

NLWJC - KAGAN

EMAILS CREATED

ARMS - BOX 006 - FOLDER 005

[10/14/1998 - 11/6/1998]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Phone No. (Partial) (1 page)	10/14/1998	P6/b(6)
002. email	Elena Kagan to Bruce Reed and Thomas Freedman. Subject: food safety [partial] (1 page)	10/17/1998	P6/b(6)

COLLECTION:

Clinton Presidential Records
 Automated Records Management System [Email]
 OPD ([From Elena Kagan])
 OA/Box Number: 250000

FOLDER TITLE:

[10/14/1998 - 11/06/1998]

2009-1066-F

wr55

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-OCT-1998 14:27:46.00

SUBJECT: school safety conf program at 11am : w/ minor revisions.

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 10/14/98 02:25
PM -----

Richard Socarides 10/14/98 11:02:56 AM

Record Type: Record

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

cc:

Subject: school safety conf program at 11am : w/ minor revisions.

Message Sent

To:

Ann F. Lewis/WHO/EOP
Stacie Spector/WHO/EOP
Elena Kagan/OPD/EOP
Maria Echaveste/WHO/EOP
Minyon Moore/WHO/EOP
Marsha Scott/WHO/EOP
Lynn G. Cutler/WHO/EOP
Jennifer M. Palmieri/WHO/EOP
Beverly J. Barnes/WHO/EOP
Mark D. Neschis/WHO/EOP
Jose Cerda III/OPD/EOP
Michael Cohen/OPD/EOP
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 Jena V. Roscoe/WHO/EOP
 Cheryl M. Carter/WHO/EOP
 Ansley Jones/OVP @ OVP
 Kelley L. O'Dell/WHO/EOP
 Jackson T. Dunn/WHO/EOP
 lisa.wetzl @ mail.va.gov
 Bill_Modzeleski @ ed.gov @ inet
 Kevin_sullivan @ ed.gov @ inet
 Sara_Strizzi @ ed.gov @ inet
 Ann_O'Leary @ ed.gov @ inet
 Julie_green @ ed.gov @ inet
 Ricki.l.seidman @ usdoj.gov @ inet
 Shay.Bilchik @ usdoj.gov @ inet
 Charles.a.simon @ usdoj.gov @ inet
 gregory.king @ usdoj.gov
 Grace A. Garcia/PIR/EOP
 Cynthia M. Jasso-Rotunno/WHO/EOP
 Joseph C. Fanaroff/WHO/EOP
 Arosewat @ os.dhhs.gov @ inet

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

TEXT:
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**White House Conference on School Safety:
Causes and Prevention of Youth Violence**
Program Agenda

October 15, 1998

7:30 am - 8:30 am

Registration - White House Conference Center

8:30 am - 9:45 am

Morning Workshop Sessions - White House Conference Center

Preliminary discussion groups with Senior Administration officials:

1) Education and Safety

Lincoln Room

Chaired by Secretary of Education Richard Riley with Deputy Attorney General Eric H. Holder, Jr.

2) Early Warning Signs, Mental Health Interventions and Crisis Response

Truman Conference Room

Chaired by Assistant Secretary for Planning & Evaluation Margaret Ann Hamburg, MD, U.S. Department of Health and Human Services

3) School, Community and Law Enforcement Partnerships

Jackson Room

Chaired by Associate Attorney General Ramond C. Fisher with Under Secretary for Enforcement James E. Johnson, U.S. Department of the Treasury

4) Causes of Youth Violence in Early Childhood Development

Eisenhower Room

Chaired by Attorney General Janet Reno with Assistant Secretary For Elementary & Secondary Education Gerald Tirozzi, U.S. Department of Education

After these sessions, please follow directions to the East Visitor Gate of the White House for the Morning Plenary Session

10:30 am - 11:30 pm

Morning Plenary Session - White House East Room

Conference Overview

First Lady Hillary Rodham Clinton

Video by MTV

Attorney General Janet Reno

Secretary of Education Richard Riley

Paul Kingery, Ph.D., Director, Hamilton Fish National Institute
on School and Community Violence, Rosslyn, VA

Marlene Wong, Director, L.A. School of Mental Health,
Valley Branch, CA

Suzann Wilson, Jonesboro, AR

11:30 pm - 12:30 pm

Lunch - White House State Dining Room

First Lady Hillary Rodham Clinton

Robert Chase, President of the National Education Association

Sandra Feldman, President of the American Federation of Teachers

12:45 pm - 2:30 pm

Afternoon Panel I - White House East Room

Discussion of the Causes and Prevention of Youth Violence that
Affect our Schools and Communities

President of the United States William Jefferson Clinton

Vice President of the United States Al Gore

First Lady Hillary Rodham Clinton

Mayor Deedee Corradini, Salt Lake City, UT

Tony Earles, Professor, Harvard University, Cambridge, MA

U.S. Representative Bobby Etheridge (D-NC)

Paul Evans, Commissioner, Boston Police Department,
Boston, MA

Liberty Franklin, Boys and Girls Club Youth of the Year,
Everett, WA

Jamon Kent, Public Schools Superintendent, Springfield, OR

Joanna Quintana Barroso, Teacher, Coral Way Elementary School,
Miami, FL

2:45 pm - 4:00 pm

Afternoon Panel II - White House East Room

Discussion of Initiatives and Strategies that Work to Reduce Youth Violence

First Lady Hillary Rodham Clinton
Attorney General Janet Reno
Secretary of Education Richard Riley

Thomas C. Frazier, Police Commissioner, Baltimore Police
Department, Baltimore, MD
Lt. Gary French, Boston's Operation Ceasefire, Roslindale, MA
Mariana R. Gaston, Director, Resolving Conflict Creatively
Program, New York, NY
Irma Howard, FAST Graduate, New Orleans, LA
Sandy McBrayer, Executive Director, Children's Initiative, San
Diego, CA
Lynn McDonald, Ph.D., Founder, Families and Schools Together
(FAST), Madison, WI

4:30 pm - 6:00 pm

Reception - Sponsored by the National Education Association and
the American Federation of Teachers at 1201 16th Street, NW,
Washington, DC 20036

(buses located at the East Visitor Gate on East Executive Avenue
beginning at 4:00 p.m. will take you to the NEA. NEA is providing
buses to bring people back to the White House.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-OCT-1998 19:33:57.00

SUBJECT: School Safety Conf program: Final at 5:30pm

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 10/14/98 07:33
PM -----

Richard Socarides 10/14/98 05:34:26 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: School Safety Conf program: Final at 5:30pm

Message Sent

- To: _____
- Ann F. Lewis/WHO/EOP
 - Stacie Spector/WHO/EOP
 - Elena Kagan/OPD/EOP
 - Maria Echaveste/WHO/EOP
 - Minyon Moore/WHO/EOP
 - Marsha Scott/WHO/EOP
 - Lynn G. Cutler/WHO/EOP
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 Julie_green @ ed.gov @ inet
 Ricki.l.seidman @ usdoj.gov @ inet
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ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

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 The following is a HEX DUMP:

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White House Conference on School Safety: Causes and Prevention of Youth Violence

October 15, 1998 -- Program Agenda

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8:30 am - 9:45 am

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Chaired by Secretary of Education Richard Riley with Deputy Attorney General Eric H. Holder, Jr.

2) Early Warning Signs, Mental Health Interventions and Crisis Response (Jackson Room)

Chaired by Assistant Secretary for Planning & Evaluation Margaret Ann Hamburg, MD, U.S. Department of Health and Human Services

3) School, Community and Law Enforcement Partnerships (Lincoln Room)

Chaired by Associate Attorney General Raymond C. Fisher with Under Secretary for Enforcement James E. Johnson, U.S. Department of the Treasury

4) Causes of Youth Violence in Early Childhood Development (Eisenhower Room)

Chaired by Attorney General Janet Reno with Assistant Secretary For Elementary & Secondary Education Gerald Tirozzi, U.S. Department of Education

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10:30 am - 11:30 pm

Session I - White House East Room

Discussion of the Causes of Youth Violence

First Lady Hillary Rodham Clinton

Video by MTV

Attorney General Janet Reno

Secretary of Education Richard Riley

Suzann Wilson, Jonesboro, AR

Marlene Wong, Director, L.A. School of Mental Health,
Valley Branch, CA

Paul Kingery, Ph.D., Director, Hamilton Fish National Institute
on School and Community Violence, Rosslyn, VA

11:30 pm - 12:30 pm

Lunch - White House State Dining Room

First Lady Hillary Rodham Clinton

Representative Carolyn McCarthy

Robert Chase, President of the National Education Association

Sandra Feldman, President of the American Federation of Teachers

12:45 pm - 2:30 pm

Session II - White House East Room

Remarks by the President and Discussion of Prevention Strategies
That Address Youth Violence

First Lady Hillary Rodham Clinton

Vice President of the United States Al Gore

President of the United States William Jefferson Clinton

Jamon Kent, Public Schools Superintendent, Springfield, OR

Paul Evans, Commissioner, Boston Police Department,
Boston, MA

Liberty Franklin, Boys and Girls Club Youth of the Year,
Everett, WA

Joanna Quintana Barroso, Teacher, Coral Way Elementary School,
Miami, FL

Tony Earles, Professor, Harvard University, Cambridge, MA

Mayor Deedee Corradini, Salt Lake City, UT

Representative Bobby Etheridge

2:45 pm - 4:00 pm

Session III - White House East Room

Discussion of Programs that Work to Reduce Youth Violence

First Lady Hillary Rodham Clinton
Attorney General Janet Reno
Secretary of Education Richard Riley

Lynn McDonald, Ph.D., Founder, Families and Schools Together (FAST), Madison, WI

Irma Howard, FAST Graduate, New Orleans, LA

Mariana R. Gaston, Director, Resolving Conflict Creatively Program, New York, NY

Thomas C. Frazier, Police Commissioner, Baltimore Police Department, Baltimore, MD

Sandy McBrayer, Executive Director, Children's Initiative, San Diego, CA

Lt. Gary French, Boston's Operation Ceasefire, Roslindale, MA

4:30 pm - 6:00 pm

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-OCT-1998 19:31:57.00

SUBJECT: School Safety Program at 2:45pm: Changes to room assignments in am and list of s

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 10/14/98 07:31
PM -----

Richard Socarides 10/14/98 02:42:45 PM

Record Type: Record

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

cc:

Subject: School Safety Program at 2:45pm: Changes to room assignments in
am and list of speakers now reflects order of presentation. This will be
final at 4pm.

Message Sent

To:

Ann F. Lewis/WHO/EOP
Stacie Spector/WHO/EOP
Elena Kagan/OPD/EOP
Maria Echaveste/WHO/EOP
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 Joseph C. Fanaroff/WHO/EOP
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===== ATTACHMENT 1 =====

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

TEXT:

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Causes and Prevention of Youth Violence
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3) School, Community and Law Enforcement Partnerships

Lincoln Room

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4) Causes of Youth Violence in Early Childhood Development

Eisenhower Room

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10:30 am - 11:30 pm

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Conference Overview

First Lady Hillary Rodham Clinton

Video by MTV

Attorney General Janet Reno

Secretary of Education Richard Riley

Suzann Wilson, Jonesboro, AR

Marlene Wong, Director, L.A. School of Mental Health,
Valley Branch, CA

Paul Kingery, Ph.D., Director, Hamilton Fish National Institute
on School and Community Violence, Rosslyn, VA

11:30 pm - 12:30 pm

Lunch - White House State Dining Room

First Lady Hillary Rodham Clinton

Robert Chase, President of the National Education Association

Sandra Feldman, President of the American Federation of Teachers

12:45 pm - 2:30 pm

Afternoon Panel I - White House East Room

Discussion of the Causes and Prevention of Youth Violence that
Affect our Schools and Communities

First Lady Hillary Rodham Clinton

Vice President of the United States Al Gore

President of the United States William Jefferson Clinton

Jamon Kent, Public Schools Superintendent, Springfield, OR

Paul Evans, Commissioner, Boston Police Department,
Boston, MA

Liberty Franklin, Boys and Girls Club Youth of the Year,
Everett, WA

Joanna Quintana Barroso, Teacher, Coral Way Elementary School,
Miami, FL

Tony Earles, Professor, Harvard University, Cambridge, MA

Mayor Deedee Corradini, Salt Lake City, UT

U.S. Representative Bobby Etheridge (D-NC)

2:45 pm - 4:00 pm

Afternoon Panel II - White House East Room

Discussion of Initiatives and Strategies that Work to Reduce Youth Violence

First Lady Hillary Rodham Clinton
Attorney General Janet Reno
Secretary of Education Richard Riley

Lynn McDonald, Ph.D., Founder, Families and Schools Together (FAST), Madison, WI

Irma Howard, FAST Graduate, New Orleans, LA

Mariana R. Gaston, Director, Resolving Conflict Creatively Program, New York, NY

Thomas C. Frazier, Police Commissioner, Baltimore Police Department, Baltimore, MD

Sandy McBrayer, Executive Director, Children's Initiative, San Diego, CA

Lt. Gary French, Boston's Operation Ceasefire, Roslindale, MA

4:30 pm - 6:00 pm

Reception - Sponsored by the National Education Association and the American Federation of Teachers at 1201 16th Street, NW, Washington, DC 20036

(buses located at the East Visitor Gate on East Executive Avenue beginning at 4:00 p.m. will take you to the NEA. NEA is providing buses to bring people back to the White House.)

