

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 099 - FOLDER -004

[07/07/1998-07/17/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JUL-1998 23:08:06.00

SUBJECT: Education Poll briefing

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

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

TO: Sidney Blumenthal (CN=Sidney Blumenthal/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: Judith A. Winston (CN=Judith A. Winston/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

TO: Ansley Jones (CN=Ansley Jones/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Rebecca M. Blank (CN=Rebecca M. Blank/OU=CEA/O=EOP @ EOP [CEA])

READ:UNKNOWN

TO: Doris O. Matsui (CN=Doris O. Matsui/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Virginia Apuzzo (CN=Virginia Apuzzo/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

CC: Jocelyn Neis (CN=Jocelyn Neis/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

CC: Tania I. Lopez (CN=Tania I. Lopez/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TEXT:

Nancy Zurkin of the American Association of University Women recently commissioned a poll to be conducted by Celinda Lake on " The Attitude of Women toward the role of Federal Government in Education." In discussing the poll results with Nancy, 78% of the women felt that the government should have a strong federal role in education. The poll will cover such issues as block grants, school safety, standards, etc.

On Tuesday, July 14, 1998 at 3:00 p.m. in the Roosevelt Room, Celinda and Nancy have agreed to brief the White House staff on the results of the poll before they become public. They will hold their official press conference on July 16th.

If you are interested in attending, please confirm your participation with TANYA LOPEZ in the Women's office at X67395.

Thanks.....MM

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-JUL-1998 16:12:16.00

SUBJECT: Women's Mtg

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

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

TO: Judith A. Winston (CN=Judith A. Winston/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

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

TO: Roberta W. Greene (CN=Roberta W. Greene/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

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

TO: Rebecca M. Blank (CN=Rebecca M. Blank/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

CC: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

CC: Mona G. Mohib (CN=Mona G. Mohib/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

CC: Mindy E. Myers (CN=Mindy E. Myers/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

TEXT:

There will be a Women's Mtg on Thursday at 9am in room 100. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Donna L. Geisbert (CN=Donna L. Geisbert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUL-1998 07:14:12.00

SUBJECT: Weekly Tobacco Strategy Meeting

TO: marti.thomas (marti.thomas @ ms01.do.treas.sprint.com @ inet [UNKNOWN])
READ:UNKNOWN

TO: Grundman-Stacey (Grundman-Stacey @ dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: sheketoff-emily (sheketoff-emily @ dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

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

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

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

TO: DAILARD_C (DAILARD_C @ A1 @ CD @ VAXGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

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

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

TO: Jeanne Lambrew (CN=Jeanne Lambrew/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: JONATHAN.GRUBER (JONATHAN.GRUBER @ MS01.DO.treas.sprint.com @ inet [UNKNOWN])
READ:UNKNOWN

TO: Jennifer.moore (Jennifer.moore @ justice.usdoj.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: guzy.gary (guzy.gary @ epamail.epa.gov @ inet [UNKNOWN])
READ:UNKNOWN

TO: johara (johara @ osophs.dhhs.gov @ inet [UNKNOWN])

READ:UNKNOWN

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

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

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

TO: MARR_C (MARR_C @ A1 @ CD @ VAXGTWY [UNKNOWN]) (OPD)
READ:UNKNOWN

TO: Charles F. Stone (CN=Charles F. Stone/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

CC: haverkamp_jennifer (haverkamp_jennifer @ ustr.gov @ INET @ VAXGTWY [UNKNOWN])
READ:UNKNOWN

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

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

CC: MURRAY_MM (MURRAY_MM @ A1 @ CD @ VAXGTWY [UNKNOWN]) (WHO)
READ:UNKNOWN

CC: Satish Narayanan (CN=Satish Narayanan/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

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

TEXT:

This meeting is scheduled for Thursday, July 9, at 2:45 in Room 100 of
OEOB.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-JUL-1998 14:43:55.00

SUBJECT: REVISED LABOR Draft Bill on Trade Adjustment Assistance Reform Act of 1998

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

TO: Jon D. Haveman (CN=Jon D. Haveman/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Sandra Yamin (CN=Sandra Yamin/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: Randolph M. Lyon (CN=Randolph M. Lyon/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Christopher D. Carroll (CN=Christopher D. Carroll/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

CC: mmorin (mmorin @ dol.gov @ inet [UNKNOWN])
READ:UNKNOWN

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

TEXT:

The document has been redlined to indicate changes made to the earlier version.

----- Forwarded by Melissa N. Benton/OMB/EOP on 07/09/98

02:39 PM -----

Total Pages: _____

LRM ID: MNB199
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Wednesday, July 8, 1998

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: REVISED LABOR Draft Bill on Trade Adjustment Assistance Reform Act of 1998

DEADLINE: Noon Monday, July 13, 1998

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 the Department of Labor's revised draft of the Trade Adjustment Assistance Reform Act of 1998.

DISTRIBUTION LIST

AGENCIES:

25-COMMERCE - Michael A. Levitt - (202) 482-3151
 128-US Trade Representative - Fred Montgomery - (202) 395-3475
 61-JUSTICE - L. Anthony Sutin - (202) 514-2141
 7-AGRICULTURE - Marvin Shapiro - (202) 720-1516
 110-Social Security Administration - Judy Chesser - (202) 358-6030
 118-TREASURY - Richard S. Carro - (202) 622-0650
 30-EDUCATION - Jack Kristy - (202) 401-8313

EOP:

Barbara Chow
 Barry White
 Larry R. Matlack
 Carole Kitti
 Jonathan Orszag
 Cecilia E. Rouse
 Karen Tramontano
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 Donna M. Rivelli
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 Jennifer E. Brown
 Christopher D. Carroll
 Jon D. Haveman
 Randolph M. Lyon
 Laurence R. Jacobson
 Daniel J. Chenok
 Janet R. Forsgren
 James C. Murr

LRM ID: MNB199 SUBJECT: REVISED LABOR Draft Bill on Trade Adjustment Assistance Reform Act of 1998

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)

DRAFT TRANSMITTAL LETTER FROM SECRETARY
HERMAN TO THE CONGRESS

I enclose for the consideration of the Congress a draft bill entitled the "Trade Adjustment Assistance Reform Act of 1998." By combining the best features of the existing Trade Adjustment Assistance (TAA) and the NAFTA Transitional Adjustment Assistance (NAFTA-TAA) programs into a consolidated TAA program, this draft bill would provide effective, comprehensive assistance to workers adversely affected by international trade.

This legislation follows through and expands upon the commitment made by the President last fall to improve and expand Trade Adjustment Assistance to workers. The draft bill would authorize the consolidated TAA program for five years, through fiscal year 2003. The consolidated program would expand eligibility to workers who lose their jobs due to shifts in production by their firm to other countries. Currently, TAA eligibility is restricted to workers adversely affected by imports and NAFTA-TAA is limited to workers adversely affected by imports from or shifts in production to Mexico or Canada. This expanded eligibility will ensure comprehensive assistance is available to workers who lose their jobs due to imports from or shifts in production to any foreign country.

The bill also ensures that ~~requires the immediate provision of~~ rapid response and basic readjustment services will be made available to workers upon the filing of a petition for TAA eligibility. These services are critical to facilitating rapid reemployment of workers and provide important information to those workers relating to the resources available at the Federal, State and local level to assist them. In addition, the legislation requires a one-third reduction in the

time period for the Department of Labor to process petitions for certification of eligibility under TAA; increases the annual cap on training expenditures to \$150 million; and provides contingency funds should the program exhaust appropriated funds in any fiscal year.

The draft bill also harmonizes the differing rules of the programs relating to requiring enrollment in training as a condition for receiving income support. These rules would retain the program's emphasis on linking income support to training while allowing specified, limited exceptions where appropriate to assist certain workers. In addition, the bill would assist workers by expanding the period for scheduled breaks in a training program during which a worker may continue to receive income support.

The draft bill also contains provisions enhancing coordination between the consolidated TAA program and the dislocated worker program under the Job Training Partnership Act (JTPA). In particular, the bill would significantly enhance the accountability of the consolidated program by ensuring that TAA and the dislocated worker program have common performance outcome measures and information, which would include information on the placement in employment, earnings (including wage replacement) and retention in employment of participants.

The bill would also require coordination to ensure workers have access to employment-related services available in one-stop career centers and would authorize the use of funds to provide supportive services. Finally, the bill assures that information will ~~continue to be~~ collected and maintained identifying the countries to which production is shifted and ~~or~~ from which articles are imported that result in certifications and the number of certifications relating to each country. This will include information on the number of certifications relating to imports from or shifts in products to Mexico or Canada, which will assist in making eligibility determinations under

related NAFTA programs and in assessing the adequacy of the consolidated program. This consolidation of the existing programs would therefore result in a program that responds to the needs of workers adversely affected by trade in a more rapid, comprehensive, and accountable manner.

