout the West.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAR-1999 21:57:45.00

SUBJECT: Hatch Guidance

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

BR/EK:

Proposed guidance on the Hatch crime bill. Also, I sent you summaries earlier today.

Jose'

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

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

TEXT:

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**Senate Republican Crime Bill
Questions and Answers
March 20, 1999**

Q: Yesterday, Senate Hatch and other Republicans unveiled an omnibus crime bill, the 21st Century Justice Act, and accused the Administration of cutting funds to law enforcement. What is your reaction to it?

A: While we have not had a chance to review Senator Hatch's bill, I understand we have seen a press release summarizing its major provisions. Most of the bill is not new. It reauthorizes a series of state and local crime programs -- some of which we support -- and includes Republican legislation on juvenile crime and drugs that have been making the rounds in Congress for some time now. These are priority issues for the Administration, and we welcome the opportunity to debate and discuss their merits.

But we have a serious and fundamental concern with Senator Hatch's bill -- and for that matter, with the Republican budget resolution: they both propose cutting the President's community policing program (COPS) by about \$1 billion. As you know, COPS has provided funds to over 11,000 communities to hire more than 92,000 police officers. It has helped spread community policing methods to thousands of police departments across the country, and it has been credited by countless law enforcement officials as one of the key reasons for the significant reduction in the crime rate over the past 6 years. Thus, we simply don't -- and won't -- agree with Senator Hatch and other Congressional Republicans that they way to fight crime in the 21st Century is by dismantling the successful COPS program.

By contrast, the President's budget and soon-to-be-introduced crime bill call for a \$1.3 billion 21st Century Policing Initiative that strengthens the current COPS program by: putting up to 50,000 more police on the street; funding new crime fighting technologies for police departments; hiring more local prosecutors to work with police; and helping to engage the entire community -- including principals, pastors, and parents -- in the fight against crime.

As for the recent criticisms by Senator Hatch and other Republicans on the President's law enforcement budget, we will let the record speak for itself. Since 1993, the Justice Department's budget has essentially doubled, and funding for state and local law enforcement has increased by more than 500%. There can be no question that this Administration has provided unprecedented support for law enforcement at all levels -- state, local and federal.