Withdrawal/Redaction Marker Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Phone No. (Partial) (1 page)	10/14/1998	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([From Elena Kagan])
OA/Box Number: 250000

FOLDER TITLE:

[10/14/1998 - 11/06/1998]

2009-1066-F

wr55

RESTRICTION CODES**Presidential Records Act - [44 U.S.C. 2204(a)]**

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

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

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

[001]

CREATION DATE/TIME:14-OCT-1998 14:12:25.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Call Hugh Rodham as soon as you are able; call P6/(b)(6) ask for Hugh in solarium

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-OCT-1998 19:33:38.00

SUBJECT: latest

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 10/14/98 07:33 PM -----

Paul J. Weinstein Jr.
10/14/98 04:38:38 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: latest

----- Forwarded by Paul J. Weinstein Jr./OPD/EOP on 10/14/98 04:38 PM -----

Charles R. Marr
10/14/98 04:32:34 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: latest

pls check: (Note: Linda/Chris this is same as I just sent)

Message Sent

- To: _____
- Melissa G. Green/OPD/EOP
 - Jonathan Orszag/OPD/EOP
 - Jake Siewert/OPD/EOP
 - Paul J. Weinstein Jr./OPD/EOP
 - Jennifer L. Klein/OPD/EOP
 - Emil E. Parker/OPD/EOP
 - Michael Cohen/OPD/EOP
 - Jeanne Lambrew/OPD/EOP
 - Sarah A. Bianchi/OPD/EOP
 - Thomas A. Kalil/OPD/EOP
 - Elliot J. Diringier/CEQ/EOP
 - Barbara Chow/OMB/EOP
 - Linda Ricci/OMB/EOP
 - Christopher Ferris/OMB/EOP

PRESIDENT CLINTON, VICE PRESIDENT GORE, AND CONGRESSIONAL DEMOCRATS WIN ON THE BUDGET, BUT THERE IS STILL MORE WORK TO DO

October 14, 1998

Today's budget agreement represents a significant step forward for America, protecting the surplus until Social Security is reformed, forging a bipartisan agreement on funding the International Monetary Fund, and putting in place critical investments in education and training, from smaller class sizes to after-school care, and from summer jobs to college mentoring. While the final budget agreement is a win for President Clinton, Vice President Gore, and Congressional Democrats, there is still more work to do to prepare America for the 21st century. Unfortunately, Republicans blocked school modernization, Patients Bill of Rights, comprehensive tobacco legislation, child care investments, and campaign finance reform.

Budget Victories:

Saving Social Security First -- the President's commitment to Save Social Security First held the line against several Republican efforts to drain the surplus.

Investing in Education and Training -- in the face of House Republican efforts to slash his education budget by more than \$2 billion, President Clinton delivered on his education agenda:

- **More High-Quality Teachers With Smaller Class Sizes** -- \$1.1 billion for the first year of the President's new initiative to hire 100,000 new teachers to reduce class size in the early grades to a national average of 18. Through smaller classes this initiative will help recruit high-quality teachers and will insure that students will receive more individual attention, a solid foundation in the basics, and greater discipline in the classroom.
- **After School Programs** -- \$200 million to expand programs and serve nearly 500,000 children.
- **Child Literacy** -- \$260 million for a new literacy initiative, consistent with the President's America Reads proposal.
- **College Mentoring for Middle School Children** -- \$120 million (???) for GEAR-UP, a new mentoring initiative to help low income middle school children prepare for college.
- **Education Technology** -- a \$137 million increase to ensure that every child has access to computers, the Internet, high-quality educational software, and teachers that can use technology in the classroom.
- **Child Care Quality** -- The President fought to secure \$182 million to improve the quality of child care for America's working families.
- **Teacher Recruitment** -- \$75 million for new teacher quality programs including to recruit and prepare thousands of teachers to teach in high-poverty areas.
- **Head Start** -- A \$313 million increase to fund President's request of up to an additional 36,000 slots for children and keeping on track towards 1 million children served by 2002.
- **Charter Schools** -- A 25% increase in funding for Charter Schools to keep on track toward 3,000 quality charter schools early in next century.
- **Hispanic Education Initiative** -- Increases of \$615 million to enhance educational opportunities.
- **Pell Grants** -- The largest maximum award ever for Pell grants -- \$3,125 a year.
- **Summer Jobs** -- \$871 million to provide up to 530,000 young people Summer Jobs.

Investing in a Cleaner Environment -- President Clinton won important new investments to combat water pollution, protect national parks, restore salmon and other endangered species, and develop clean

energy technologies and defeated scores of anti-environment riders:

- _ An additional \$xxx million for the President's **Clean Water Action Plan**.
- _ An additional \$xx million to preserve precious lands.
- _ \$ccc million increase for protecting and restoring **National Parks**.
- _ \$ccx billion more to fight against **global warming**.

Responding to the Farm Crisis at Home... --- the final budget includes xxx billion in emergency assistance to farmers, ranchers, and their families.

And to the Financial Turmoil Abroad -- the final budget includes the President's full funding request of \$17.9 billion for the IMF .

Moving People from Welfare to Work and Empowering Communities:

- _ **Welfare to Work housing vouchers** -- \$283 million for 50,000 vouchers.
- _ **Access to Jobs** -- \$100 million to link people on welfare to jobs.
- _ **Community Development Financial Institutions (CDFI) Fund** -- a \$15 million, 20% expansion.
- _ **Empowerment Zones** -- \$60 million in flexible funding.

A Robust Research and Development Agenda:

- _ **National Science Foundation** -- an 8.8 percent increase in support for science and engineering research.
- _ **National Institutes of Health** -- a 14 percent, \$1.9 billion increase to support greater research on diabetes, cancer, genetic medicine, and the development of an AIDS vaccine;
- _ **Next Generation Internet** -- a more than \$100 million for a federal R&D initiative which will connect more than 100 universities at speeds that are up to 1,000 times faster than today's Internet.
- _ **Advanced Technology Program** -- \$66 million for new awards for leading-edge civilian technology projects.

Other Highlights:

- _ **EEOC** -- A \$20 million (???) increase to reduce the average time it takes to resolve private sector complaints and reduce the backlog of cases.
- _ **Fighting Abusive Child Labor** -- a 10-fold increase, from \$3 million to \$30 million, in our commitment to the International Programme for the Elimination of Child Labor (IPEC).
- _ **Food Safety Initiative** -- \$79 million (??) to expand food safety research, risk assessment capabilities, education, surveillance activities, and food import inspections
- _ **HIV/AIDS Prevention and Treatment** -- an unprecedented \$360 million increase to help prevent and treat HIV/AIDS, with special efforts to address the needs of the minority community.

Much Work Still Left to Do:

In the waning days of the session, the President and Congressional Democrats prevailed in making critical investments to advance the President's comprehensive education agenda. Much work remains for the future

Automated Records Management System
Hex-Dump Conversion

because Republicans in Congress killed, at least for now, critical priorities, including:

- **School Modernization** -- Beginning with his State of the Union address, the President fought all year to modernize our schools. His fully paid for tax credits would have leverage nearly \$22 billion in bonds to build and renovate schools. In the final days of the budget negotiations, Republicans in Congress refused to even meet on the critical issue of school construction.
- **Patients Bill of Rights** -- President Clinton repeatedly urged the Congress to pass a strong, enforceable patients' bill of rights that would assure Americans the quality health care they need. Congressional Republicans killed this year's effort to pass a Patients Bill of Rights.
- **Comprehensive Tobacco Legislation** -- This year, President Clinton made passage of legislation to reduce youth smoking a top priority, in order to stop kids from smoking before they start through a significant price increase, measures to prevent tobacco companies from marketing to children, and critical public health prevention and education programs. Congressional Republicans opted to act as politicians instead of parents, and killed this year's effort to pass bipartisan comprehensive tobacco legislation to reduce youth smoking.
- **Campaign Finance Reform** -- At the beginning of the year, the President made passage of bipartisan, comprehensive campaign finance reform a priority for his Administration. After months of delay, the House of Representatives overcame defenders of the status quo and passed the Shay-Meehan bill. However, the Senate Republicans killed this historic legislation.
- **Child Care** -- In his State of the Union, the President proposed an historic child care initiative to make child care better, safer and more affordable for America's working families. The President's proposal included \$7.5 billion over 5 years for child care subsidies for low-income working families and tax credits to help 3 million working families pay for child care. The Republicans refused to support these critical investments.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-OCT-1998 18:13:42.00

SUBJECT: Re: Thank you

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

READ:UNKNOWN

TEXT:

I wish there had been a better result on needles. But thanks so much.

RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME:16-OCT-1998 13:53:26.00

SUBJECT: RECEIVED: Bilingual -- revised

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

READ:UNKNOWN

TEXT:

RETURN RECEIPT

Your Document:

Bilingual -- revised

was successfully received by:

CN=Elena Kagan/OU=OPD/O=EOP

at:

10/12/98 05:38:58 PM

October 17, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

Education -- Budget Deal: While your victory on class size reduction and your other education initiatives was remarkable, a number of key pieces of your education agenda remains unfinished. In addition to school modernization, there are two key areas we will focus on in the near term. First, the final provision on national standards allows some test development work to continue (while banning pilot testing or implementation), and calls on NAGB and NAS to conduct additional studies in anticipation of possible Congressional consideration of this issue when NAEP is reauthorized in the next Congress. Because the likelihood of ever getting full Congressional support is so slim, we will develop a number of additional options for how to best continue to press for national standards. Second, as we work with the Education Department on a proposal for the reauthorization of the Elementary and Secondary Education Act, we will ensure that the concepts in the Education Opportunity Zones are fully reflected in that proposal and remain a central part of our education agenda.

Health Care -- Kennedy-Jeffords Legislation: Despite our efforts, the Work Incentives Improvement Act (Kennedy-Jeffords) did not make into the final Omnibus budget appropriations bill. This bipartisan legislation, that you endorsed at the commemoration of the Americans with Disabilities Act (ADA) last July, enables people with disabilities to go back to work by providing an option to buy into Medicaid and Medicare, as well as other pro-work initiatives. The disability community believes this is the most significant legislation since the ADA. Although this bill was on the list of top Administration priorities throughout the final budget negotiations and received broad-based bipartisan support, it was rejected by Republicans because they did not want to have significant health expansions and because they thought it was too late in the process to approve such a significant piece of legislation. However, the disability community as well as the AIDS community and others are extremely appreciative that the Administration fought so hard to pass this legislation.

Health Care -- AIDS Issues in the Budget: The Omnibus bill included significant new funding for HIV/AIDS. In particular, it included \$110 million for funding to address the critical AIDS problem in the minority community. This increase, plus an additional \$20 million that HHS has agreed to allocate from existing funds, meets the Congressional Black Caucuses' full funding request for this problem. In addition to this important victory, the Ryan White Program

which provides a range of treatment and services for people with HIV/AIDS, also received a \$250 million -- or nearly 30 percent increase. The AIDS community and the CBC are quite pleased with this remarkable outcome. However, there is disappointment regarding the inclusion in the final bill of a needle exchange provision that prevents the District of Columbia from using their own funds for needle exchange programs. We strongly opposed this provision because it strips federal funds from community-based agencies trying to stop the spread of HIV through needle exchange programs.

Health Care -- Race and Health in the Budget: The Congress has taken a critical first step in investing in your multi-year proposal to eliminate racial health disparities in six health areas, including HIV/AIDS, cancer, diabetes, and immunizations. As you know some of these disparities are startling. For example, African Americans under the age of 65 have twice the rate of heart disease as whites, and Native Americans suffer from diabetes at nearly three times the average rate. The budget gives sufficient funding to finance the \$80 million you included in your budget request, including new grants for communities to develop new strategies to address these disparities.

Health Care -- Historic Increases in Biomedical Research. The Congress agreed to fund your proposal to increase biomedical research at the NIH with a \$2 billion expansion of NIH research funding --a 14-percent increase. This increase will enable scientists to pursue a wide range of important new breakthroughs in critical diseases, from Alzheimers to AIDS to genetic discoveries. In addition, the Centers for Disease Control also received your requested increases for new research to improve prevention efforts, including fighting emerging infectious diseases and combating new resistance to anti-biotics, and the Agency for Health Care Policy Research (AHCPR) received your requested increases to improve quality outcomes. For example, overuse of antibiotics has been shown to lead to resistance and cost as much as \$7.5 billion a year. AHCPR's development and dissemination of guidelines for the appropriate use of antibiotics will result in better patient care and significant health care savings.

Health Care --Pennsylvania DSH Payments. The entire Pennsylvania Congressional delegation is aggressively lobbying the Administration to waive administratively potentially hundreds of millions of dollars that HCFA's fiscal intermediaries have concluded that the state's hospitals owe as a result of inappropriate Medicare DSH payments. The Congressional delegation, the state, and the hospitals have taken the position that they were unaware that billing for these DSH payments was problematic. Some even argue that their interpretation of the law is that the payments are legal. The delegation decided not to pursue a legislative fix in this area because CBO scores such an intervention as costing the Treasury and the Medicare Trust Fund over \$300 million. They are, instead, advocating for HCFA to step in administratively and place a moratorium on their FP's collections of past (and future) liabilities for a long enough period to fight HCFA in court or for Congress to intervene legislatively next year. Particularly because of the strong Democratic interest in this area and because it appears that HCFA has been inconsistently been applying the reimbursement rules, we are urging HCFA to be responsive as

possible. We have been informed that HCFA will probably be able to announce a temporary moratorium late next week. We will make sure the roll-out is done to reflect the interest of the Members.

Tobacco -- Medicaid Recoupment: During negotiations over the omnibus appropriations bill, the Republican Leadership proposed including language which would have waived our right to the federal share of state tobacco recoveries. They would not, however, agree to conditions requiring states to spend a portion of the funds on a menu of items and the language was therefore not included in the bill. We plan to tell the states and others that we are willing to consider this issue next year, but only **if the federal share of settlement funds to a list of specified activities along the lines of the menu negotiated in the McCain bill and preferably including tobacco control activities.**

Crime -- Prison Drug Testing/Treatment: In the budget agreement we succeeded in including legislative language to allow states to use up to 10% of federal prison funds to implement drug testing and treatment plans for prisoners and parolees. As you know, you called for this change in law in a directive on coerced abstinence that you signed last year.

Crime -- Brady Implementation: The final budget agreement ensures that the Brady National Instant Criminal Background Check System (NICS) will go on-line as planned at the end of next month. While the final compromise does not allow the FBI to charge a user fee, it appropriates 42 million dollars to pay for these checks and, more importantly it does not require the immediate destruction of records. This latter provision would have delayed implementation of the NICS by 6-8 months.