It should be noted that this legislation would build on administrative efforts already undertaken by the Department to improve the programs. In addition, the legislation would be supplemented by the Administration's commitment to make funds available under the National Reserve Account in the JTPA dislocated worker program to address the needs of workers in firms that are secondarily affected by international trade -- that is suppliers to directly affected firms and assemblers and final processors of articles produced by such firms. These workers would be eligible to receive the same assistance available to workers under the consolidated TAA program.

Together, these reforms would provide critical assistance to help workers who lose their jobs due to international trade to obtain reemployment and would help to ensure that all Americans can benefit from economic change.

In addition, at the request of the Department of Commerce, the draft bill includes a provision extending for the same five year period the trade adjustment assistance for firms program administered by that Department under chapter 3 of title II of the Trade Act of 1974.

Automated Records Management System
Hex-Dump Conversion

I urge the Congress to give the draft bill prompt and favorable consideration.

[INSERT OMB PARAGRAPHS ON PAYGO]

The Office of Management and Budget advises that...

Sincerely,

Alexis M. Herman

Enclosures

Draft
7/898

A BILL

To consolidate and enhance the Trade Adjustment Assistance and NAFTA Transitional Adjustment Assistance programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Trade Adjustment Assistance Reform Act of 1998".

SEC.2. AUTHORIZATION OF CONSOLIDATED TRADE ADJUSTMENT ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.-Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended to read as follows:

"Sec. 245. AUTHORIZATION OF APPROPRIATIONS.- There are authorized to be appropriated to the Department of Labor for each of fiscal years 1999, 2000, 2001, 2002, 2003, such sums as may be needed to carry out the purposes of this chapter.

(b) TERMINATION.-Section 285(c) of such Act (19 U.S.C. 2271, preceding note) is amended to read as follows:

“(c) No assistance, vouchers, allowances or other payments may be provided under chapter 2, and no technical assistance may be provided under chapter 3, after September 30, 2003.”.

(c) REPEAL OF SUBCHAPTER D.- Section 250 of the Trade Act of 1974 such Act (19 U.S.C.2337 2331) is repealed.

(d) CONFORMING AMENDMENT.- Section 249A of such Act (19 U.S.C. 2322) is repealed.

SEC.3. FILING OF PETITIONS AND PROVISION OF RAPID RESPONSE ASSISTANCE.

(a) FILING OF PETITIONS- Section 221 (a) of the Trade Act of 1974 (19U.S.C. 2271(a)) is amended to read as follows:

“(a) FILING OF PETITIONS AND RAPID RESPONSE ASSISTANCE.-

“(1) FILING OF PETITIONS.-A petition for certification of eligibility to apply for adjustment assistance under this chapter may be filed by a group of workers (including workers in an agricultural firm or subdivision of any agricultural firm) or by their certified or recognized union or other duly authorized representative with the Governor of the State in which such workers’ firm or subdivision is located. For purposes of this paragraph, the duly authorize representative may include entities such as the workers’ firm, the State dislocated worker unit, other State agencies, and one-stop career centers.

“(2) STATE RESPONSIBILITIES AND RAPID RESPONSE.-Upon receipt of a petition filed under paragraph (1), the Governor shall-

“(A) immediately transmit the petition to the Secretary of Labor

(hereinafter in this chapter referred to as the "Secretary");

"(B) ensure that rapid response assistance and basic readjustment services authorized under other Federal law are made available to the workers covered by the petition to the extent authorized under such law; and

"(C) assist the Secretary in the review of the petition by verifying such information and providing such other assistance as the Secretary may request.

"(3) PUBLICATION.- Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation."

(b) EXPEDITED REVIEW OF TAA PETITION BY THE SECRETARY.- Section 223(a) of such Act (19 U.S.C. 2273(a)) is amended by striking "60 days" and inserting "40 days".

SEC.4. ADDITION OF SHIFT IN PRODUCTION AS BASIS FOR TAA ELIGIBILITY.

Section 222(a) of the Trade Act of 1974 (19 U.S.C. 2272(a)) is amended to read as follows:

"(a) IN GENERAL- A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as eligible to apply for adjustment assistance under this chapter pursuant to a petition filed under section 221 if the Secretary determines that a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated, and either-

"(1) that-

“(A) the sales or production, or both, of such firm or subdivision have decreased absolutely,

“(B) imports of articles like or directly competitive with articles produced by such firm or subdivision have increased, and

“(C) the increase in imports under subparagraph (B) contributed importantly to such workers’ separation or threat of separation and to the decline in the sales or production of such firm or subdivision; or

“(2) that there has been a shift in production by such workers’ firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by the firm or subdivision.”.

SEC. 5. ENROLLMENT IN TRAINING REQUIREMENT.

Section 231(a)(5)(A) of the Trade Act of 1974 (19 U.S.C. 2291(a)(5)(A)) is amended to read as follows:

“(A)(i) is enrolled in a training program approved by the Secretary under section 236(a); and

“(ii) the enrollment required under clause (i) occurs no later than the latest of--

“(I) the last day of the 16th week after the worker’s most recent total separation from adversely affected employment which meets the requirements of paragraphs (1) and (2) of section 231(a);

“(II) the last day of the 8th week after the week in which the Secretary issues a certification covering the worker; or

“(III) 45 days after the later of subclause (I) or (II), if the Secretary

determines there are extenuating circumstances that justify an extension in the enrollment period;”.

SEC.6. WAIVERS OF TRAINING REQUIREMENTS.

(a) IN GENERAL- Section 231(c) of the Trade Act of 1974 (19 U.S.C. ~~2241~~2291(c)) is amended to read as follows:

“(c)(1) The Secretary may issue a written statement to a worker waiving the enrollment in training requirement of subsection (a)(5)(A) if the Secretary determines that-

“(A) the worker has been notified that the worker will be recalled by the firm from which the qualifying separation occurred;

“(B) the worker has marketable skills as determined pursuant to an assessment of the worker, which may include an assessment under the profiling system under section 303(j) of the Social Security Act, carried out in accordance with guidelines issued by the Secretary;

“(C) the worker is within two years of qualifying for retirement benefits under the Social Security Act;

“(D) the worker is unable to participate in training due to health of the worker, except that a waiver under this subparagraph shall not be construed to exempt a worker from requirements relating to availability for work, active search for work, or refusal to accept work under State or Federal unemployment compensation laws;

“(E) the first available enrollment date for the approved training program of the worker is within 45 days of the determination made under this paragraph; or

“(F) there are insufficient funds available for training under this chapter,

taking into account the limitation under section 236(a)(2)(A).

~~“(2) If the Secretary determines the basis for issuing~~The Secretary shall specify the duration for the waiver under paragraph (1) is no longer applicable to a worker, and shall periodically review the waiver to determine whether the basis for issuing the Secretary shall issue a written statement to the worker revoking the waiver remains applicable. If at any time the Secretary determines such basis is no longer applicable to the worker, the Secretary shall revoke the waiver.

“(3) Pursuant to the agreement under section 239, the Secretary may authorize the State or State agency to carry out activities described in paragraph (1) (except for the determination under paragraph (1)(F)) and paragraph (2). Such agreement shall include a requirement that the State or State agency submit to the Secretary the written statements provided pursuant to paragraph (1) and a statement of the reasons for the waiver.

“(4) The Secretary shall submit a annual report to the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives identifying the number of workers who received waivers ~~under paragraph (1) and the number and the average duration of waivers revoked under paragraph (2)~~such waivers issued under this subsection during the preceding year.”

(b) CONFORMING AMENDMENT.- Section 231(a)(5)(C) of such Act (19 U.S.C. 2291 (a)(5)(C)) is amended by striking “certified”.

SEC.7. PROVISION OF TRADE READJUSTMENT ALLOWANCES DURING BREAKS IN TRAINING.

Section 233(f) of the Trade Act of 1974 (19 U.S.C. 2293(f)) is amended by striking “14

days” and inserting “30 days”.

SEC.8. INCREASE IN TAA TRAINING CAP.

Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C.2296(a)(2)(A)) is amended by striking “\$80,000,000” and inserting “\$150,000,000”.

SEC 9. ELIMINATION OF QUARTERLY REPORT.

Section 236(d) of the Trade Act of 1974 (19 U.S.C. 2296(d)) is amended by striking the last sentence of such subsection.

SEC.10. COORDINATION WITH JTPA AND ONE-STOP CAREER CENTERS.

(a) COORDINATION WITH JTPA.- Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended by inserting after the first sentence of such subsection the following sentence:

“Such coordination shall include common reporting systems and elements, including common elements relating to participant data and performance outcomes.”.