Community Empowerment -- Final Budget Agreement: The final budget agreement included almost all of the major initiatives proposed in your State of the Union and FY99 Budget. Some of the highlights include: 1) 50,000 new Welfare-to-Work Housing Vouchers; 2) the first year funding for the Round II Empowerment Zones; 3) a 19 percent increase in the Community Development Financial Institution Fund budget; 4) enactment of the landmark public housing reform legislation; 5) extension of the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work Tax Credit (WTWTC); 6) an 18 percent increase in homeless assistance; 7) a 33 percent expansion of HUD's Fair Housing programs that are part of your One America Initiative; 8) full funding for EPA's Brownfield's program; 9) and the creation of a new program to provide Individual Development Accounts (IDA) to empower individuals to save for a first home, post secondary education, or to start a new business. The enactment of the IDA legislation means that you have fulfilled, at some level, all of the promises made in ***Putting People First*** in the area of community empowerment.

The one initiative which Congress was unwilling to consider as part of the tax extenders legislation was your proposal to expand the Low-Income Housing Tax Credit (LIHTC). However, we believe that the ground work has been laid to secure Congressional approval next year for the LIHTC and a longer extension of the WOTC and the WTWTC. Over the next

several week, DPC, NEC, and the Office of the Vice President will be finalizing a set of new proposals for your FY2000 budget and State of the Union that will build on the victories we achieved in this year's budget.

Welfare Reform -- Teen Birth and Pregnancy Rates: Two recent reports show continued good news regarding teen birth and pregnancy rates. CDC announced preliminary data showing a 3 percent drop in the teen birth rate from 1996 to 1997, the sixth annual decline in a row and a drop of 15 percent since 1991. The latest rate, for 1997, is 52.9 births per 1,000 girls between 15 and 19 years old. Teen birth rates declined for all racial groups, though the rate of decline for blacks was slightly less than for other groups. A new report from the Alan Guttmacher Institute shows the teen pregnancy rate dropped nearly 13 percent from 1991 to 1995 and now stands at the lowest level since 1975, at 101 pregnancies per 1,000 15- to 19-year-old girls. Researchers attribute the drop in pregnancy rates to a decline in sexual activity among teens and improved use of contraceptives. The teen pregnancy data lag several years behind the teen birth data because the pregnancy data depend on abortion data which take longer to collect. In several months, CDC will produce its own estimate of the teen pregnancy rate which will show a similar trend but will be estimated using a slightly different methodology. CDC's report will also contain teen pregnancy rates by race and ethnicity.

Withdrawal/Redaction Marker Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Elena Kagan to Bruce Reed and Thomas Freedman. Subject: food safety [partial] (1 page)	10/17/1998	P6/b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([From Elena Kagan])
OA/Box Number: 250000

FOLDER TITLE:

[10/14/1998 - 11/06/1998]

2009-1066-F
wr55

RESTRICTION CODES

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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

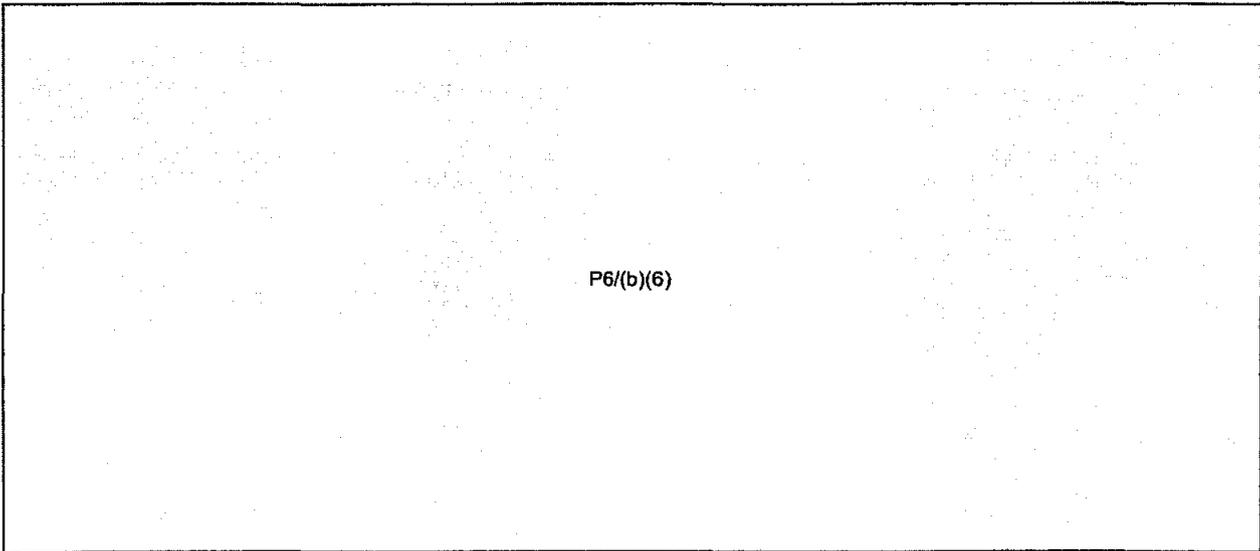
C. Closed in accordance with restrictions contained in donor's deed of gift.

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

RR. Document will be reviewed upon request.

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

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- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



P6(b)(6)

[002]

Charles E. Kieffer
10/17/98 03:18:29 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: food safety

Sally Chadbourne (Obey) called this afternoon to report that the majority has changed the allocation of our \$23 million food safety addback. Tim Sanders (Skeen) and Sally report that FDA told them that they can not spend the \$9.9 million in the original allocation on food safety and that if they get it they would propose to reprogram it to other activities later in the year.

Needless to say, Tim decided to reduce the \$9.9 million to \$5 million (allocating the balance to various USDA agencies). Their current plan is to allocate the \$23 million as follows:

- FDA \$5
- FSIS \$8m
- Cooperative State Res, Ed and extension \$3.9 million
- ARS\$3.6
- AMS \$2.8

Message Sent

To: _____
Jacob J. Lew/OMB/EOP
Sylvia M. Mathews/OMB/EOP
Daniel N. Mendelson/OMB/EOP
Elena Kagan/OPD/EOP
T J. Glauthier/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-OCT-1998 19:52:10.00

SUBJECT: Re: state of the union

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

READ:UNKNOWN

TEXT:

sorry. (but sally was in charge of the invites)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-OCT-1998 08:22:09.00

SUBJECT: White House Public Tour Closing, October 27, 1998

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22 AM -----

PostMaster 10/26/98 04:45:08 PM

Record Type: Record

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

cc:

Subject: White House Public Tour Closing, October 27, 1998

MEMORANDUM FOR ALL EOP PASSHOLDERS

FROM: MELINDA N. BATES
SPECIAL ASSISTANT TO THE PRESIDENT

AND
DIRECTOR, VISITORS OFFICE

SUBJECT: White House Public Tour Closing, October 27, 1998

Because of an official event in the Residence on Tuesday, October 27, the White House will be closed for public tours only. Since there are no public tours on October 27, this means there are no passholder head-of-line privileges that morning. All Congressional ticketed tours, Members tours, and 8:00 a.m. group tours will take place as usual.

This information is also on the White House Staff Tour and Information Line at extension 6-2002.

Please encourage your guests to call the 24-hour tour information line for the most up-to-date information (202-456-7041).

Information and displays on the White House are available at the White House Visitor Center. It is open seven days per week from 7:30 a.m. until 4 p.m. You are encouraged to send your guests to the Visitor Center whenever White House tours are not available.

We appreciate your cooperation when the White House must close for official events.

Thank you.

Message Sent

To: _____
All WHO Users
All Staff
All CEA Users

All CEQ Users
All NSC Users
All OA Users
All OMB Users
All ONDCP Users
All OPD Users
All OSTP Users
All PIR Users
All USTR Users
All WHCCTF Users

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22
AM -----

Paul J. Weinstein Jr.
10/26/98 05:06:07 PM

Record Type: Record .

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc:
Subject: SOTU Process

DPC staff have asked for a timeline post this week's project on new ideas. For example, when do we want to submit an options memorandum to POTUS.

Second, Elena, folks have asked if you could make it clear at the NEC-DPC Deputies meeting that the agencies should be working through NEC and DPC staff. Apparently there is some confusion in the agencies about processes. When need to make it clear to them that there is one process.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22
AM -----

Bruce N. Reed
10/26/98 05:28:44 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: High-tech ideas

Our list of ideas is light on science and technology ideas, which is unfortunate, since this will be the last State of the Union of the Millennium. In addition to Chris's crusade against Superbug, we might consider: 1) smart gun technology; 2) gun detectors; 3) more high-tech wrinkles in our child support crackdown; 4) the next idea in education technology; 5) an adoption registry; 6) cures for the various diseases that will plague the globe once the new Millennium hits; etc. We should also think about some possible consumer-oriented responses to this technological advance -- privacy protections, etc.

Anybody who comes up with a good high tech idea wins a free clock radio.

Message Sent

To: _____

Jose Cerda III/OPD/EOP
Michael Cohen/OPD/EOP
Thomas L. Freedman/OPD/EOP
Elena Kagan/OPD/EOP
Christopher C. Jennings/OPD/EOP
Paul J. Weinstein Jr./OPD/EOP
Cynthia A. Rice/OPD/EOP
Julie A. Fernandes/OPD/EOP
Jennifer L. Klein/OPD/EOP

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22 AM -----

Bruce N. Reed
10/26/98 05:32:31 PM
Record Type: Record

To: Paul J. Weinstein Jr./OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: Re: SOTU Process

We're going to submit a joint DPC-NEC new ideas memo to the President next week. Hence the urgency of finishing a draft.

We met with Maria today. She did not reveal any ulterior process, but we'll send a clear message anyway.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22 AM -----

Andrea Kane
10/26/98 05:34:13 PM
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cynthia A. Rice/OPD/EOP
Subject: Two more thoughts re: WTW bonus

1) A bonus formula which only rewards unsubsidized employment (i.e. excludes even subsidies paid with TANF funds) may disproportionately affect those areas and populations the WTW funds were intended to serve, i.e. concentrated poverty and hardest to serve. While we don't yet have hard data on how much subsidized employment is occurring with TANF funds, it may be used more where it's harder for someone to get an unsubsidized job. Also, it may take longer for people to move from subsidized to unsubsidized jobs where the economy is worse or the individuals have more barriers. Given the one-shot, short-term time frame for the WTW bonus, we'd penalize these places by only counting unsubsidized placements.

2) Just a reminder that it was never our intention to reward fully subsidized jobs, i.e. workfare. The TANF bonus only rewards jobs that are less than 100% subsidized, and it's always been our intent to do the same here. In other words, the employer is paying someone \$6.00 hour, but gets a subsidy that partially offsets these costs (typically a cash out of the person's welfare check). I'm pretty sure OMB knows this at a staff level, but just wanted to make you had this info if it should come up with

Jack.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22
AM -----

Bruce N. Reed
10/26/98 06:15:47 PM
Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Jeanne Lambrew/OPD/EOP
Subject: Re: Poverty Measures

I read the memo. My position would still be, we should stay out of this, let Census do what Census is planning to do. The more we meddle, the sooner we're going to get drawn into the benchmarking debate, where we don't want to be. The 2000 Census is already a time bomb for us. It was the one issue that came closest to destroying the budget agreement. If we start getting Robert Pear stories about White House Considers Raising Poverty Rate, the Republicans will go nuts to blow up the Census, the Dems will go nuts in the other direction, and we'll be stuck counting dead bodies. We should stay a million miles away from this, and not meddle in any distributional issues.

Even if that weren't the case, I still think non-benchmarking is a big mistake for this President. He's presided over a big reduction in poverty over his term. We shouldn't turn around at the end and leave everyone with the impression that things have actually gotten worse. The poverty rate is an arbitrary, imperfect measure -- and if we change it, it will still be an arbitrary, imperfect measure, just bigger.

I'll talk to Gene.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22
AM -----

Cynthia A. Rice
10/26/98 06:28:45 PM
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP,
Andrea Kane/OPD/EOP
cc:
Subject: Re: Two more thoughts re: WTW bonus

FYI: Cathy just told me Kitty Higgins' office called her today about setting up a meeting on this topic.

Bruce N. Reed
10/26/98 06:02:09 PM
Record Type: Record

To: Andrea Kane/OPD/EOP
cc:

http://172.28.127.30:8082/ARMS/servlet/getEmailArchive?URL_PATH=/nlcp-2/Arms404/opd/OPD_19940...

Subject: Re: Two more thoughts re: WTW bonus

I agree -- I made those points to Barbara; I'll raise them with Jack.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22 AM -----

Jeanne Lambrew
10/26/98 08:42:55 PM
Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Andrea Kane/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Christopher C. Jennings/OPD/EOP
bcc:
Subject: Re: Poverty Measures

I definitely, positively agree with your opinion and reasons for it -- and would like to add an additional one.

One of the more controversial aspects of these new thresholds is the subtraction of out-of-pocket medical expenditures from resources. This creates a large change in the nature of the "poor" -- more sick people would be classified as poor due to medical expenses.

This has, among others, two bad effects. First, it makes Medicaid participation / coverage rates look worse, since we have encouraged Medicaid to move towards an income-related health insurance program -- irrespective of health status. Second, it would now appear that many more seniors are poor, since they have the highest out of pocket health expenditures. This has large ramifications for Medicare policies (e.g. premium assistance programs, policies). While this direct link between health spending and poverty might put us in a better position to advocate for additional health policies, we already have enough problems to deal with.

I will take these issues up with Gene as well through the NEC process (which I have not been a part of, until now).

Jeanne

Bruce N. Reed
10/26/98 06:15:47 PM
Record Type: Record

To: Andrea Kane/OPD/EOP
cc: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP, Jeanne Lambrew/OPD/EOP

http://172.28.127.30:8082/ARMS/servlet/getEmailArchive?URL_PATH=/nlcp-2/Arms404/opd/OPD_19940...

Subject: Re: Poverty Measures

I read the memo. My position would still be, we should stay out of this, let Census do what Census is planning to do. The more we meddle, the sooner we're going to get drawn into the benchmarking debate, where we don't want to be. The 2000 Census is already a time bomb for us. It was the one issue that came closest to destroying the budget agreement. If we start getting Robert Pear stories about White House Considers Raising Poverty Rate, the Republicans will go nuts to blow up the Census, the Dems will go nuts in the other direction, and we'll be stuck counting dead bodies. We should stay a million miles away from this, and not meddle in any distributional issues.

Even if that weren't the case, I still think non-benchmarking is a big mistake for this President. He's presided over a big reduction in poverty over his term. We shouldn't turn around at the end and leave everyone with the impression that things have actually gotten worse. The poverty rate is an arbitrary, imperfect measure -- and if we change it, it will still be an arbitrary, imperfect measure, just bigger.

I'll talk to Gene.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22 AM -----

Bruce N. Reed
10/27/98 10:12:33 AM
Record Type: Record

To: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
cc:
Subject: conspiracies

According to the February 9, 1998 issue of Newsweek, a tobacco lobbyist named WILLIAM HECHT helped place LINDA TRIPP in a White House job during the Bush Administration. After the 1992 election, Tripp stayed on at the White House as a "confidential assistant" to White House advisor BERNIE NUSSBAUM, a senior member of WACHTEL LIPTON ROSEN & KATZ, which happens to be one of the leading law firms representing the tobacco industry. . . Later, after Tripp had accumulated a complete collection of Lewinsky tapes, she turned the tapes over to another partner of Wachtel Lipton named GEORGE CONWAY, who gave them to one James MOODY (who, to our knowledge, has no tobacco connection), who gave them to STARR. Conway was the author of the brief that persuaded the U.S. Supreme Court to permit the PAULA JONES case to proceed. . . Another mysterious coincidence occurred when VERNON JORDAN, a member of RJR Nabisco's Board of Directors and President Clinton's supposed friend, agreed to help MONICA LEWINSKY find a job in New York. According to Newsweek, Jordan got her an interview at BURSON-MARSTELLER, a public relations firm that happens to have Philip Morris as a long-standing client and is currently managing the grass roots movement in California to overturn the smoking ban in bars.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:22
AM -----

Sean P. Maloney

10/27/98 10:30:25 AM

Record Type: Record

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

cc:

Subject: The President's Trip to FL

On Thursday, October 29, 1998, the President will travel to the Kennedy Space Center in Cape Canaveral, Florida, to tour the facilities, meet with astronauts and their families, and witness the space shuttle launch. While there, he will present the Medal of Freedom to former Representative Dante Fascell. He will then travel to West Palm Beach and attend a reception for Representative Peter Deutsch and a dinner for the Florida Democratic party. He will return to the White House late Thursday night.

Deadlines for the President's trip book are as follows:

Background Memos: DUE WED., OCT. 28, AT NOON

- Political Memo
- CEQ Hot Issues
- Cabinet Affairs Hot Issues
- Accomplishments

Event Memos: DUE WED., OCT. 28, AT 6:00 P.M.

- Tour, Meet & Greet, and Shuttle
Launch at Cape Canaveral
- Medal of Freedom Presentation
- Deutsch Reception
- State Party Dinner

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

Message Sent

To:

Lori L. Anderson/WHO/EOP
Brenda M. Anders/WHO/EOP
Kris M Balderston/WHO/EOP
Barbara A. Barclay/WHO/EOP
David S. Beaubaire/WHO/EOP
Debra D. Bird/WHO/EOP
Jose Cerda III/OPD/EOP
Carolyn E. Cleveland/WHO/EOP
Michael Cohen/OPD/EOP
Brenda B. Costello/WHO/EOP
Maria Echaveste/WHO/EOP
Anne M. Edwards/WHO/EOP
Paul K. Engskov/WHO/EOP
Laura A. Graham/WHO/EOP
Nancy V. Hernreich/WHO/EOP

Phu D. Huynh/WHO/EOP
Cynthia M. Jasso-Rotunno/WHO/EOP
Cynthia M. Jasso-Rotunno/WHO/EOP
Elena Kagan/OPD/EOP
Kirk T. Hanlin/WHO/EOP
Karin Kullman/WHO/EOP
Sara M. Latham/WHO/EOP
Christopher J. Lavery/WHO/EOP
Ann F. Lewis/WHO/EOP
Bruce R. Lindsey/WHO/EOP
Joseph P. Lockhart/WHO/EOP
Andrew J. Mayock/WHO/EOP
Anne E. McGuire/WHO/EOP
Megan C. Moloney/WHO/EOP
Linda L. Moore/WHO/EOP
Minyon Moore/WHO/EOP
Kevin S. Moran/WHO/EOP
Mary Morrison/WHO/EOP
Elizabeth R. Newman/WHO/EOP
Jennifer M. Palmieri/WHO/EOP
Simeona F. Pasquil/WHO/EOP
John Podesta/WHO/EOP
Christa Robinson/OPD/EOP
Dan K. Rosenthal/WHO/EOP
Laura D. Schwartz/WHO/EOP
Jake Siewert/OPD/EOP
Craig T. Smith/WHO/EOP
Todd Stern/WHO/EOP
Aviva Steinberg/WHO/EOP
Stephanie S. Streett/WHO/EOP
Jordan Tamagni/WHO/EOP
Marjorie Tarmey/WHO/EOP
Michael V. Terrell/CEQ/EOP
Barry J. Toiv/WHO/EOP
June G. Turner/WHO/EOP
Beth A. Viola/CEQ/EOP
Michael Waldman/WHO/EOP
Christopher Wayne/WHO/EOP
Dorian V. Weaver/WHO/EOP
Paul J. Weinstein Jr./OPD/EOP
Daniel Wexler/WHO/EOP
Cecily C. Williams/WHO/EOP
Jonathan H. Adashek/WHO/EOP
Jon P. Jennings/WHO/EOP
Jonathan Orszag/OPD/EOP
Phillip Caplan/WHO/EOP
Julianne B. Corbett/WHO/EOP
Craig Hughes/WHO/EOP
Ryland M. Willis/WHO/EOP
Robert S. Kapla/CEQ/EOP
Maria E. Soto/WHO/EOP
Lawrence J. Stein/WHO/EOP
Janet Murguia/WHO/EOP
Malcolm R. Lee/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 28-OCT-1998 16:24:35.00

SUBJECT: at Bruce's suggestion...

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

READ: UNKNOWN

TEXT:

thanks a lot.

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 04:24
PM -----

Paul D. Glastris

10/28/98 03:53:11 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP

cc:

Subject: at Bruce's suggestion...

Elena,

Bruce Reed suggested that I get your thoughts regarding the idea I've been promoting about Army-style prep schools to encourage diversity at elite colleges (see below). If you have a few minutes to talk, I'd be grateful. Thanks.

-How to keep elite colleges diverse, the Army way: The Clinton administration will continue to support the right of colleges and universities to take race into account for admissions purposes. And rightly so, because it's clear from studies--including the new book by Derek Bok and William Bowen--that diversity works. The problem is that courts and ballot measures have chipped away at the legal basis of race-conscious admissions policies, and will probably continue to do so. What's needed is a second front for affirmative action--a way of creating a supply of minority students whose test scores and academic performance are high enough that they can be admitted to elite schools without racial preferences. Such a system already exist in the U.S. military. The Army, for instance, has a larger proportion of blacks in its upper ranks than almost any other large institution in America. It's secret: The U.S. Military Academic Preparatory School (USMAPS) in New Jersey. Every year, USMAPS accepts hundreds of promising but academically ill-prepared minority high school graduates. These cadets go through a grueling 10-month course of training in reading, math, military discipline, and good study habits. Cadets who make it through go on to West Point, their SAT scores having risen 110 points higher than when they entered USMAPS. Just as important, USMAPS cadets graduate from West Point at the same or higher rate than their West Point classmates who didn't go through USMAPS (by contrast, blacks at elite civilian colleges graduate at substantially lower rates than whites). Action: The POTUS should empanel a commission of military generals and elite college presidents to explore the possibility of adapting the USMAPS model to civilian higher education.

RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME:28-OCT-1998 16:32:57.00

SUBJECT: RECEIVED: Question

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

TEXT:
RETURN RECEIPT

Your Document:
Question
was successfully received by:
CN=Elena Kagan/OU=OPD/O=EOP
at:
10/28/98 04:23:03 PM

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:28-OCT-1998 08:23:20.00

SUBJECT: FY00 Entitlements Meeting

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 10/28/98 08:23 AM -----

Sandra Yamin
10/27/98 02:04:56 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: FY00 Entitlements Meeting

Please join Barbara Chow and Staff on Mon., Nov 2 from 1:30 - 3:00PM in OEOB 260 to discuss FY00 Entitlements. Please confirm your attendance.

We have scheduled one session from 1:30PM - 3:00PM to cover the topics listed in the sequence below, with each of the sections below allotted about 20 minutes (allowing for a little slippage). You are more than welcome to participate in any of these sections.

TANF (including contingency and supplemental growth); Welfare to Work; WTCO and WTW tax credits; Independent Living; Child Support Enforcement

Food stamps; child nutrition

UI; TAA; PBGC

Message Sent

To: _____
Elena Kagan/OPD/EOP
Broderick Johnson/WHO/EOP
Cynthia A. Rice/OPD/EOP
Andrea Kane/OPD/EOP
Rebecca M. Blank/CEA/EOP
Martha Foley/WHO/EOP
Jonathan Orszag/OPD/EOP

Message Copied

To: _____
Barry White/OMB/EOP
Larry R. Matlack/OMB/EOP
Jack A. Smalligan/OMB/EOP
Wayne Upshaw/OMB/EOP
Barbara Chow/OMB/EOP
Iratha H. Waters/OMB/EOP

November 1, 1998

PATIENTS BILL OF RIGHTS CEREMONY

DATE: November 2, 1998
LOCATION: Rose Garden
BRIEFING TIME: 12:15 pm - 12:55 pm
EVENT: 1:00 pm - 2:00 pm
FROM: Bruce Reed/Chris Jennings

I. PURPOSE

To urge voters to elect a Congress that supports increasing patient protections, and to release a report detailing actions the federal government has taken to implement a Patients Bill of Rights while the Republican Leadership stalled on this issue.

II. BACKGROUND

This is an opportunity for you to urge voters to elect a Congress that shares your commitment to passing a strong enforceable Patients' Bill of Rights next year. You should emphasize that while the Republican Leadership stalled on the patients' bill of rights, the Administration has been doing everything possible to implement these protections in Federal health plans. To that end, you will be releasing a new report from the Vice President documenting action that the Federal government is taking within its authority to implement the Patients' Bill of Rights in the health plans it administers or oversees. In your remarks, you should make the following points:

Criticize the Republican Leadership for allowing Congress to adjourn without passing a strong Patients' Bill of Rights. For a full year, you have been calling on the Congress to pass a strong enforceable patients' bill of rights. For months, the Republican Leadership used every possible stall tactic to thwart the patients' bill of rights. When the Republican Leadership finally did introduce a bill, their proposal contained more loopholes than patient protections. It did not contain critical protections, such as access to specialists, and offered false promises, such as an appeals process that left the decisions in the hands of HMO accountants. In fact, Senator Lott would not even allow an up or down vote to be held on this issue.

Urge Voters to Choose A Congress Committed to Passing A Strong Enforceable Patients' Bill of Rights. You should reiterate your strong commitment to passing a Patients' Bill of Rights in the next Congress and urge Americans to go to the polls

tomorrow to elect a Congress that shares this commitment. This legislation should include enforceable patient protections, such as access to specialists, coverage of emergency room services when and where the need arises, continuity of care protections, an internal and independent external appeals process to appeal decisions made by HMO accountants, and protections to assure that HMOs are held accountable when patients are harmed or injured due to a health plans' decisions.

Announce the Release of a New Report From the Vice President That Highlights the Administration Is Doing Everything Possible to Implement Patient Protections. In February, you directed Medicare, Medicaid, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program -- which serve over 85 million Americans -- to, where possible, come into compliance with the Patients' Bill of Rights outlined by the President's Quality Commission. Today, the Vice President released a report highlighting that these agencies have taken all the action within their statutory authority to implement patient protections. As a result, the Federal health plans are now, or soon will be, in virtual compliance with the Patients' Bill of Rights. The report documents that:

The 285 participating health plans, covering nine million Federal employees and their dependents, have been directed to implement new patient protections this year. OPM which oversees the Federal Health Employees Benefits Program (FEHBP) serving nine million Federal employees and dependents, has directed their 285 participating health plans to come into compliance with the Patients' Bill of Rights. Through their annual call letter, OPM has specifically requested that plans implement new protections including access to specialists, continuity of care, disclosure of financial incentives, and access to emergency room services. Finally, OPM has issue new regulations to prevent "gag clauses." OPM is also sending information to beneficiaries to assure they are fully aware of their new patient protections.

The 39 million Medicare beneficiaries are benefitting from critical patient protections. Building on Medicare's commitment to providing essential patient protections, HHS published an Interim Final rule in June that includes a series of new patient protections for Medicare beneficiaries. When this rule is fully implemented, Medicare will be virtually in compliance with the Patients' Bill of Rights, including new protections such as **access to emergency services when and where the need arises, patient participation in treatment decisions, and access to specialists.**

The 38 million Medicaid beneficiaries are being assured essential protections in the Patients' Bill of Rights. In September, HCFA published a Notice of Proposed Rulemaking (NPRM) adding new patients protections for Medicaid beneficiaries, such as access to specialists

and an expedited independent appeals process to bring the program in compliance with the Patients' **Bill of Rights**, where possible.

Over eight million Americans will receive the protections in the patients' bill of rights by the end of this year as a result of the new policy directive assured by the Defense Department's Military Health System (MHS). In response to your directive, DoD issued "The Patients' Bill of Rights and Responsibilities in the Military Health System," a major policy directive to all participants in the MHS. This directive outlined new protections for the over 8 million beneficiaries served by MHS, including access to appropriate specialists for women's health needs and chronic illnesses and rights for the full discussion of treatment options and of financial incentives. With this directive, which will be fully implemented by the end of this year, DoD will now be in compliance with the Patients' Bill of Rights.