(b) COORDINATION WITH ONE-STOPS.- Section 235 of such Act (19 U.S.C. 2295) is amended by inserting “,including the services provided through one-stop career centers” before the period at the end of the first sentence.

SEC. 11.SUPPORTIVE SERVICES.

Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is further amended by adding at the end the following sentences:

“In addition, the Secretary may authorize the use of funds available under this chapter to provide supportive services to enable adversely affected workers to participate in or complete

training. For purposes of this section, the Secretary shall issue guidance on the provision of supportive services that is consistent with the provision of such services under the dislocated worker program under title III of the Job Training Partnership Act."

SEC.12.PERFORMANCE INFORMATION.

Section 239 of the Trade Act of 1974 (19 U.S.C. 2311) is amended by adding the following new subsection:

"(g) PERFORMANCE INFORMATION.

Any agreement entered into under this section shall include a requirement that the State report such performance information as the Secretary may require. At a minimum, such information shall include the rates of entered employment, wage replacement, earnings 6 months after termination, and retention in employment 6 months after termination for participants in the program under this chapter."

SEC.13. AVAILABILITY OF CONTINGENCY FUNDS.

Section 245 of the Trade Act of 1974 (19 U.S.C. 2314~~2317~~) is amended by adding at the end of the following subsection:

"(c) CONTINGENCY FUNDS.- Subject to the limitation contained in section 236(a)(2), if in any fiscal year the funds available to carry out the programs under this chapter are exhausted, there shall be made available –from funds in the Treasury not otherwise appropriated amounts sufficient to carry out such programs for the remainder of the fiscal year."

SEC. 14. INFORMATION ON CERTAIN CERTIFICATIONS.

Section 223 of the ~~trade~~Trade Act of 1974 (19 U.S.C. 2273) is amended by adding the

following subsection:

“(e) COLLECTION OF CERTAIN INFORMATION.- The Secretary shall collect

and maintain information ~~--relating to~~

(1) identifying the number of certifications under this chapter that are based on shifts of countries to which firms have shifted production to Mexico and Canada, and, to the extent resulting in certifications under section 222(a)(2), and the number of such certifications relating to each such country;

(2) to the extent feasible, the number of certifications based on imports of articles identifying the countries from Mexico and Canada.” which imports of articles have resulted in certifications under section 222(a)(11), and number of certifications relating to each such country.

SEC.15. AUTHORIZATION OF APPROPRIATIONS FOR TRADE ADJUSTMENT ASSISTANCE FOR FIRMS ADMINISTERED BY THE DEPARTMENT OF COMMERCE.

Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended to read as follows:

“(b) AUTHORIZATION OF APPROPRIATIONS.- There are hereby authorized to be appropriated to the Secretary of Commerce for fiscal years 1999, 2000, 2001, 2002, and 2003 such sums as may be necessary to provide technical assistance under section 253.”

SEC.16. EFFECTIVE DATE AND TRANSITION.

(a) EFFECTIVE DATE.- The provisions of this Act shall take effect on October 1, 1998.

(b) TRANSITION.- The Secretary is authorized to establish such rules as may be appropriate to provide for an orderly transition from the provisions of law amended or repealed by this Act.

SECTION-BY-SECTION ANALYSIS OF THE TAA
AND NAFTA-TAA CONSOLIDATION ACT OF 1998

Section 1 provides that the short title of the Act is the "Trade Adjustment Assistance Reform Act of 1998".

Section 2 contains the authorization for the consolidated Trade Adjustment Assistance (TAA) program.

Section 2(a) authorizes such sums as may be necessary to be appropriated to the Department of Labor to carry out the program for each of the five succeeding fiscal years -- FY 1999 through FY 2003.

Section 2(b) provides a termination date for assistance under the consolidated program and for the trade adjustment assistance for firms administered by the Department of Commerce of September 30, 2003.

Section 2(c) repeals the NAFTA Transitional Adjustment Assistance (NAFTA-TAA) program.

Section 3 relates to the filing of petitions and the provision of rapid response assistance by the States.

Section 3(a) provides that a petition for certification of eligibility to apply for assistance is to be filed by a group of workers or by their union or other representative with the Governor of the State in which the workers' firm is located. The other representatives who may file the petition on behalf of the workers include entities such as the workers' firm, the State dislocated worker unit, other State agencies, and one-stop career centers. The Governor is to immediately transmit the petition to the Secretary of Labor; ensure that rapid response assistance and basic readjustment services authorized under other Federal law are made available to workers covered by the petition; and assist the Secretary in reviewing the petition by verifying information and providing such other assistance as the Secretary may request. The Secretary is to publish a notice in the Federal Register upon receipt of an petition that an investigation has been initiated. This provision is a hybrid of the current petition procedures under the two programs. Currently under TAA the petition is filed with the Secretary rather than the State and there is no requirement that the State provide appropriate rapid response services. Rapid response assistance and basic readjustment services provide critical information and services that can often facilitate coordinated planning and more rapid reemployment for affected workers. Therefore, it is essential that this assistance be included in the consolidated program. Currently, under NAFTA-TAA the petition is filed with the Governor, who has ten days to make a preliminary determination of eligibility, and then transmits the petition to the Secretary for a final determination. Rapid response assistance is required upon an affirmative finding. The consolidated provision relieves the burden on the States of making a preliminary determination and avoids unnecessary delay in the provision of rapid response assistance. Under the

consolidated provision, the State is also to provide such assistance in reviewing the petition as the Secretary may request, which should assist in expediting the review process.

Section 3(b) accelerates the time period in which the Secretary is to complete a review of the petitions from the current 60 days after a petition is filed under TAA to 40 days after a petition is filed under the consolidated program.

Section 4 adds as a basis for eligibility under the consolidated TAA program job loss due to the shift in production by the workers' firm to another country. Currently, TAA eligibility is limited to workers who are adversely affected by imports. NAFTA-TAA eligibility is based on workers already affected by imports from Mexico and Canada or a shift in production to either of those two countries. The consolidated TAA program will base eligibility on workers adversely affected by either imports from or shifts in production to any foreign country.

Specifically, the amended section 222(a) of the Trade Act of 1974 would provide that a group of workers filing a petition will be eligible for assistance if the Secretary determines that a significant number or proportion of the workers in the workers' firm or subdivision have become separated, or are threatened with separation, and either: (1) the sales or production of the firm have decreased absolutely, imports of articles like or directly competitive with the articles produced by the firm or subdivision have increased, and the increase in imports contributed importantly to the workers' separation and to the decline in sales or production by the workers' firm, or (2) there has been a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with the articles produced by the firm or subdivision.

Section 5 would apply to the consolidated TAA program an enrollment in training

requirement for income support similar to the requirement that is currently included under NAFTA-TAA. Under this requirement, in order to be eligible to receive income support under the program while in training, a worker must be enrolled in training not later than either the last day of 16th week of a worker's most recent total qualifying separation or the 8th week after a certification of eligibility is issued. The Secretary may extend these periods by 45 days if there are extenuating circumstances, such as a course is cancelled or the first available enrollment date for a particular program is later. This requirement encourages workers to make training decisions early in their spell of unemployment which will accelerate reemployment and enhance the adjustment process.

Section 6 specifies the conditions under which a waiver may be issued from the general requirement that a worker be enrolled in training to receive income support. This provision is a hybrid between the TAA program, which provides general waiver authority where training is deemed to be not "feasible or appropriate" for a worker, and NAFTA-TAA which does not allow any waivers of the requirements.

Specifically, the new provision allows a waiver under the following six conditions: (1) the worker has been notified that the worker will be recalled to employment; (2) the worker has marketable skills as determined pursuant to an assessment; (3) the worker is within two years of qualifying for retirement benefits under the Social Security Act; (4) the worker is unable to participate in training due to health (except this does not exempt the worker from available for work requirements otherwise applicable to the receipt of income support); (5) the first available enrollment date is within 45 days; or (6) there are insufficient funds for training under the chapter. The Secretary is to specify the duration of each waiver and periodically review the

waiver to ensure the basis for granting it remains applicable to the worker.

These requirements are intended to ensure that the primary purpose of income support under the Act -- to assist workers while they are participating in training -- is maintained while allowing for reasonable exceptions under certain circumstances.

Section 7 would expand the period for which a worker may continue to receive income support during breaks in training. Currently, a worker may not receive income support during a break in training if the break exceeds 14 days. This imposes hardships on certain workers, particularly over the winter holidays. In addition, since training is increasingly being provided through community colleges and other institutions with breaks scheduled longer than 14 days, this limitation will be increasingly problematic. The amendment would extend the break-in-training period to 30 days, which would generally accommodate training institution schedules while preserving the linkage of income support under the program to participation in training.