Over three million veterans are or will soon be assured virtually all patient protections. In July, the Department of Veteran Affairs (DVA) issued an Information Memorandum to participating health providers announcing its intention to have an external appeals process in place by the end of the year. Similarly, DVA established a task force to make recommendations as to how best implement information disclosure requirements consistent with Commission's recommendations and has developed a new brochure to provide beneficiaries the necessary information. With the implementation of these new protections DVA is virtually in compliance with the Patients' Bill of Rights.

The 125 million Americans covered by ERISA still are not assured critical patient protections because the Department of Labor does not have the authority to implement them without legislation. DoL oversees the Employee Retirement Income Security Act (ERISA), governing approximately 2.5 million private sector health plans, that cover about 125 million Americans, issued new regulation to implement an expedited internal appeals process and information disclosure requirements. However, DoL's report underscores unless Congress passes Federal legislation, they do not have the authority to implement most patient protections.

III. PARTICIPANTS

Briefing Participants:

Bruce Reed

Chris Jennings

Karen Tramantano

Program Participants:

YOU

Beverly Malone, President of the American Nurses Association

Dr. Robert Weinmann, advocate of HMO reform

Frances Jennings, victim of HMO abuse. Her husband was delayed two months

for a refe

To be greeted before event:

Secretary Alexis Herman, Department of Labor

Director Janice LaChance, Office of Personnel Management

Deputy Secretary Gober, Veterans Administration

Gerald McEntee, President of AFSCME

Bill Lucy, Secretary Treasurer of AFSCME

Linda Chavez-Thompson, Executive Vice-President of the AFL-CIO

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced onto the stage accompanied by program participants.
- Beverly Malone will make remarks and introduce Dr. Robert Weinmann.
- Dr. Robert Weinmann will make remarks and introduce Frances Jennings.
- Frances Jennings will make remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and then depart.

VI. REMARKS

Provided by Speechwriting.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 2-NOV-1998 08:58:57.00

SUBJECT: patients' bill of rights paper

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

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 11/02/98 08:58
AM -----

Sarah A. Bianchi
11/01/98 09:51:50 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: patients' bill of rights paper

Message Sent

To: _____
Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Joseph P. Lockhart/WHO/EOP
Barry J. Toiv/WHO/EOP
Melissa G. Green/OPD/EOP
Nanda Chitre/WHO/EOP
Lori L. Anderson/WHO/EOP
Elizabeth R. Newman/WHO/EOP
Barbara D. Woolley/WHO/EOP
Neera Tanden/WHO/EOP
William H. White Jr./WHO/EOP
Julia M. Payne/WHO/EOP
Marsha E. Berry/WHO/EOP
Katharine Button/WHO/EOP
Stacie Spector/WHO/EOP
Ruby Shamir/WHO/EOP
Christa Robinson/OPD/EOP
Laura Emmett/WHO/EOP
Jonathan M. Young/WHO/EOP
Janet Murguia/WHO/EOP
Lawrence J. Stein/WHO/EOP
Sara M. Latham/WHO/EOP
Dawn L. Smalls/WHO/EOP
Kevin S. Moran/WHO/EOP
Nanda Chitre/WHO/EOP
Barbara D. Woolley/WHO/EOP
Jason H. Schechter/WHO/EOP
Beverly J. Barnes/WHO/EOP
Neera Tanden/WHO/EOP
Megan C. Moloney/WHO/EOP

PRESIDENT CLINTON RELEASES REPORT DOCUMENTING ACTIONS FEDERAL GOVERNMENT IS TAKING TO IMPLEMENT A PATIENTS' BILL OF RIGHTS AND URGES VOTERS TO SEND BACK A CONGRESS THAT SHARES HIS COMMITMENT TO PASS LEGISLATION TO ASSURE PROTECTIONS FOR ALL HEALTH PLANS

November 2, 1998

Today, President Clinton urged voters to send back a Congress that shares his commitment to passing a strong enforceable patients' bill of rights next year. The President also emphasized that while the Republican Leadership has stalled on the patients' bill of rights, the Administration has been doing everything possible to implement these protections in Federal health plans. To that end, he unveiled a report from the Vice President documenting action that the Federal government is taking within its authority to implement the patients' bill of rights in the health plans it administers or oversees. Today, the President:

Criticized Republican Leadership for allowing Congress to adjourn without passing a strong patients' bill of rights. For a full year, the President has been calling on the Congress to pass a strong enforceable patients' bill of rights. For months, the Republican Leadership used every possible stall tactic to thwart the patients' bill of rights. When the Republican Leadership finally did introduce a bill, their proposal contained more loopholes than patient protections. It did not contain critical protections such as access to specialists and offered false promises such as an appeals process that left the decisions in the hands of HMO accountants. In fact, Senator Lott would not even allow an up or down vote to be held on this issue.

Urged voters to choose a Congress committed to passing a meaningful patients' bill of rights. President Clinton committed to doing everything possible to pass a strong patients' bill of rights in the next Congress and urged Americans to go to the polls tomorrow to elect a Congress that shares this commitment. This legislation should include enforceable patient protections, such as access to specialists, coverage of emergency room services when and where the need arises, continuity of care protections, an internal and independent external appeals process to appeal decisions made by HMO accountants, and protections to assure that HMOs are held accountable when patients are harmed or injured due to a health plans' decisions.

Released report from the Vice President that highlighted that while the Republican Leadership delayed, the Administration is acting to implement patient protections in Federal health plans. In February, the President directed Medicare, Medicaid, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program -- which serve over 85 million Americans -- to, where possible, come into compliance with the patients' bill of rights outlined by the President's Quality Commission. Today, the Vice President released a report highlighting that these agencies have taken all the action within their statutory authority to implement patient protections. As a result, the Federal health plans are now, or soon will be, in virtual compliance with the patients' bill of rights. The report documents that:

- **The 285 participating health plans, covering nine million Federal employees and their dependents, have been directed to implement new patient protections this year.** The Office of Personell Management (OPM), which oversees the Federal Health Employees Benefits Program (FEHBP) serving nine million Federal employees and dependents, has directed their 285 participating health plans to come into compliance with the patients' bill of rights. Through their annual call letter, OPM has specifically requested that plans implement new protections including access to specialists, continuity of care, disclosure of financial incentives, and access to emergency room services. Finally, OPM has issue new regulations to prevent "gag clauses." OPM is also sending information to beneficiaries to assure they are fully aware of their new patient protections.

- **The 39 million Medicare beneficiaries are benefitting from critical patient protections. Building on Medicare’s commitment to provide essential patient protections, HHS published an Interim Final rule, in June, that includes a series of new patient protections for Medicare beneficiaries. When this rule is fully implemented, Medicare will be virtually in compliance with the patients’ bill of rights including new protections such as access to emergency services when and where the need arises, patient participation in treatment decisions, and access to specialists.**
- **The 38 million Medicaid beneficiaries are being assured essential protections in the patients’ bill of rights. In September, the Health Care Financing Administration published a Notice of Proposed Rulemaking (NPRM) adding new patients protections for Medicaid beneficiaries, such as access to specialists and an expedited independent appeals process to bring the program in compliance with the patients’ bill of rights, where possible.**
- **Over eight million Americans will receive the protections in the patients’ bill of rights by the end of this year as a result of the new policy directive assured by the Defense Department’s Military Health System (MHS). In response to the President’s directive, DoD issued “The Patients’ Bill of Rights and Responsibilities in the Military Health System,” a major policy directive to all participants in the MHS. This directive outlined new protections for the over 8 million beneficiaries served by MHS, including access to appropriate specialists for women’s health needs and chronic illnesses and rights for the full discussion of treatment options and of financial incentives. With this directive, which will be fully implemented by the end of this year, DoD will now be in compliance with the patients’ bill of rights .**
- **Over three million veterans are or will soon be assured virtually all patient protections. In July, the Department of Veteran Affairs (DVA) issued an Information Memorandum to participating health providers announcing its intention to have an external appeals process in place by the end of the year. Similarly, DVA established a task force to make recommendations as to how best implement information disclosure requirements consistent with Commission’s recommendations and has developed a new brochure to provide beneficiaries the necessary information. With the implementation of these new protections DVA is in virtual compliance with the patients’ bill of rights**
- **The 125 million Americans covered by ERISA still are not assured critical patient protections because the Department of Labor does not have the authority to implement them without legislation. DoL oversees the Employee Retirement Income Security Act (ERISA), governing approximately 2.5 million private sector health plans, that cover about 125 million Americans, issued a new regulation to implement an expedited internal appeals process and information disclosure requirements. However, DoL’s report underscores that unless Congress passes Federal legislation, they do not have the authority to implement most patient protections.**

October 17, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

Education -- Budget Deal: While your victory on class size reduction and your other education initiatives was remarkable, a number of key pieces of your education agenda remains unfinished. In addition to school modernization, there are two key areas we will focus on in the near term. First, the final provision on national standards allows some test development work to continue (while banning pilot testing or implementation), and calls on NAGB and NAS to conduct additional studies in anticipation of possible Congressional consideration of this issue when NAEP is reauthorized in the next Congress. Because the likelihood of ever getting full Congressional support is so slim, we will develop a number of additional options for how to best continue to press for national standards. Second, as we work with the Education Department on a proposal for the reauthorization of the Elementary and Secondary Education Act, we will ensure that the concepts in the Education Opportunity Zones are fully reflected in that proposal and remain a central part of our education agenda.

Health Care -- Kennedy-Jeffords Legislation: Despite our efforts, the Work Incentives Improvement Act (Kennedy-Jeffords) did not make into the final Omnibus budget appropriations bill. This bipartisan legislation, that you endorsed at the commemoration of the Americans with Disabilities Act (ADA) last July, enables people with disabilities to go back to work by providing an option to buy into Medicaid and Medicare, as well as other pro-work initiatives. The disability community believes this is the most significant legislation since the ADA. Although this bill was on the list of top Administration priorities throughout the final budget negotiations and received broad-based bipartisan support, it was rejected by Republicans because they did not want to have significant health expansions and because they thought it was too late in the process to approve such a significant piece of legislation. However, the disability community as well as the AIDS community and others are extremely appreciative that the Administration fought so hard to pass this legislation.

Health Care -- AIDS Issues in the Budget: The Omnibus bill included significant new funding for HIV/AIDS. In particular, it included \$110 million for funding to address the critical AIDS problem in the minority community. This increase, plus an additional \$20 million that HHS has agreed to allocate from existing funds, meets the Congressional Black Caucuses' full funding request for this problem. In addition to this important victory, the Ryan White Program

which provides a range of treatment and services for people with HIV/AIDS, also received a \$250 million -- or nearly 30 percent increase. The AIDS community and the CBC are quite pleased with this remarkable outcome. However, there is disappointment regarding the inclusion in the final bill of a needle exchange provision that prevents the District of Columbia from using their own funds for needle exchange programs. We strongly opposed this provision because it strips federal funds from community-based agencies trying to stop the spread of HIV through needle exchange programs.

Health Care -- Race and Health in the Budget: The Congress has taken a critical first step in investing in your multi-year proposal to eliminate racial health disparities in six health areas, including HIV/AIDS, cancer, diabetes, and immunizations. As you know some of these disparities are startling. For example, African Americans under the age of 65 have twice the rate of heart disease as whites, and Native Americans suffer from diabetes at nearly three times the average rate. The budget gives sufficient funding to finance the \$80 million you included in your budget request, including new grants for communities to develop new strategies to address these disparities.

Health Care -- Historic Increases in Biomedical Research. The Congress agreed to fund your proposal to increase biomedical research at the NIH with a \$2 billion expansion of NIH research funding --a 14-percent increase. This increase will enable scientists to pursue a wide range of important new breakthroughs in critical diseases, from Alzheimers to AIDS to genetic discoveries. In addition, the Centers for Disease Control also received your requested increases for new research to improve prevention efforts, including fighting emerging infectious diseases and combating new resistance to anti-biotics, and the Agency for Health Care Policy Research (AHCPR) received your requested increases to improve quality outcomes. For example, overuse of antibiotics has been shown to lead to resistance and cost as much as \$7.5 billion a year. AHCPR's development and dissemination of guidelines for the appropriate use of antibiotics will result in better patient care and significant health care savings.

Health Care --Pennsylvania DSH Payments. The entire Pennsylvania Congressional delegation is aggressively lobbying the Administration to waive administratively potentially hundreds of millions of dollars that HCFA's fiscal intermediaries have concluded that the state's hospitals owe as a result of inappropriate Medicare DSH payments. The Congressional delegation, the state, and the hospitals have taken the position that they were unaware that billing for these DSH payments was problematic. Some even argue that their interpretation of the law is that the payments are legal. The delegation decided not to pursue a legislative fix in this area because CBO scores such an intervention as costing the Treasury and the Medicare Trust Fund over \$300 million. They are, instead, advocating for HCFA to step in administratively and place a moratorium on their FT's collections of past (and future) liabilities for a long enough period to fight HCFA in court or for Congress to intervene legislatively next year. Particularly because of the strong Democratic interest in this area and because it appears that HCFA has been inconsistently been applying the reimbursement rules, we are urging HCFA to be responsive as

possible. We have been informed that HCFA will probably be able to announce a temporary moratorium late next week. We will make sure the roll-out is done to reflect the interest of the Members.

Tobacco -- Medicaid Recoupment: During negotiations over the omnibus appropriations bill, the Republican Leadership proposed including language which would have waived our right to the federal share of state tobacco recoveries. They would not, however, agree to conditions requiring states to spend a portion of the funds on a menu of items and the language was therefore not included in the bill. We plan to tell the states and others that we are willing to consider this issue next year, but only **if the federal share of settlement funds to a list of specified activities along the lines of the menu negotiated in the McCain bill and preferably including tobacco control activities.**

Crime -- Prison Drug Testing/Treatment: In the budget agreement we succeeded in including legislative language to allow states to use up to 10% of federal prison funds to implement drug testing and treatment plans for prisoners and parolees. As you know, you called for this change in law in a directive on coerced abstinence that you signed last year.

Crime -- Brady Implementation: The final budget agreement ensures that the Brady National Instant Criminal Background Check System (NICS) will go on-line as planned at the end of next month. While the final compromise does not allow the FBI to charge a user fee, it appropriates 42 million dollars to pay for these checks and, more importantly it does not require the immediate destruction of records. This latter provision would have delayed implementation of the NICS by 6-8 months.

Community Empowerment -- Final Budget Agreement: The final budget agreement included almost all of the major initiatives proposed in your State of the Union and FY99 Budget. Some of the highlights include: 1) 50,000 new Welfare-to-Work Housing Vouchers; 2) the first year funding for the Round II Empowerment Zones; 3) a 19 percent increase in the Community Development Financial Institution Fund budget; 4) enactment of the landmark public housing reform legislation; 5) extension of the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work Tax Credit (WTWTC); 6) an 18 percent increase in homeless assistance; 7) a 33 percent expansion of HUD's Fair Housing programs that are part of your One America Initiative; 8) full funding for EPA's Brownfield's program; 9) and the creation of a new program to provide Individual Development Accounts (IDA) to empower individuals to save for a first home, post secondary education, or to start a new business. The enactment of the IDA legislation means that you have fulfilled, at some level, all of the promises made in ***Putting People First*** in the area of community empowerment.

The one initiative which Congress was unwilling to consider as part of the tax extenders legislation was your proposal to expand the Low-Income Housing Tax Credit (LIHTC). However, we believe that the ground work has been laid to secure Congressional approval next year for the LIHTC and a longer extension of the WOTC and the WTWTC. Over the next

several week, DPC, NEC, and the Office of the Vice President will be finalizing a set of new proposals for your FY2000 budget and State of the Union that will build on the victories we achieved in this year's budget.

Welfare Reform -- Teen Birth and Pregnancy Rates: Two recent reports show continued good news regarding teen birth and pregnancy rates. CDC announced preliminary data showing a 3 percent drop in the teen birth rate from 1996 to 1997, the sixth annual decline in a row and a drop of 15 percent since 1991. The latest rate, for 1997, is 52.9 births per 1,000 girls between 15 and 19 years old. Teen birth rates declined for all racial groups, though the rate of decline for blacks was slightly less than for other groups. A new report from the Alan Guttmacher Institute shows the teen pregnancy rate dropped nearly 13 percent from 1991 to 1995 and now stands at the lowest level since 1975, at 101 pregnancies per 1,000 15- to 19-year-old girls. Researchers attribute the drop in pregnancy rates to a decline in sexual activity among teens and improved use of contraceptives. The teen pregnancy data lag several years behind the teen birth data because the pregnancy data depend on abortion data which take longer to collect. In several months, CDC will produce its own estimate of the teen pregnancy rate which will show a similar trend but will be estimated using a slightly different methodology. CDC's report will also contain teen pregnancy rates by race and ethnicity.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-NOV-1998 11:12:05.00

SUBJECT: Re: SOTU Ideas Memo

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

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

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

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

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

TEXT:

I've just talked to Maria. We're now shooting for a friday morning memo with a friday afternoon meeting

November 5, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan
Sally Katzen

SUBJECT: State of the Union/Budget Ideas

This memorandum provides a brief description of new ideas we are considering for the State of the Union. Some work has been done on fleshing them out, but many need additional work and further vetting through the interagency process. Most of these ideas involve increased spending, and you will have to make choices among them and/or scale them back as you consider the FY 2000 budget. Options relating to social security are not included in this memo.

EDUCATION AND TRAINING (DPC/NEC as specified)

1. Ending Social Promotion. Last year's budget proposal included \$300 million for Education Opportunity Zones in districts that agreed to remove bad teachers, turn around failing schools, and end social promotions. The proposal required authorization, which Congress will never give us. For next year, we recommend a simpler approach that uses existing authority and focuses entirely on ending social promotion. We would like to expand our after-school program from \$200 million to \$700 million and give a disproportionate share of this money to districts that end social promotion. These school districts could use the money (as Chicago does) to provide extra help after school and mandatory summer school for students who need it. (Cost: \$200 million above FY99 budget.) (DPC)

2. Teacher Quality and Recruitment. Now that we're on track to begin hiring 100,000 new teachers to reduce class size, we have an even greater responsibility to help communities attract talented new teachers to the profession. We envision a five-part strategy on teacher quality and recruitment: (1) a \$100 million increase in the teacher recruitment scholarships we enacted this year in the Higher Education Act, which would put us on course to attract 60,000 new teachers at high-need schools over the next five years; (2) a \$60 million initiative -- modeled after the successful Troops-to-Teachers program -- that would help states expand alternative certification routes and attract talented people from other professions, such as military personnel and employees in firms being downsized; (3) a nationwide crackdown on teacher education schools, including new regulations authorized by the Higher Education Act to require report cards for education schools; (4) a \$50 million increase in the Eisenhower program to send secondary school teachers who teach outside their field back to college to take additional courses in the subjects they're teaching, coupled

with a new requirement that new secondary teachers pass competency tests in a subject before they can teach it; and (5) a high-profile effort to help states make the most of the 15 percent set-aside for teacher quality in the recently passed class size legislation. (Cost: about \$210 million above FY99 budget). We are also exploring a politically interesting counter to private school choice: vouchers for private school teachers -- *i.e.*, an incentive program to encourage private school teachers to teach in public schools. (DPC)

3. Work-Site Schools. One of the most promising new education ideas sprouting up around the country is the creation of public schools located at work sites, designed primarily to serve employees' children. School districts provide the teachers and curriculum; companies provide facilities and upkeep. These schools-at-work serve a host of objectives at once, by (1) providing new facilities at no cost to the district, (2) increasing parental involvement in the schools and parental satisfaction in the workplace; (3) reducing employee turnover and absenteeism; and (4) increasing school diversity, because work sites are more diverse than residential neighborhoods. We propose a \$50 million increase in an existing magnet school program to provide grants to 50 communities to launch work-site schools. We also are working with Treasury to develop a tax credit for businesses that start on-site schools, similar to the Kohl business tax credit for on-site child care that is already in our budget. (Cost: \$50 million for start-up grants. No estimate yet for tax credit, but it will be very small.) (DPC/NEC)

4. Expanding public school choice. As support grows for private school vouchers, we must continue our efforts to expand choices within the public schools. Charter schools are one answer, and we recommend a \$20 million increase, to \$120 million, to keep us on track to 3,000 charter schools by 2002. Work-site schools are another. We also recommend increased funding for (1) an existing grant program that helps urban and suburban school districts reduce racial isolation by forming interdistrict magnet programs; and (2) magnet schools on university campuses, especially in urban areas. (Cost: \$25 million for 10 interdistrict magnet programs; \$15 million for 10 university-based schools.) (DPC)

5. School leadership academies. Research has shown that an effective principal is the single most important indicator of school success, yet little has been done at the national or state level to improve the management skills of principals. We propose a small initiative to create school leadership academies that would provide training in management, teacher evaluation, school discipline, and other areas to elementary school principals in high-poverty districts. (Cost: \$50 million) (DPC)

6. Class size. To stay on course to reach 100,000 new teachers in seven years, we will ask for \$1.3 billion in the FY2000 budget. We are planning an ambitious rollout of the class size initiative over the next year, as we award first-year funding, issue guidance to local districts on how the program works, and so on. We also will press Congress to restore the local matching requirement and strengthen the provisions to require competency testing of new teachers. (DPC)

7. Partnership for a Literate America. According to the National Adult Literacy Survey, 44 million adults struggle with a job application, cannot read to their children, or are left on the welfare

rolls because they lack basic skills. We are considering: (1) Workplace: a new tax credit and/or Federal grants to encourage employers to provide adult basic education classes at the worksite, and setting aside funds for work-based literacy projects within Welfare-to-Work competitive grants (see welfare section of this memo); (2) Community: expanding the infrastructure and funding for adult basic education through the Adult Education program, encouraging the development of programs focused on easing the transition to the U.S. for new immigrants (through ESL and civics classes), subsidizing the provision of child care on college campuses and other adult education sites, and launching a national information campaign to make people aware of the problem of functional illiteracy and of available services; and (3) Home: using the new *Learning Anytime Anywhere Partnerships* to create software for adult basic education using \$200 computers (e.g., WebTV, game players) and subsidizing public housing projects that create computer literacy programs. (NEC/DPC)

8. National Campaign to Open Doors of College. Notwithstanding enormous strides we have made in reducing the financial barriers to college, too many families assume college is more expensive than it really is and are not aware of the aid that is available (Even among low-income youth with high test scores, one-fourth say they have not been able to get much information about financial aid for college). We are planning: (1) launching a major national public information campaign about college costs and financial aid (e.g. naming a national chairman such as Bill Cosby, having a national college visit day, etc.), (2) building on the authority in the new GEAR UP program, providing *every* middle school (e.g. 7th grade counselor) with the ability to give students a “21st Century Scholar Certificate,” indicating the financial aid that they are eligible for, and (3) seeking to provide *every* high-poverty middle school with a college partner. This does not require any new investment, just some focus and creativity. (NEC)

9. Improving the College Success Rate. Getting people in the doors of college is not enough to close the racial and income opportunity gaps. For example, only 21% of African-American and 18% of Hispanic students who begin college complete a bachelor’s degree within 5 years compared to 30% of White students. We are considering a package of policies to increase degree attainment among low-income and minority students, including: (1) a super-Pell grant for the lowest income families and/or to encourage a full-time focus on school in the first year of college (this would be expensive); (2) expanding successful mentoring and other support services in colleges (including those aimed at graduate school preparation); (3) promoting college course-taking while in high school; (4) improving articulation between two-year and four-year colleges; (5) encouraging partnerships between predominately minority-serving and predominately majority-serving institutions of higher education (particularly to promote graduate study); and (6) establishing a bridge fellowship program for graduate study in science and technology fields for minorities and women. (NEC)

10. School Modernization. The current assumption is that we will repeat this year’s proposal for tax credits to build and renovate schools covering the interest on nearly \$22 billion in bonds. We are however, critically comparing our current proposal against other possible mechanisms to ensure we have the most effective approach. (NEC)

11. Further Expanding Junior ROTC. In response to the Los Angeles riots, Colin Powell

proposed and Congress approved in 1992 an expansion of the high school-based JROTC. Since then, 1,000 units have been added primarily in urban areas, bringing the total to nearly 2,600 units with 400,000 participants. The budget increased over that period from \$76 million to \$166 million. There is a waiting list of more than 450 schools that would like to have a JROTC unit. Because DOD does not plan any further expansion, these 450 schools on the waiting list will not likely be added. We could propose adding another 900 units over the next few years, to reach the authorized maximum of 3,500. Cost: about \$235 million. (NEC)

12. Training American Workers for Current and Future Skills Gaps. We should challenge the private sector to make specific commitments to train more American workers, which they pledged to do during the debate on H1-B visas. They could provide more college scholarships for women and minorities, partner with community colleges to develop cutting-edge curricula, and encourage their employees to serve as telementors for middle school students to get them excited about math and science. In addition, we are working on: (1) a program to foster partnerships (“Regional Skills Alliances”) between industry and training providers to train both employed and unemployed workers; (2) competitive grants to encourage companies to develop programs in which they subsidize the training of individuals who they then commit to hire; (3) extensions and/or expansions of some of the current training tax provisions (such as the lifelong learning tax credit and Section 127); (4) a major informational/media campaign by the Departments of Education and Labor to inform all Americans about available training opportunities, financial aid, and job search assistance to allow them to develop the skills required for employment opportunities around the country; (5) the adult literacy initiative described above; and (6) the “Improving the College Success Rate” initiative described above. (NEC)

13. Making Job Training Universal. We are considering an initiative to make job training more universal. The first component of this initiative would be to seek a significant increase in dislocated worker funding -- about \$190 million -- so that we are on path to provide training to every dislocated worker who wants or needs it within five years. The second component would be to ensure that job search assistance is available for every unemployed person. The final component would be to take the steps necessary to ensure that every worker, regardless of where they live, would be able to have access to a One-Stop Career Center (where they can learn about job training, employment service activities, unemployment insurance, vocational rehabilitation, adult education, and other assistance.) (NEC)

School safety -- see CRIME section

SERVICE (DPC)

1. AmeriCorps Seniors. In the wake of John Glenn’s return to space, we have an opportunity to give other senior citizens a mission. **We propose adding \$25 million to the current AmeriCorps program to create a senior corps of 10,000 volunteers to serve as tutors and mentors and in afterschool programs.** We would build on a successful demonstration program that recruits seniors to serve 15-20 hours per week over a fixed period of time in schools and other community centers.

In exchange, seniors would be eligible for small incentives, including awards to participate in senior learning programs. By inspiring responsibility among seniors, this initiative would provide an ideal complement to Social Security reform. John Glenn has expressed some interest in playing a role in AmeriCorps now that he's retired. We could invite him back to the State of the Union and place him in charge of a national effort to inspire seniors to serve. (Cost: \$25 million)

2. Expand AmeriCorps. We propose expanding the AmeriCorps program from its current level of 50,000 members per year to approximately 70,000 per year, with the goal of reaching 100,000 per year by the end of this Administration. These additional members could be targeted to serve primarily in after-school and summer school programs. (Cost: \$75 million)

3. Expand Service Component of Work-Study Program. Nearly 1 million students now receive federal work-study funding. Despite our efforts, colleges and universities are required to use only 7 percent of their work-study money for students employed in community service. The higher education lobby would object, but we could propose a substantial increase in that requirement -- e.g., phasing it up to 25 percent over the next 3 years.