Section 8 would provide a training cap for the consolidated program of \$150 million. Currently, the cap for the TAA program is \$80 million and the NAFTA-TAA is \$30 million. The increase is intended to address the expansion of eligibility due to shifts in production, an expected increase in the programs take-up rate due to the Department's administrative efforts to expand outreach, and to account for the reduction in the number of training waivers expected under the revised rules.

Section 9 would eliminate a quarterly report to the Congress on training expenditures. The report appears to be of limited utility. The Department has been and will remain committed to ensuring that Congress is fully informed regarding expenditures under the program, especially

where it is anticipated that the expenditures will reach the cap.

Section 10 provides for expanded coordination between the consolidated TAA program and the dislocated worker program administered under the Job Training Partnership Act. Specifically, section 10(a) provides that the coordination is to include common reporting systems and elements, including elements relating to participant data and performance outcomes. This ~~information~~ will significantly enhance the accountability of the consolidated program and facilitate enhanced cooperation between and assessments of the two programs.

In addition, section 10(b) provides that in ensuring workers are provided employment-related services, the Secretary is to ensure such services include services at one-stop career centers. These centers are being established throughout the country pursuant to Department of Labor grants and will be an invaluable resource in providing information, services, and referrals to TAA participants.

Section 11 provides that the Secretary may authorize funds under this chapter to be used to provide supportive services to enable eligible workers to participate in or complete training. These services, such as transportation and child care, may be critical to facilitating a worker's participation in training and are authorized under JTPA training programs. While as under current law this provision retains a requirement that the Secretary attempt to arrange for the provision of these services by other programs, it allows the Secretary to authorize the use of funds under this chapter to provide these services where such attempts are unsuccessful.

Section 12 provides that the agreement for administration of the program between the State and the Secretary is to include a requirement that the State reports performance information that the Secretary requests. At a minimum, this performance information is to include rates of

entered employment, wage replacement, and earnings and retention in employment six months after termination from the program. These performance measures are consistent with JTPA and will significantly enhance the accountability under the consolidated TAA program.

Section 13 provides that contingency funds are to be made available to the consolidated TAA program if appropriated funds are exhausted in any fiscal year. This provision does not supersede and is subject to the \$150 million cap on training expenditures. These funds are to be made available from funds in the Treasury that are not otherwise appropriated and will ensure that the commitment to provide assistance to adversely affected workers is not breached.

Section 14 provides that the Secretary is to collect and maintain information identifying the countries to which production is shifted and, to the extent feasible, from which articles are imported that result in certifications under this chapter and in the number of certifications relating to each such country. The provision qualifies the collection of information on imports "to the extent feasible" because it is sometimes difficult to identify the primary source of imported articles since such articles may have components produced in several different countries or may be transshipped among countries. These information collection requirements will result in the availability of information relating to certifications based on shifts in production to and imports from Mexico and Canada, which relating to the number of certifications issued under da the consolidated TAA program that are based on the shift in production to Mexico and Canada and, to the extent feasible, on imports from those two countries. Such information would be useful to the Congress and other policy makers in assessing the adequacy of the consolidated program. It would also maintain a commitment to account for program activity relating to trade with Mexico or Canada and would facilitate eligibility determinations for related

programs, such as the North American Development Bank and Community Adjustment and Investment Program.

Section 15 would authorize appropriations of such sums as may be necessary for fiscal years 1999-2003 for trade adjustment assistance for firms under chapter 3 of title II of the Trade Act of 1974, which is administered by the Department of Commerce. This authorization period is consistent with the authorization period for trade adjustment assistance for workers under chapter II that is provided in section 2 of this bill.

Section 16 provides the effective date and transition provisions. Section 16(a) provides that the provisions of the Act are to take effect on October 1, 1998. Section 16(b) authorizes the Secretary to establish appropriate rules to facilitate or orderly transition from the separate TAA and NAFTA-TAA programs to the consolidated program.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Shannon Mason (CN=Shannon Mason/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:11-JUL-1998 03:48:56.00

SUBJECT: Income/poverty mtg

TO: Rebecca M. Blank (CN=Rebecca M. Blank/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

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

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

CC: Francine P. Obermiller (CN=Francine P. Obermiller/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

CC: Satish Narayanan (CN=Satish Narayanan/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:

The next income/poverty meeting will be held Monday, July 20th at 2:00 PM
in Sally's office, Room 231.

Please confirm your attendance.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-JUL-1998 18:05:35.00

SUBJECT: Reminder--comments on MNB199, Revised Labor Draft Bill on Trade Adjustment

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

TO: Jon D. Haveman (CN=Jon D. Haveman/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

TO: Christopher D. Carroll (CN=Christopher D. Carroll/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

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

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

TEXT:

This is a reminder that your comments on the subject draft bill are due.

Please provide all comments no later than COB tomorrow, July 14th. If I do not hear from you, I will assume you have no comments and will proceed with clearing the bill.

Please call (5-7887) if you have comments or questions. Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Sean P. Maloney (CN=Sean P. Maloney/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME:15-JUL-1998 16:01:59.00

SUBJECT: The President's Trip to AR/LA

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Cecily C. Williams (CN=Cecily C. Williams/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: Christopher Wayne (CN=Christopher Wayne/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Todd Stern (CN=Todd Stern/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Joshua Silverman (CN=Joshua Silverman/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

TO: Simeona F. Pasquil (CN=Simeona F. Pasquil/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: Kevin S. Moran (CN=Kevin S. Moran/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: Joseph P. Lockhart (CN=Joseph P. Lockhart/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: Sara M. Latham (CN=Sara M. Latham/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

TO: Cynthia M. Jasso-Rotunno (CN=Cynthia M. Jasso-Rotunno/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

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

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

TO: Daniel K. Chang (CN=Daniel K. Chang/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ:UNKNOWN

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

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

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

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

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

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

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

TO: Anne M. Edwards (CN=Anne M. Edwards/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: Carolyn E. Cleveland (CN=Carolyn E. Cleveland/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: Debra D. Bird (CN=Debra D. Bird/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

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

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

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

TEXT:

On Friday afternoon, July 17, 1998, the President will travel to Little Rock, Arkansas. On Saturday, he will address the State Committee meeting, have a photo-op with candidates and attend the Arkansas Victory '98 dinner and the DSCC dinner for Blanche Lambert Lincoln. On Sunday, he will have the day off and travel to New Orleans, Louisiana, in the evening. On Monday, he will address the American Federation of Teachers conference, meet with African American law enforcement officials, and attend the Jefferson luncheon and a DNC dinner. He will return to the White House late Monday evening. Deadlines for the President's trip book are as follows:

AR & LA Background Memos:

DUE THURS., JULY 16, AT 3:00 P.M.

- Political Memos
- CEQ Hot Issues
- Cabinet Affairs Hot Issues
- Accomplishments
- Economic One-Pager

AR Event Memos:

DUE THURS., JULY 16, AT 6:00 P.M.

- State Committee Meeting
- Arkansas Victory Dinner '98
- DSCC Dinner

LA Event Memos:

DUE FRI., JULY 17, AT 6:00 P.M.

- AFT Speech
- African American Law Enforcement Drop-By
- Jefferson Luncheon
- DNC Dinner

Please call or e-mail me if you have any questions. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lisa M. Jones (CN=Lisa M. Jones/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:16-JUL-1998 19:09:36.00

SUBJECT: Heads-up Memo

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

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

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

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

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

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

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

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

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

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

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

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

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

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

READ: UNKNOWN

TEXT:

The memo below was signed and sent to Erskine Bowles on Wednesday, July 15th.

MEMORANDUM FOR ERSKINE BOWLES

THROUGH: Jack Lew

FROM: Donald R. Arbuckle

SUBJECT: Heads up on HHS Notice Defining Federal Public Benefit and DOJ Proposed Rule on Verification of Eligibility for Public Benefits

HHS and DOJ are preparing to publish two documents in the Federal Register (an HHS notice and a DOJ proposed rule) that will provide the framework for implementing key provisions in the 1996 Welfare Reform Law, banning the receipt of Federal public benefits for non-qualified (largely illegal) aliens.

The HHS notice presents for the first time the Administration's interpretation of the definition of a Federal public benefit and provides a list of the HHS programs so defined. To date, programs have been operating without knowing whether they fall under the definition. In the notice, only those Federal programs that have an explicit eligibility determination process are defined as public benefit programs. This definition thus includes programs like Medicare, child care and the Child Health Insurance Program, but excludes public health clinics.

The DOJ proposed rule requires Federal public benefit programs to verify alien and citizenship status. The rule is mandatory for Federal Public Benefit programs, but is optional guidance for State and local programs. Charities are exempt. The law requires these programs to conduct matches with an INS database of eligible aliens to verify alien status. The rule would require applicants to provide written proof of their citizenship, unless the agency already has regulations in place governing citizenship verification. The rule also provides a temporary waiver for those programs where written verification would present a hardship, to allow programs time to comply with the new rule.

We believe that as a combined policy, the definition and the verification requirements form a fairly middle ground position and should be generally well received. We cannot, however, rule out a surprise response, from Congress or the field.

cc: Maria Echaveste
Rahm Emanuel
Larry Stein
Ron Klain
Thurgood Marshall, Jr.
Ann Lewis
Sally Katzen
Minyon Moore
John Podesta
Bruce Reed
Gene Sperling
Elena Kagan
Barry Toiv

Michael Waldman
Janet Yellen
Mickey Ibarra
Barbara Chow
Michael Deich

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-JUL-1998 11:29:06.00

SUBJECT: REVISED HUD Conference Document on S462,HR 2 Public Housing Reform and Res

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

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

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

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

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

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

TO: Shelly A. McAllister (CN=Shelly A. McAllister/OU=OMB/O=EOP@EOP [OMB])
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TO: David J. Haun (CN=David J. Haun/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Maya A. Bernstein (CN=Maya A. Bernstein/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: Matthew McKearn (CN=Matthew McKearn/OU=OMB/O=EOP@EOP [OMB])
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: Diana Fortuna (CN=Diana Fortuna/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: James F. Jordan (CN=James F. Jordan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Hang T. Tran (CN=Hang T. Tran/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

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

READ:UNKNOWN

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

TO: Christopher D. Carroll (CN=Christopher D. Carroll/OU=CEA/O=EOP@EOP [CEA])
READ:UNKNOWN

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

TO: Kate P. Donovan (CN=Kate P. Donovan/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Norwood J. Jackson Jr (CN=Norwood J. Jackson Jr/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

TO: Winifred Y. Chang (CN=Winifred Y. Chang/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TO: Andrea Kane (CN=Andrea Kane/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: Katherine L. Meredith (CN=Katherine L. Meredith/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

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

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

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

TEXT:

The document is attached following the LRM.

----- Forwarded by Melissa N. Benton/OMB/EOP on 07/17/98

11:24 AM -----

Total Pages: _____

LRM ID: MNB203
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Friday, July 17, 1998

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: REVISED HUD Conference Document on S462,HR 2 Public
Housing Reform and Responsibility Act of 1997

DEADLINE: 10 a.m. Monday, July 20, 1998

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 the latest draft of HUD's letter to the Conferees on public housing reform legislation. This draft has been marked up to show changes since the last draft.

Please note the addition of the veto threat on p. 2.

DISTRIBUTION LIST

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61-JUSTICE - L. Anthony Sutin - (202) 514-2141
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 Joanne Chow
 Christopher D. Carroll
 Janet R. Forsgren
 James C. Murr

LRM ID: MNB203 SUBJECT: REVISED HUD Conference Document on S462,HR 2
 Public Housing Reform and Responsibility Act of 1997

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:

1998 Public Housing Reform Bills

Letter to the Conferees

Dear Conferee:

I am writing to make you aware of the Administration's views on the public housing reform legislation you are now considering in the conference to reconcile S. 462 and H.R. 2. These bills propose major changes in the public housing and tenant-based Section 8 programs. Over several years now, both the Congress and the Administration have put a great deal of thought and hard work into the pursuit of sound reform legislation. As you move ahead in the conference, I look forward to our continued collaboration, so that important and long-overdue reforms may finally be enacted and implemented.

INTRODUCTION

The Administration strongly supports the goals of S. 462 and H.R. 2 -- to streamline and reorganize the Nation's public housing system in a manner which will benefit public housing residents, facilitate the efficient use of Federal resources, and increase accountability to the public.

The Administration also appreciates the willingness of both the House and Senate to draw upon management reform and other provisions in the Administration's bill -- the Public Housing Management Reform Act of 1997.

However, the Administration has a number of major concerns about S. 462 and H.R. 2 as-passed which, among other things, require the Conferees to take the following actions:

- Provide more targeting of scarce housing assistance to the neediest families;
- Delete the H.R. 2 provision allowing "fungibility" to meet income targeting requirements;
- Delete or address the serious flaws in H.R. 2's "Home Rule Flexible Grant Option";
- Delete the self-sufficiency agreements and the community work provisions in H.R. 2;
- Delete the Housing Evaluation and Accreditation Board created by H.R. 2;

Automated Records Management System
Hex-Dump Conversion

Enact the Administration's provision for mandatory receiverships for troubled PHAs that do not improve sufficiently within one year, as well as related management assessment provisions;

Further streamline "PHA Plan" requirements; allow small PHAs to use operating and capital funds interchangeably; delete provisions constraining flexibility in the operating subsidy formula; and make the Drug Elimination Program a formula-based program;

Delete the S. 462 provision authorizing PHAs to obtain medical information about applicants for housing assistance; and

Delete the provisions of both bills allowing PHAs to set the payment standard in the tenant-based Section 8 program higher than the Fair Market Rent established by HUD.

SUMMARY OF THE BILLS

The Senate and House bills make permanent a number of critical reforms that the Administration and the Congress have been able to achieve only through year-to-year provisions in appropriations legislation. Elements of the Senate and House bills would promote the continuation and strengthening of the transformation of the public housing and Section 8 programs already underway, including: (1) replacing the worst public housing with scattered-site and townhouse developments and with portable tenant-based assistance through the HOPE VI program, permanently repealing the one-for-one replacement requirement, and facilitating demolition of obsolete developments and conversion to tenant-based assistance or appropriate site revitalization; (2) turning around troubled PHAs through the use of various tools, including mandatory receiverships for chronically troubled PHAs and enhanced powers afforded to HUD and court-appointed receivers upon takeover; (3) promoting public housing communities with a greater income diversity and allowing PHAs to implement rent policies that encourage and reward work, and are coordinated with welfare reform; (4) demanding greater household responsibility as a condition of housing assistance through more vigorous screening, eviction or subsidy termination, and lease enforcement provisions; and (5) implementation of several of the Administration's key management reforms. Important provisions for management reform include program consolidation and streamlining, deregulation of well-managed PHAs and small PHAs, increased reliance on physical conditions in assessing PHA performance and more certain treatment of the most troubled PHAs.

DESCRIPTION OF ADMINISTRATION CONCERNS

As I am sure you are aware from my testimony last year and from other discussions in recent months, however, the Administration has a number of major concerns about particular provisions of both bills. Despite its support for the general goals of both bills, the Administration believes that certain provisions go farther than is necessary to make the reforms that are needed. Instead of making only reforms, some provisions -- particularly on income targeting -- would move the program too far away from fundamental, prudent national standards and appropriate federal oversight. *Income targeting is a fundamental issue because it sets the rules for access to assisted housing. A resolution of this issue that provides insufficient protection for those who most need assistance would lead me to recommend a veto of this legislation.* Nevertheless, the Administration is hopeful that our concerns can and will be addressed in the Conference, clearing the way to enactment of sound public housing and Section 8 reform legislation.

The Administration's most important concerns about the bills are described below.

I. MAJOR CONCERNS

A. INADEQUATE TARGETING OF HOUSING ASSISTANCE TO THOSE FAMILIES MOST IN NEED

1. Income Targeting in Public Housing

The Administration believes that the income targeting provisions of both bills must be tightened to direct more housing assistance to families with the most pressing housing needs. In particular, the Administration strongly opposes the House "fungibility" provision, which could mean that PHAs in some cities would not have to offer any public housing units to extremely low-income families. The Administration supports the Senate requirement that 40% of available public housing units go to extremely low-income families; however, the Administration also advocates increasing -- from 70% (as in the Senate bill) to 90% -- the ratio of newly available units that must be offered to families with income levels no higher than 60% of median (which is approximately \$22,600 nationally). The Administration also seeks a requirement that at least 40% of the units in each public housing development be occupied by families with incomes below 30% of area median income. This will ensure that the poorest families have housing opportunities at all developments, including those that may be most marketable to relatively higher income families.

The Administration believes that the income targeting provisions of both bills -- especially the House's "fungibility" provision -- go much farther than is necessary to serve working families and achieve a more diverse income mix in public housing. It is essential to the social and financial health of public housing communities that more working families are admitted to public

housing. Today, the median family income in public housing is only \$6,940 per year -- just 21 of median income nationally. By contrast, both bills would open up too many public housing units to families at the upper end of the eligibility range -- families with incomes of up to 80 of the area median income, or approximately \$40,000 in the ten largest metropolitan areas.

The Administration does not oppose admitting a small number of families at that income level. However, the Administration believes that mixed-income communities that serve working families can be attained without going as far as the House and Senate bills. This can be done by ensuring that at least 40 of admissions are reserved for families with incomes up to 30 of median (approximately \$11,300) and that 90 of admissions are families with incomes at or below 60 of the area median (approximately \$22,600). In comparison, 60 of median income is the absolute upper cap for the HOME and low-income housing tax credit programs. In addition, the Administration urges the Conferees to adopt language that would require PHAs generally to maintain an occupancy distribution such that of at least a forty percent certain percentage of units in each public housing development are occupied by very poor extremely low-income families.