HEALTH CARE (DPC/NEC as specified below)

1. Long-Term Care Initiative. This package could include: (1) a tax credit of up to \$1,000 for people with three or more limitations in activities of daily living (ADL) or their caregivers, at a cost of about \$6 billion over 5 years; (2) a plan for OPM to offer federal employees a choice of high-quality private long-term care insurance policies at lower-than-market prices; (3) a family caregiver support program, costing about \$500 to \$750 million over five years, that would provide grants to states for "one-stop shops" to assist families who care for severely impaired elderly relatives through counseling, training, and respite services; and (4) a nursing home quality initiative, costing about \$500 to \$750 million over five years, that would include new enforcement provisions (e.g., increased penalties), new funds for surveys of repeat offenders and improved surveyor training, and perhaps a new commission to oversee HCFA's nursing home enforcement efforts and to investigate other kinds of facilities where health care is offered (e.g., assisted living facilities). (DPC/NEC)

2. Disability Proposals. This package could include: (1) the Jeffords-Kennedy Work Incentives Improvement Act, which enables people with disabilities to go back to work by giving them an option to buy into Medicaid and Medicare, at a cost of about \$1.2 billion over 5 years; (2) a tax credit of \$1,000 to \$5,000 for working people with disabilities to assist them in paying for the costs associated with employment, at a cost of about \$1 to 2 billion over 5 years; (3) a proposal, costing \$50 million over five years, to promote the deinstitutionalization of Medicaid beneficiaries by developing viable community-based care alternatives for people residing in nursing homes after a "date certain"; and (4) a proposal to make Medigap supplemental insurance more accessible to people with disabilities. Other non-health related proposals focusing on disabilities include: a new competitive grant program, developed by your disabilities task force, to increase the employment rate of adults with disabilities, and

efforts to ensure that new technologies are designed so as to be accessible to people with disabilities (see below). (DPC/NEC)

3. Health Insurance Coverage Expansions. We could propose again, in somewhat new and improved forms: (1) an initiative to encourage small businesses to form purchasing cooperatives for health insurance, costing about \$50 to 100 million over 5 years; (2) proposals to improve outreach for children's health insurance; and (3) a proposal, more limited than last year's, to provide a Medicare buy-in for certain people ages 55 to 65, benefiting about 30,000 people and costing \$500 million over 5 years. (DPC/NEC)

4. Biomedical Research. We should again propose an increased investment in biomedical research -- perhaps (depending on how we treat tobacco money in the budget) between \$500 million and \$1 billion. (DPC)

5. Antibiotics (Super Bug) Initiative. Resistance to antibiotics is becoming a public health crisis, causing prolonged illnesses and even death. A new initiative, costing about \$25 million each year, could address this problem through: (1) a major outreach and education campaign involving hospitals, health professionals, and managed care organizations; and (2) new research and surveillance efforts to understand where and why antibiotic resistance occurs and to develop effective responses. (DPC)

6. Bioterrorism Initiative. This initiative, costing \$100-300 million each year, would: (1) train epidemic intelligence officers who can coordinate with state health departments to identify and respond to attacks; (2) develop a mass casualty emergency response system that includes primary care, emergency transportation, and decontamination abilities; (3) create and maintain a stockpile of pharmaceuticals; and (4) improve research to develop new vaccines and antibiotics to be used in the event of attack. (DPC)

7. Protecting beneficiaries from HMO withdrawals from Medicare. This year, a number of HMOs pulled out of Medicare with only a few months notice, leaving 50,000 beneficiaries with no plan options in their areas. You announced that the Administration would develop legislation to prevent this behavior in the future, and we are currently reviewing the best approaches. (DPC/NEC)

8. Redesigning and increasing enrollment in Medicare's premium assistance program. Over 3 million low-income Medicare beneficiaries are eligible but do not receive Medicaid coverage of their Medicare premiums and cost sharing. Many more may not get enough assistance through a new provision that is supposed to help higher income beneficiaries. We are developing a range of proposals, costing up to \$500 million over five years, to use Social Security Offices to educate beneficiaries about this program, reduce administrative complexity for states, and give them incentives to engage in more aggressive outreach efforts. (DPC/NEC)

9. Prescription drug coverage for Medicare beneficiaries. We are considering a variety of proposals to address the lack of coverage for prescription drugs in Medicare, including a

means-tested Medicaid option, an approach that would apply only in managed care, a traditional benefit for all beneficiaries, and an unsubsidized purchasing mechanism that uses Medicare's size as leverage for drug discounts for beneficiaries. If desirable, a proposal could be included in the budget or coordinated with the March release of the Medicare Commission's recommendations. The cost varies significantly depending on the proposal, ranging from \$1 to 20 billion a year. (DPC/NEC)

10. Disease Initiatives. We are working on several initiatives designed to combat particular diseases. These initiatives, which you could choose to do individually or in combination, are: (1) an asthma initiative, which will curb recent steep increases in asthma cases especially among young children, by disseminating new treatment guidelines to state and local public health programs and encouraging them to work with schools, child care organizations, businesses, and other community organizations; (2) a mental illness initiative that will accompany a Surgeon General's report on this subject (and perhaps a White House Conference recommended by Mrs. Gore) and will include public-private partnerships to improve access to prevention and treatment, reforms in federal health programs to improve delivery of mental health services, and funding increases in the mental health block grant; and (3) a heart disease initiative, which could include: a new partnership with aging networks to evaluate and improve nutrition; efforts to measure successful prevention approaches and replicate them nationwide; and the creation of a network of educators, churches, and community-based organizations to launch a nationwide awareness campaign. In each of these initiatives, the public health efforts described above would supplement NIH funding of research projects. The estimated cost of these initiatives is \$50 million for asthma, \$100 million for mental illness, and \$20 million for heart disease. (DPC)

11. Food Safety. We are working on a food safety initiative that will highlight safety standards and enforcement. Included in this initiative are: (1) a repackaged and somewhat modified legislative proposal giving the FDA and USDA additional enforcement powers (e.g., mandatory recalls and civil penalties); (2) additional food-specific regulations and/or guidelines (e.g., for certain fruits and vegetables); and (3) more extensive adoption of our model codes for restaurants and food service workers. In addition, we will focus on improving coordination with state and local agencies that regulate food safety in order to develop a wholly integrated national inspection system. (DPC)

TOBACCO (DPC)

1. State Menu. Our best vehicle for enacting tobacco legislation next year will be a legislative waiver of federal Medicaid claims to the states' expected \$200 billion settlement with the tobacco companies. We will seek bipartisan agreement on a menu of uses for the federal share of state money, with tobacco control and child care as our top priorities. We will try to use this measure as a vehicle for other key elements of our tobacco policy, such as FDA jurisdiction and warning labels.

2. Price Increase. One of the most difficult budget decisions will be whether to assume a tobacco tax increase in our budget request, and if so, what to do with the money. Proponents

argue that a substantial price increase is an essential part of our efforts to reduce youth smoking, and we need the money to pay for new initiatives. Others argue that once again using tobacco as a honeypot will hurt our ability to pass tobacco legislation and undermine the credibility of our entire budget, since a big tax hike is unlikely to pass. If we do assume tobacco revenue, the candidates for it include: (1) assistance to tobacco farmers (about \$1 billion a year); (2) the long-term care tax credit (about \$1 billion a year); (3) other tax cuts, such as a child care / stay-at-home tax credit and/or a reduction in the marriage penalty; (4) NIH research; (5) public health programs; and (6) the Medicare trust fund and/or a new prescription drug benefit for Medicare beneficiaries.

FAMILIES AND CHILDREN (DPC/NEC as specified)

1. Expansion of the Child Care and Development Block Grant (old policy). We propose to expand the Child Care and Development Block Grant as we did in the FY 1999 Budget. The block grant is the primary federal child care subsidy program, helping low-income working families to pay for child care. Currently, between one and two million children are served by the program, leaving roughly nine million children who are eligible but unserved. This proposal would cost at least \$7.5 billion over five years. (DPC)

2. Tax Relief for Parents, Including Parents who Stay at Home. We are considering replacing our last year's proposal to expand the Child and Dependent Care Tax Credit with a new proposal to benefit all parents, including those who stay home. This change will address the criticism that our child care initiative did little for stay-at-home parents. We are reviewing proposals to (1) double the child tax credit to \$1,000 per child for all children under the age of four, at a cost of about \$12 billion over five years; (2) increase the standard deduction for each child under the age of three by \$1,000, at a cost of about \$3 billion over five years; or (3) expand the Child and Dependent Care Tax Credit as we did last year *and* extend its benefits to parents with children below age three by assuming minimum child care expenses of \$150 each month, at a total cost of about \$21 billion over five years. Each of these proposals can be dialed up or down by adjusting either the age threshold or the dollar amount. (DPC/NEC)

3. Tax Credit for Businesses Providing Child Care. We could again propose to provide a tax credit to businesses that provide child care services for their employees. The credit, which covers 25% of qualified costs but may not exceed \$150,000 per year, costs \$500 million over 5 years. To further build on this concept, we also propose to provide tax credits to businesses that provide on-site schools (see education section). (DPC/NEC)

4. Parent Paid Leave Plan. Many workers cannot afford to take unpaid leave following the birth or adoption of a child, even though they have access to an unpaid leave policy through FMLA or voluntary employer benefit plans. To address this problem, we are considering a proposal to provide eligible parents who already have access to unpaid leave with partial wage replacement for a set period of time. The cost of the program, which would be administered through the Unemployment Insurance System, varies according to the selected eligibility criteria. If we choose, for example, to give \$200 per week for four weeks to new parents with median income (about \$37,000) or below, the

cost will be about \$875 million for FY 2000 (including start-up and administrative expenses). (DPC)

5. FMLA Expansion to Businesses with 25 Workers (old but unarticulated policy). Under current law, workers are eligible for FMLA coverage only if they work at a business with *50 or more* employees and if they have worked at least twelve months and 1,250 hours for the employer. In your last State of the Union, you called for covering more workers under the FMLA, but did not fully articulate how you would do so. We could now advance a specific proposal to lower the FMLA threshold to 25 or more workers, which would expand coverage for up to ten million more American workers. (DPC/NEC)

6. Parent Education and Support Fund. We are considering proposals to create a competitive grant program administered by HHS to fund parent education and support programs, including home visitation programs and "second chance maternity homes" to support teen mothers and teach parenting skills. This fund could cost about \$500 million over five years. (DPC)

7. Adoption Registry. We are working on plans to create an Internet-based adoption registry of foster care children waiting to be adopted, so that prospective adoptive parents can learn about these waiting children. Funding this registry would require very small increase in HHS's Adoption Opportunities Grant Program. (DPC)

COMMUNITY EMPOWERMENT (DPC/NEC for all)

1. CDFI Tax Credit. We are looking at a proposal to extend tax incentives to encourage investment in CDFIs, which would leverage additional private investment in distressed areas and stimulate the economic revitalization of those areas. Under the proposal, \$100 million in non-refundable tax credits would be made available to the CDFI Fund to allocate among equity investors in qualified CDFIs using a competitive process.

2. Microcredit Initiative. We are working to identify means to increase support for microenterprise finance, both domestically and internationally. We are examining whether to build on Senators Kennedy's and Domenici's PRIME legislation which would provide technical assistance to microenterprise. We are also looking at increased funding for CDFI initiatives specifically targeted to microenterprise, and CRA and other regulatory reform designed to enhance bank lending to microenterprise funds. On the international side, we are looking at whether we can increase microenterprise funding through USAID or MDBs, especially to countries hardest hit by the financial crisis.

3. Clean Water, Parks, and Communities Bonds. We are examining three proposals to encourage "green" infrastructure projects. The first model uses the same financing mechanism as your school construction proposal for a menu of projects: protecting and improving water quality; cleanup of contaminated sediments; waterfront reclamation and revitalization; stormwater runoff control; purchasing of green spaces to prevent sprawl; park enhancements and revitalization, and brownfields cleanup. The second model, which provides a smaller incentive than the first model, would create new tax-exempt bond authority for these state and local areas to invest in clean water,

parks, and communities. The advantage of this model is that it builds on the current system of bond finance. The final model would allocate tax credits (like the Low-Income Housing Tax Credit) to states and local areas to provide to the developers of these green infrastructure projects.

4. Employment Tax Credits. The Work Opportunity Tax Credit and the Welfare-To-Work Tax Credit encourage employers to hire and retain members of certain economically disadvantaged targeted groups. Both credits will expire on June 30, 1999. Under this proposal the two credits would be made permanent.

5. Re-Develop 10,000 Abandoned Buildings. Abandoned buildings are a symbol of urban blight, and an action plan to turn this around will be a powerful signal of change. We are examining different proposals to help re-develop 10,000 abandoned buildings, combining several existing programs or providing grants or tax incentives to spur private-sector redevelopment of these sites.

6. Low-Income Housing Tax Credit and Regional Affordable Housing Initiative. Last year, you proposed a 40-percent expansion of the Low-Income Housing Tax Credit to spur the private sector to develop more affordable rental housing for low-income Americans. We recommend that you again ask Congress to take this action, which would restore the value of the credit to its 1986 level and help develop an additional 150,000-180,000 affordable housing units over the next five years. This proposal would cost \$1.6 billion over five years. At the same time, you could propose a Regional Affordable Housing Initiative to increase the availability of affordable housing in areas with high growth in low-skilled jobs and inadequate supplies of housing for low-income workers. This proposal could be funded through HUD's HOME program and would cost \$125 million over five years.

7. Homeownership Tax Credit. We are examining two kinds of tax credits to promote homeownership among lower-income families, who generally do not benefit from the mortgage interest deduction. The first proposal would use the model of the Low-Income Housing Tax Credit to create a Low-Income Homeownership Tax Credit. Under this proposal, low-income families would receive a low- or zero-interest second mortgage, which would reduce their upfront costs (e.g., downpayment and closing costs) and investors would receive tax credits in return. The second proposal is a \$5,000 tax credit for first-time homebuyers in Empowerment Zones or Enterprise Communities.

8. Housing for the Elderly Initiative. This proposal is designed to improve housing for elderly people and thereby provide an alternative to nursing home care. In addition to providing capital to improve and modify such housing to meet the needs of elderly residents, the initiative would provide housing vouchers for low income elderly who live in housing developed through the Low-Income Housing Tax Credit. Because the tax credit helps subsidize rent, this proposal would allow us to leverage our resources and provide more vouchers to the poor elderly.

9. Incremental Tenant-based Section 8 Vouchers. To build on our success in this past year's

budget, we recommend seeking an additional 50,000 welfare-to-work housing vouchers and another 25,000 vouchers to meet the needs of the homeless, including elderly homeless and homeless veterans.