Not only are the income targeting percentages inadequate, but the House bill's fungibility provision could undermine even that level of targeting which the bill proposes. This provision would allow a PHA to admit even fewer very poor families to public housing if the PHA gave more of its Section 8 ~~certificates~~ tenant-based assistance to such families than the minimal number which the bill requires. Because many communities' current levels of admissions of very poor families to the certificate and voucher programs substantially exceed the House percentage requirement, the result almost certainly would be that some PHAs would not have to offer any public housing units to families -- including many working families -- whose incomes are below 30 of the area median income. The Administration finds such a possibility to be unacceptable.

The Administration proposed its income targeting for public housing with the understanding that the achievement of a more diverse income mix necessarily would result in reduced access for those with the lowest incomes. Partly in recognition of this problem, the Administration each year has proposed that Congress provide substantial additional vouchers. Congress should recognize that these proposals are linked and that the loosening of public housing income targeting needs to be done in conjunction with the provision of additional vouchers. Any compromise between the Administration's income targeting and the Senate's income targeting, for both public housing and Section 8, should occur only to the extent additional vouchers are provided that compensate for the loss of access for those who most need housing assistance. This would require an annual appropriation of 62,500 additional vouchers if the Senate's income targeting levels are adopted.

With respect to income targeting by development, that concept already is part of current law. The Administration proposal is a moderate proposal to ensure continuing access to all developments by all eligible income groups.

2. Income Targeting in the Tenant-Based Section 8 Rental Assistance Program

The Administration is opposed to the provisions of both bills on income targeting for the tenant-based Section 8 program. Instead, the Administration believes that 75% of tenant-based assistance which becomes available each year should be targeted to the very poor -- families with incomes at or below 30% of median income (approximately \$11,300) -- and that the remainder of such assistance generally should go to families with incomes no greater than 50% of median, as under current law.

Both bills unnecessarily reduce the portion of Section 8 tenant-based assistance that would go to families with severe housing needs. Current law generally limits eligibility for tenant-based assistance to very low-income families with incomes below 50 of the area median income. Moreover, federal preferences, which applied to 90 of new Section 8 recipients prior to FY 1996 as opposed to only 50 of new public housing residents, have served to further target assistance to extremely low income families. The median income of Section 8 certificate holders is now approximately \$7,550.

In contrast, H.R. 2 would require only that 40 of all Section 8 tenant-based assistance go to extremely low-income families -- the income range which the program has primarily served in the past. Relatively higher income families, with incomes up to 80 of median income, would become eligible to receive such assistance. S. 462 is not as extreme as the House bill, but would still require only that 65 of all tenant-based assistance go to families with the most severe housing needs and that 90 go to families with incomes under 60 of median.

The Administration contends that scarce federal rental subsidies for use in the private market must be targeted to families with the lowest incomes, for the following reasons: 1) 5.3 million very low-income renters now have "worst-case housing needs", defined as paying more than 50 of their income toward rent or living in substandard housing units, and these families are concentrated at the lowest income levels (below 30 of the area median income); 2) relatively few of the families with incomes in the upper ranges allowed under both bills who would become eligible for admission to the Section 8 program (including 17.5 million unassisted renters) have serious unmet housing needs; 3) federal preferences are being repealed; 4) both the Senate and House bills propose opening up public housing admissions to families with relatively higher incomes to promote mixed-income communities, which means fewer units will be available for extremely poor families; and 5) tenant-based rental assistance integrates families with

low incomes into private, mixed-income housing of their choice and does not suffer from the severe income concentration problems of project-based programs.

The Administration also sees no reason to expand tenant-based program eligibility limits so that these scarce housing resources can be provided to households with incomes at 80 of the median -- approximately \$40,000 for families in the ten largest metropolitan areas -- who are better able to afford private market housing without any subsidy. This income level, which is equivalent to 250 of the poverty line, exceeds the income limits for virtually all other federal means-tested programs.

B. HOME RULE FLEXIBLE GRANT OPTION

The Administration strongly opposes the Home Rule Flexible Grant Option in H.R. 2, which could transfer public housing funds from a PHA to a city government regardless of the city's ability or experience in administering housing programs or the housing authority's management record. Instead, the Administration believes that implementation of the current ~~Moving-to-~~ Moving-to-Work demonstration will provide sufficient opportunity to explore innovative local approaches in the public housing and Section 8 programs.

The Administration has taken bold action to deal with chronically troubled PHAs and to demolish and replace the worst public housing. However, that is not what the House provision is about. The House provision would allow a city government, regardless of its motives or its track record in administering housing programs, to take over or replace even a high-performing housing authority. Some of the most intractable management problems in recent years have occurred in several chronically troubled PHAs that have been operated as part of city government.

The provision also inexplicably provides cities that would administer public housing more regulatory flexibility than PHAs (e.g., to charge rents exceeding Brooke amendment requirements). There is no reason to link additional regulatory flexibility with the choice of the entity to administer public housing.

If the goal of this provision is to address serious management problems in public housing, one would expect it to be crafted as an alternative intervention strategy with respect to ~~troubled~~failing PHAs. As a compromise, the provision could be applied where HUD agrees that this is an acceptable alternative to court-ordered receivership (with the locality subject to the usual public housing and Section 8 regulations.) Rather, ~~the current provision instead~~ would be applicable to all PHAs, irrespective of the demonstrated quality of their management.

With respect to the goal of testing additional regulatory flexibility, ~~Instead,~~ the Administration ~~instead~~ supports continued implementation of the Moving to Work demonstration authorized by the FY 1996 appropriations act. That demonstration program allows up to thirty PHAs to design and test innovative ways to provide housing assistance and to link families to work, through merging funding streams and testing new rent structures while retaining reasonable income targeting. HUD has selected PHAs with diverse and potentially far-reaching proposals. The demonstration is large enough to allow substantial experimentation, yet small enough to permit a rigorous evaluation of program success and replicability.

C. COMMUNITY WORK AND SELF-SUFFICIENCY REQUIREMENTS

The Administration opposes the self-sufficiency agreements and the community work provisions in the House bill. Instead, the Administration believes that provisions emphasizing collaboration between PHAs and local welfare agencies are a better and more productive approach to addressing welfare reform and self-sufficiency issues. For example, the Administration supports the provisions in both bills which require PHAs to describe in their annual plans the ways in which they propose coordination with other local and state welfare and service agencies, and assure that households who violate welfare program self-sufficiency rules are not rewarded with subsidized housing rent decreases. The Administration also supports provisions in both bills permitting PHAs to set public housing rents "up to" 30% of a family's adjusted income, which allows for rent structures that do not penalize increases in earned income. Further, the Administration supports authorization of additional Section 8 certificates for use with local collaboratives in welfare-to-work initiatives.

The Administration believes that public housing and Section 8 residents must assume certain responsibilities in return for the benefits of their housing assistance. To this end, the Administration supports many reforms in both the House and Senate bills which place a premium on resident self-sufficiency and on linking the PHA with existing providers of services. Additionally, the Administration supports provisions in both bills to toughen screening, lease enforcement and eviction, and subsidy termination requirements.

However, the Administration opposes the House bill's mandatory self-sufficiency contracts. This sweeping new requirement would fundamentally change the public housing and Section 8 programs and would impose inordinate and costly burdens on 3,400 local PHAs whose budgets and administrative capacities already have been stretched. A far more efficient and effective approach is to encourage partnerships between PHAs and State and local welfare agencies that promote self-sufficiency through initiatives such as the authorization of "Welfare to Work" certificates, as proposed in the Administration's bill.

The Administration also opposes significant aspects of the community work provisions included in the House bill. The Administration's bill includes a community service provision because the Administration believes it is reasonable to ask each recipient of public housing or tenant-based assistance to be engaged in some activity which benefits the community as a whole, which includes working, attending school, or otherwise preparing for work. However, the Administration's bill provides for much more reasonable exemptions than the House bill and would not authorize eviction as an enforcement tool.

D. MANAGEMENT REFORM

1. Federal Oversight

The Administration supports several of the bills' revisions to the PHMAP system, including those that emphasize the importance of decent living conditions, and would support the establishment of an advisory performance evaluation board or other task force to review various performance evaluation systems and determine the need, if any, for an outside accreditation entity. The Administration also supports the House and Senate bill provisions which give HUD or a receiver enhanced powers for dealing with troubled PHAs; require PHAs; the takeover of severely troubled PHAs that fail to improve promptly; and require the obligation and expenditure of capital funds within certain time frames (which the Administration believes should be extended to the HOPE VI program). The Administration does not support the Accreditation Board created by the House bill.

The Administration believes that it is critical to have an assessment tool which accurately measures PHA performance and is consistent with the Administration's management reform plan for HUD. ~~In the short run, this requires making modifications to~~ This requires overhauling looking the current performance measurement system -- the Public Housing Management Assessment Program (PHMAP). In particular, the Administration supports the bills' provision adding an ~~PHMAP~~ indicator assessing the extent to which a PHA is providing acceptable basic housing conditions and the House provision making acceptable basic housing conditions a precondition for a PHA to get a passing grade in the assessment system. This will support HUD's efforts to make ~~PHMAP~~ the performance evaluation system more objectively verifiable and reflective of the conditions under which public housing residents are living.

The Administration, however, strongly opposes the House bill's "Accreditation Board", a new federal agency which would create an accreditation program for all public housing agencies and other providers of federally assisted housing. This proposal, written prior to the Administration's management reform efforts, runs directly counter to the Administration's plan for improving and streamlining Federal oversight of the public housing program. It would not reduce, but instead would redistribute and probably increase, the Federal bureaucracy.

Moreover, the proposal would appear to divorce Federal oversight and auditing responsibilities which would be given to the Accreditation Board, from HUD's ongoing obligation to provide Federal funds to PHAs. This would make it more difficult for HUD to hold PHAs accountable.

Instead of the House bill's Accreditation Board, an advisory entity such as the Administration's proposed Performance Evaluation Board should be given the opportunity to review and make recommendations on implementation of HUD's management reform in this area as well as various approaches to Federal oversight and assessment of PHAs, including accreditation. Finally, the Justice Department advises that the proposed means of appointing the Accreditation Board would unduly restrict the President and thus violate the Appointments Clause of the Constitution.

The Administration already has taken the most aggressive actions in HUD's history against chronically troubled PHAs, including direct takeovers and support for judicial receiverships. In this regard, the Administration supports the Senate bill's provisions giving HUD enhanced powers to deal with troubled PHAs (~~which are the same provisions as in the Administration's bill~~) PHAs. Those provisions require HUD to take certain actions against any PHA that is still troubled after one year (including mandatory receivership for any large PHA). After further consideration, the Administration believes that this provision should be modified to give a troubled PHA one additional year before HUD will take action if that PHA has made progress in the first year that is equal to at least half the difference between its PHMAP assessment score and the score necessary to be a "standard" performer.

In addition, the Administration supports the Senate bill provision requiring PHAs to obligate capital funds within 24 months. It is critical in these times of fiscal restraint to ensure that appropriated funds are used promptly for their intended purposes. Further, the Administration urges the Conferees to adopt two additional provisions from the Administration's bill: (1) requiring PHAs to spend capital funds within 48 months (in addition to obligating such funds within 24 months); and (2) applying specific time frames to the HOPE VI program, such that a PHA would have to sign a primary construction contract within 18 months of executing the grant agreement, and would have to complete construction within 4 years from the grant agreement.

2. *Consolidation and Streamlining*

The Administration urges the Conferees to further streamline PHA plan requirements as in the Administration's bill. In addition, the Administration supports the House provision allowing small PHAs to use operating and capital funds interchangeably. The Administration also advocates the

deletion of House provisions constraining flexibility in the operating subsidy formula. Further, the Administration urges the Conferees to convert the Drug Elimination Program into a formula-based program, and to merge the TOP and EDSS programs.

The Administration supports and recognizes the benefits of consolidating PHA planning and reporting requirements into a single annual plan, as provided in both the Senate and House bills. However, the Administration is concerned that the scope of the annual plans be consistent with HUD efforts to streamline PHA and HUD administration of the public housing and Section 8 programs. The Administration strongly urges the Conferees to consider limiting the number and scope of plan elements as described in the Administration's bill. Conferees also should adopt the Senate provision permitting HUD by regulation to provide that elements of the PHA plan other than the capital plan and civil rights shall be reviewed only if challenged.

The Administration also supports the House provision allowing small PHAs (less than 250 units) to use operating and capital funds fungibly, as provided in the House bill, because the formula allocation of capital funds to such PHAs would be small and the additional flexibility would simplify PHA operations and HUD administration. However, the Administration opposes the provision of the House bill giving governors new responsibility to allocate half of such funds.

In addition, the Administration supports the language in both bills authorizing HUD to renegotiate the formula for allocating public housing operating subsidies to PHAs. The current system has not been changed in many years. A renegotiation could result in a revised formula that is simpler and more equitable, and that provides better incentives for sound, cost-effective public housing management. However, HUD opposes the House provisions defining treatment of vacant units, utility rates, and rental income. These provisions may hamstring and substantially complicate the future formula and should be left to rulemaking (which will be negotiated rulemaking under the House and Senate bills). The extent to which PHAs may retain increases in rental income, in particular, should be left to rulemaking because: (1) rental income ~~has is increased~~ing substantially throughout the program, for reasons that may be unrelated to PHA administration of the program; and (2) such retention creates a strong financial incentive for PHAs not to serve the poorest households. The House §204(d) interim allocation provisions also are unnecessary.

Further, the Administration urges the Conferees to convert the Public Housing Drug Elimination Program from a competitive to a formula-based program, to provide predictable funding for PHAs and reduce the administrative burden on both HUD and PHAs of annual competitions. The Administration also advocates permanent authorization of the supportive

service (EDSS) program and a merger of EDSS and the Tenant Opportunities Program (TOP), as provided in the Administration's bill.

~~E. OCCUPANCY STANDARDS~~

~~The Administration opposes the House bill's provision on occupancy standards because it would reduce protections currently afforded to families with children under the Fair Housing Act.~~

~~The House provision on occupancy standards would invite state adoption of absolute occupancy standards regardless of the facts of a particular situation, or the existence of any health or safety justifications. Enactment of this provision could result, for example, in a State allowing a housing provider to refuse to rent a 2-bedroom unit to a family with three children, even if: 1) the bedrooms were unusually large; 2) one of the children was an infant; or 3) a den could reasonably be used as a bedroom. This could contribute to the shortage of affordable housing large enough for families. HUD's current occupancy standard, which conforms to Congress's direction in the FY 1996 HUD Appropriation Act, appropriately requires HUD to determine, on a case by case basis, whether a standard is legal under the Fair Housing Act, based upon a variety of circumstances.~~

~~EF. RESIDENT EMPOWERMENT~~

~~The Administration strongly supports provisions in both bills, and retention of certain elements of current law, which empower residents, ensure that residents are given the opportunity to participate in decisions affecting their lives, and protect residents from unwarranted intrusions.~~

In the Administration's view, the final bill must include, at least, the following:

The Senate bill's authorization of the supportive services funding originally authorized in the FY 1996 appropriation (the EDSS program), which should include elements of the Tenant Opportunity Program as proposed in the Administration's bill

Resident membership requirements on the public housing boards of commissioners, as provided in both bills, and the House bill's required plan review period for affected residents;

The Senate bill's provisions protecting residents' rights to adequate notice and consultation and ensuring adequate relocation assistance in the demolition and disposition process; and

Retention of current law provisions on: (1) lease and grievance procedures (as opposed to the House repeal); and (2) notice of lease termination (as opposed to the House bill's preemption of any minimum notice requirements provided under State law).

FG. ACCESS TO MEDICAL RECORDS

The Administration strongly opposes the provision in the Senate bill that would authorize PHAs to obtain medical information about applicants for housing assistance.

This provision could increase the potential that important antidiscrimination protections of Federal fair housing laws could be violated and could discourage persons with drug problems from seeking treatment. The Administration shares the Senate's desire to ensure safety and security in public housing, and has proposed and implemented tough new policies, such as "One Strike and You're Out", to achieve that goal. However, the Administration believes that the Senate's medical records provision goes too far, weakening other important legal protections and compromising efforts to encourage people with drug abuse problems to enter appropriate and effective treatment programs. The Administration is concerned that this provision could have negative consequences for individuals who have received treatment and are attempting to rebuild their lives.

GH. PAYMENT STANDARD

The Administration opposes the provisions of both bills allowing PHAs to set the payment standard in the tenant-based Section 8 program at levels higher than the Fair Market Rent established by HUD.

The Administration believes that the Payment Standard should be set at no higher than the Fair Market Rent (FMR) or a HUD-approved exception rent up to 120% of FMR. H.R. 2 would permit PHAs to establish payment standards of 80% to 120% of FMR. The Senate bill would allow PHAs to establish payment standards of 90% to 110% of FMR, though PHAs may establish higher or lower payment standards with HUD approval.

The higher the payment standard, the greater the subsidy to each assisted household. Consequently, fewer eligible families would receive housing assistance. The pressures on PHAs to help the currently assisted at the expense of the unassisted are very high, and work against national goals of helping more families in need. In addition, a higher payment standard would encourage a greater number of relatively higher-income and less needy families to apply for

housing assistance, further reducing the amount of housing assistance available to the poorest families with the most severe housing needs.

II. OTHER CONCERNS

A. REPEAL OF THE U.S. HOUSING ACT OF 1937

The Administration urges Congress to find another means of signaling dramatic program reform.

The Administration sees no compelling operational reason to repeal the 1937 Act. The new law can be crafted so that it clearly calls for sweeping reform of the public housing and tenant-based assistance programs, without including the complications of repealing the 1937 Act.

There are also practical concerns regarding repeal. At the request of the House Banking Committee in the previous legislative session, the Administration conducted an extensive review of the implications of the proposed repeal of the U.S. Housing Act of 1937. HUD determined that there are, at a minimum, over 500 references to the 1937 Act in other statutes, located both within and outside of the jurisdiction of the Congressional Banking Committees. Additionally, the Administration identified a series of issues which the Conferees should address if the repeal is accepted in the Conference. Moreover, coupling the 1937 Act repeal with a ban on new regulations prior to the effective date of the law, as provided in the House bill, would inhibit the ability of the Administration to ensure that the new law is carried out uniformly and with adequate guidance.

B. RENT LEVELS

1. Flat Rents

The Administration does not see the need for the House bill provision giving public housing residents the choice of paying an income-based rent or a flat rent based on the market value of their units.

This provision would be administratively burdensome to the 3,400 PHAs who will have to determine the market value of well over one million public housing units, including units in elderly housing developments. In addition, if the goal is to encourage residents to increase their

incomes or to encourage relatively higher-income families to move into or remain in public housing, then the same thing can be accomplished by implementing a program of rent incentives, including earned income disregards and ceiling rents. Both bills allow PHAs to adopt innovative rent policies by permitting rents "up to" 30 of adjusted income (as opposed to current law, which requires rents to be set "at" 30 of adjusted income).

2. Minimum Rents

The Administration opposes the minimum rent provisions in the bills, particularly the authority in the House bill to set a minimum up to fifty dollars. Instead, the Administration supports a minimum rent requirement of \$25 per month, with an exemption for hardship categories to be determined by the Secretary or the PHA.

The Administration generally agrees with the concept that every family receiving housing assistance should make at least some rental payment. However, the Administration believes such a minimum rent should not exceed \$25 per month, an amount which is sufficient to make the symbolic point that all residents should contribute something to maintenance of their development without imposing an undue burden on the very poorest families. Thus, the Administration opposes the House provision allowing PHAs to charge a minimum rent of up to \$50 per month. Further, the Administration believes that the Secretary of HUD must have the authority to establish hardship exemptions for certain types of cases -- for example, for those families awaiting public benefit eligibility determinations.

C. HOME AND CDBG INCOME TARGETING

The Administration opposes the House bill's unnecessarily loosened income targeting in both the CDBG and HOME programs.

The Administration strongly objects to the changes which would preclude the Secretary from capping median incomes at the national median income. Currently, the CDBG and HOME funds are targetted to assure that low-income families are well served. This proposal would immediately raise the income limit in thirty-seven relatively higher income metropolitan areas. For example, in one community, the income limit for a four person family would exceed \$71,000 (Stamford, Connecticut). By allowing families with incomes even above moderate income ranges to benefit from these programs, these changes would eviscerate the requirement that those programs substantially benefit low and moderate income households.

D. DISCRETION TO SETTLE LAWSUITS

The Administration opposes the House bill's provision which requires the Secretary of HUD to consult all adjacent local governments, when settling any lawsuit involving HUD, a PHA, and a local government.

This provision is an unnecessary intrusion into the federal government's ability to manage its affairs. Moreover, the Justice Department represents HUD in settling lawsuits. It would be unwise to require the Secretary of HUD to engage in particular consultations that may conflict with or duplicate the efforts of the Justice Department. At a minimum, this provision could be extremely costly for the Federal government, since it will hinder the ability to settle lawsuits in a timely and cost-effective manner. Finally, the provision is overly broad, since it would require such consultation for all matters, whether trivial or substantial.

E. CDBG SANCTION

The Administration opposes the House bill's CDBG sanction against local governments contributing to the troubled status of a PHA.

H.R. 2 provides that the Secretary may withhold or redirect the CDBG funds of any local government whose actions or inactions have substantially contributed to the troubled status of a PHA. Current law, coupled with new sanctions included in both bills gives HUD a number of other sanctions to deal with troubled PHAs, including receivership. The proposed CDBG sanction could lead to substantial charges, countercharges, and litigation, without resulting in the improvement of troubled PHAs.

F. AVAILABILITY OF CRIMINAL CONVICTION RECORDS

The Administration opposes the apparent requirement in the House bill that private owners of federally assisted housing be provided with information regarding criminal conviction records of adult applicants or tenants of that housing.

The Administration opposes allowing any private citizens or entities, including the private owners of federally assisted housing, to obtain criminal record information about other individuals. The provision of such sensitive information to private individuals and entities raises significant privacy concerns. The Administration will work with Congress to identify other means of bolstering security efforts in privately owned, federally assisted housing.

G. DESIGNATED HOUSING

The Administration opposes the changes H.R. 2 makes to current law requirements for designation of housing for elderly persons or persons with disabilities. These changes would weaken current law provisions requiring PHAs to consider the housing needs of persons with disabilities, and would not allow an adequate time period for proper review of designated housing plans.

Under current law, a PHA's plan to designate housing must meet two requirements. First, the plan must be "necessary to meet the jurisdiction's Comprehensive Housing Affordability Strategy, and" the plan must be "necessary to meet the low-income housing needs of the jurisdiction." Under H.R. 2, a PHA would need to meet only one of these two prongs, showing that a designation plan is necessary to meet either the CHAS or the low income housing needs of the jurisdiction.

These changes are not necessary and are likely to have a detrimental impact on access to housing for persons with disabilities. The current statutory framework is working effectively. HUD has been successful in helping PHAs designate thousands of units for elderly persons, while preserving housing access for persons with disabilities in those communities.

Allowing a PHA to rely solely on a CHAS, as H.R. 2 proposes, may lead to designations which are inconsistent with the housing needs of persons served by the PHA. The CHAS is written based upon Consolidated Plan regulations that are tailored to community planning and development programs and that do not require communities to assess the housing needs of persons with disabilities in general. Rather, they refer specifically only to persons with disabilities who require service-connected or accessible housing. The vast majority of persons with disabilities who apply to live in public housing are merely low-income individuals who also have disabilities. They are neither looking for, nor need supportive housing.

In addition, the submission and review of designated housing plans should not be incorporated into the PHA's "local housing management plan", as under the House bill. The Administration believes that, since they involve significant decisions that could permanently limit access to important housing resources for some low-income people, designated housing plans should be considered separately from the many other administrative and management issues that are addressed in the local housing management plan.

H. TOTAL DEVELOPMENT COSTS

The Administration urges the Conferees to include language reflecting the Administration's proposal on total development costs.

The Wetterling Act contains standards for States sex offender registration programs. In the past, those standards required states to determine convicted sex offenders are “sexually violent predators” (using a partially legal and quash-psychiatric definition set out in the Act), for purpose of imposing registration requirements. However, under recent amendment to the Act, States no longer are required to make such determinations. Instead, they can adopt other measures to protect the public from particularly dangerous sex offenders. Because it is predictable that many states will not make “sexually violent predator” determinations, a rule barring “sexually violent predators” from public housing will probably be difficult or impossible to enforce.

Section 644(a) of H.R. 2 and § 304(b) of S.462 require the FBI and state and local agencies to provide public housing agencies with information collected under the National Sex Offender Registry (NSOR) or a State registry. An an initial matter, these provisions refer to language (“designated State law enforcement agency: and “local law enforcement agency authorized by the State agency”) that is no longer in the Wetterling Act. In addition, an NSOR check alone will not to reveal whether a sex offender is a “sexually violent predator.” As it currently exists, NSOR is a system for noting on an offender’s criminal history record in the FBI’s records system if he or she is a convicted sex offender required to register in some State. A person accessing the record can contact the State for more detailed information. If a State uses the “sexually violent predator” classification, the State registry may reveal whether a sex offender has been determined to be a sexually violent predator.

Finally, there already are procedures for housing agencies to obtain criminal history record information on housing applications from the FBI. The agencies can use the existing procedures to determine whether an applicant is a convicted sex offender, and then contact the state for additional information.

I look forward to contributing to the constructive resolution of these issues. As always, please call upon me and the HUD staff for any assistance we can provide.

Sincerely,

Andrew Cuomo