10. Homelessness. We are working on a three-part proposal that would: (1) assist the approximately 250,000 homeless veterans by increasing residential alternatives, community-based contracted care, job preparation activities, stand down activities (community-sponsored events that conduct one-stop service delivery programs for homeless veterans), the distribution of clothing, and long-term housing; (2) allow VA to sell surplus property with 10 percent of proceeds going to homeless veterans; and (3) start a demonstration project targeted to the chronically homeless to test the most promising models for moving the chronically homeless to self-sufficiency using a combination of permanent housing and links to mainstream services. Cost: \$105 million -- \$60 million for VA and \$45 million for HUD demonstration project.

RURAL/AGRICULTURE (NEC/DPC as specified)

1. Strengthening the Safety Net. To help farmers suffering from the depressed export markets and natural disasters, we are considering various reforms of the crop insurance program and closing gaps in the emergency loan program. We are paying special attention to programs that will help small family farms. (NEC)

2. Bringing the knowledge of land grant colleges to every rural American: The USDA spends \$1.6 billion on agricultural research, much of it at America's land grant colleges and universities. The government could provide grants to ensure that this information is available on the Internet and is well-organized --so that all rural Americans can easily access information on topics such as crops, livestock, rural development, natural resource conservation, and food safety. (NEC)

3. Emergency Medical Services in Rural Areas. The presence of viable emergency systems is critical for residents in rural areas, because of the high rates of injury associated with jobs in these areas and the long distances to health providers. This proposal, costing about \$50 million, would provide funds to States and local communities to improve access to 911 services or alternative emergency systems. It also would fund programs to help rural communities train local citizens in CPR and first responder techniques and to recruit and retain emergency personnel. (DPC/NEC)

TECHNOLOGY (NEC)

1. Curbcuts on the Information Highway. We are looking at several options that would make information technology usable by people with disabilities in a manner that improves their lives: (1) investing in R&D (e.g., text-to-speech, automatic captioning, speech recognition); (2) giving disabilities groups a seat at the table as the standards for new technologies are developed; and (3) making the government a model "user" of accessible technology. In

addition, the tax credit for work-related impairment expenses for people with disabilities could be used to expand the market for assistive technology.

2. A Digital Library for Science, Math and Engineering. We need to get every young student and undergraduate excited about math, science and engineering. One approach we are exploring is creating a "digital library," which would contain lectures from Nobel Prize laureates, have an ability to track and replicate cutting-edge scientific experiments, and make it easier for students and teachers to locate the best instructional material on the Internet.

3. A User-Friendly Information Age Government. American citizens should not have to learn the "org chart" of the federal government. Building on the efforts of the Vice President's "reinventing government" activities, the Administration will be developing a series of "one stop shops" that tie together the most useful information and on-line transactions for students, senior citizens, exporters, and small businesses.

4. Information Technology Research Initiative. Increasing our investment in information technology research, which is currently about \$1 billion of the federal research budget, could lead to the following breakthroughs: supercomputers that can more rapidly perform important functions, such as designing life-saving drugs and predicting severe weather systems; wireless networks that can bring telemedicine and distance learning to rural America; a device of the size of a paper that could monitor the vital signs of a senior citizen, send a "911" message in the event of a medical emergency, and provide an exact location using global positioning technology; new software tools that can help us cope with "information overload" by discovering patterns in huge quantities of data; and intelligent spacecraft that can explore the Solar System. Options have been developed at roughly \$100, \$200 and \$400 million in FY2000; and \$1, \$2 and \$3 billion over 5 years.

5. 21st Century Research Fund. One initiative that you announced in last year's budget that we think is important to continue is the 21st Century Research Fund -- which provided across-the-board support for civilian R&D at agencies such as NIH, NSF, and Energy. This year, Congress provided a 10 percent increase for basic research, so this is an area where bipartisan cooperation is possible.

CRIME (DPC)

1. Crime Bill II. The 1994 Crime Act will expire at the end of the FY 2000 budget cycle, guaranteeing that the next Congress will consider major crime legislation. We recommend that you get a jump on this debate by using your State of the Union and FY 2000 budget to challenge Congress to pass a new crime bill that builds on the core elements of the successful 1994 Act -- more police, smarter punishment, and more prevention. Most of the money required is already built into future budgets; continuation of the COPS program, however, will require new funds totaling about \$1 billion. We believe that a new Crime Act should include the following elements:

- **Community-Oriented Policing and Prosecution Services (COPPS).** Your pledge to help fund 100,000 more police is likely to be fulfilled before the end of next summer. A new

COPPS initiative (note the extra “P” for “Prosecution”), costing about \$1.4 billion in the first year, could include funds to: (1) hire, redeploy, and retain an estimated 7,500 more police each year; (2) provide modern technology and equipment and support training in modern policing techniques, with a special emphasis on “hot spots” technology; (3) hire, train, and equip prosecutors to join local police in fighting crime on a more community-based, proactive basis; and (4) support partnerships between law enforcement and community-based groups to prevent crime in their areas.

- **A new focus on probation supervision and coerced abstinence.** The punishment title of the crime bill now focuses largely on prison construction; we recommend shifting the focus to a new “Certainty of Punishment” initiative that will support the expanded use of probation supervision and of drug testing and treatment.
- **Gun initiatives.** A new crime bill should include your longstanding firearms priorities -- juvenile Brady, Brady II, federal CAP legislation and child safety locks. It also could include new proposals to: (1) close the loophole that exempts many firearms sales at gun shows and flea markets from Brady background checks; (2) expand the Youth Crime Gun Interdiction Initiative (YCGII) -- to trace all crime guns and investigate gun traffickers -- to an additional 20-40 cities; and (3) assemble gun strike forces -- teams of federal prosecutors and ATF agents, acting with local law enforcement -- to target cities with high levels of gun violence and crack down on gun traffickers.
- **Values-based crime prevention initiative.** In addition to other crime bill prevention programs, we could invest in promoting values-based crime and violence prevention efforts, such as those of Rev. Eugene Rivers. Funds from this program would go to comprehensive prevention programs run by faith-based and other institutions seeking to instill and reinforce common sense values in troubled youth.

2. Safe, Disciplined, and Drug-Free Schools. At the White House Conference on School Safety, you announced that you would overhaul and strengthen the Safe and Drug-Free Schools Program. Under this proposed reform, funds will be appropriately targeted to schools with serious drug and crime problems, and schools will have to adopt rigorous, comprehensive school safety plans that include: tough but fair discipline policies, such as zero tolerance for guns and drugs; safe passage to and from schools; effective drug and violence policies and programs; annual school safety and drug use report cards; links to after school programs; efforts to involve parents; and crisis management plans. We also could include in this package (1) funds for states that adopt a policy of drug testing first-time applicants for drivers’ licenses and (2) funds for school districts that adopt a policy of drug testing middle and high school students with parental consent. We believe that these reforms will require up to \$450 million in new funding in FY 2000.

3. Parity for Substance Abuse Treatment. Appropriate substance abuse treatment remains unavailable to nearly half of the people who need it. To help fill this treatment gap, we could

propose legislation to encourage parity between substance abuse treatment and other medical benefits. Similar to the Mental Health Parity Act signed into law in 1996, a current draft of this legislation would prohibit health care plans that provide a substance abuse benefit from setting annual or lifetime dollar limits on this benefit at a lower level than those for other medical and surgical benefits. At the same time, we would have to ensure that federal health programs provide parity between substance abuse treatment and other medical benefits; we are still exploring the cost of any necessary reforms to these programs.

4. Binge Drinking. We are working on a number of proposals regarding alcohol abuse, including (1) promoting a voluntary code for alcohol advertisements directed toward minors; (2) banning alcohol billboards near schools; (3) discouraging alcohol advertising on youth-oriented web sites; (4) and funding educational efforts about the dangers of alcohol consumption.

WELFARE REFORM, CHILD SUPPORT ENFORCEMENT, AND CHILD WELFARE (DPC)

1. Reauthorize the Welfare-to-Work Program. Congress authorized the Welfare-to-Work Program for only two years; if we wish to continue our current investment in the hardest-to-employ, we will have to propose a reauthorization of about \$1.5 billion annually. Within this funding level, we propose several set-asides, totaling \$500 million, for the following specific purposes: (1) work-based English-language literacy projects for immigrants and others; (2) work-based substance abuse testing and treatment programs; (3) employment services for welfare recipients with disabilities; and (4) a work-based program to promote responsible fatherhood, including efforts to increase low-income fathers' employment and earnings and ensure that they provide financial and other support to their children.

2. Child Support. One initiative, costing just a few million dollars each year, would increase the prosecution of egregious child support violators by establishing multi-agency teams, working with state and local law enforcement, to identify, analyze, and investigate cases for prosecution. A pilot project of this kind is already under way in five states; this proposal would put these units in place all across the nation within the next several years. A second initiative would seek legislation to exclude doctors and other health care providers who are delinquent in child support from the Medicare program or from programs offering health professional loans.

3. Children "Aging Out" of Foster Care. Each year, nearly 20,000 18-year-olds "age out" of the public child welfare system. Federal financial support for these young people ends just at the time they are making the critical transition to adulthood. Areas for increased investment for these young adults include: (1) expanding the independent living program, which provides services to foster care children in this age group; (2) expanding the transitional living program, a competitive grant program that funds community-based organizations that provide services to this population, including housing support; and (3) giving states the option of using Federal Medicaid dollars to provide health care coverage for this population. (Cost: roughly \$150 million each year)

Welfare-to-Work Housing Vouchers and Tax Credit -- see COMMUNITY EMPOWERMENT Section

CIVIL RIGHTS (DPC)

1. Equal Pay. We are working on a program to be run by the EEOC and DOL to increase outreach to businesses and employees about equal pay requirements, provide technical assistance to businesses seeking to comply, improve training for EEOC employees, and expand enforcement capabilities. In addition, the program will fund research on the nature and extent of wage discrimination, as well as a new Women in Non-Traditional Occupations Initiative designed to improve access of women into occupations such as construction and high technology. Cost: about \$20 million for EEOC and \$10 million for DOL)

TRANSPORTATION (NEC/DPC as specified)

1. Reauthorization of the FAA, with Focus on Modernization and Competition. A blue-ribbon panel concluded last year that the air transportation system faces "gridlock" within a decade without sweeping changes. We are considering various policy options to incorporate into the FAA reauthorization that you will likely propose in 1999 that will: (1) improve the efficiency and capacity of the nation's aviation system, and (2) enhance competition and service to rural areas. Some of the components of this initiative would include: centralizing the air traffic control services (ATS) in a performance-based organization; financing ATS for commercial aviation through cost-based user fees; increasing Passenger Facility Charges (PFCs) to finance airport expansion nationwide; modifying federal rules on how airports can use PFCs and other funds to encourage new airline entrants; and enhancing service to underserved areas.

We are also looking at ways to further competition in international aviation. The Administration has extended the benefits of competition by negotiating dozens of bilateral open-skies agreements. We could press our trading partners for World Wide Open Skies and explore lifting other restrictions on foreign aviation investment and operation on a reciprocal basis. (NEC)

2. Auto Safety. We are making headway on auto safety. Last year, the number and rate of auto fatalities declined. However, we still have a long way to go -- more than 40,000 Americans die in auto accidents each year, at a direct cost of \$150 billion. The keys are seatbelts (more) and alcohol (less). We are working on a comprehensive initiative that would include: (1) meeting the President's goal of 85 percent seatbelt compliance by the year 2000, which would save 4,000 lives and nearly \$7 billion; (2) promoting education initiatives like the Buckle-Up America campaign; (3) enforcing the TEA-21 requirement that states lower the legal blood alcohol content level from .10 to .08; and (4) pushing a new Administration initiative on children's safety that will target auto accidents, among other problems, by promoting the use of child safety seats, booster seats (for children ages 4-8), and bicycle helmets. (NEC/DPC)

3. Transportation Needs of the Aged. With the number of Americans over 65 expected to grow by half by 2020, we should begin addressing the need to ensure their continued mobility, independence and safety in their later years. We are only beginning to look at this issue with DOT, which plans to hold six town meetings soon with senior citizens, medical experts, transportation safety specialists, and others to discuss the problems and challenges and identify best practices. The U.S. will host an international conference on this topic next year, in connection with the United Nation's Year of Older Persons. This may be combined with the long-term care and the housing for the elderly initiatives. (NEC)

4. Sustainable Development and "Smart Growth." Sensible, flexible transportation initiatives can improve both our economy and our quality of life. First, we will continue investing in sustainable transportation. TEA-21 authorizes a record \$41 billion over the next six years for transit; increases tax-free transit benefits; and expands communities' ability to transfer funds from highway construction to transit, bicycle and pedestrian programs, telecommuting and other forms of transportation that reduce congestion and pollution. Second, we need to empower communities to make smart choices, choosing the right transportation investments for their needs. As result of a new policy DOT announced in April, communities can now use federal funds to clean and reuse "brownfields," preserving farms and forests for the future. Third, we need to make communities more livable, with support for low-cost projects with big quality-of-life benefits, such as bicycle paths and historic preservation. (NEC)

ENERGY (NEC)

1. Proposing the Comprehensive Electricity Competition Act. You could call on Congress to enact the electricity restructuring legislation Act, to make the electricity industry more competitive and to provide more choices for industrial, commercial and residential customers. The Administration's Comprehensive Electricity Competition Act will save consumers \$20 billion a year. Retail competition will not only improve efficiency, but also reduce the two-thirds waste of energy currently associated with fossil-fuel generation of electricity, thereby cutting greenhouse gas emissions.

2. Distributed Generation ("Micropower"). To increase the consumer savings and environmental benefits from electricity competition, the Administration will pursue legislation to eliminate obstacles to the use of small, clean efficient generation technologies (e.g., fuel cells and photovoltaics) that can be installed at or near the electricity user's site. Moving from large, central-station generation of electricity to distributed generation by small, clean sources is analogous to the move from mainframe computers to personal computers.

PENSIONS (NEC)

1. Expanded Private Pension Plan Coverage: Last year, you announced several initiatives to expand pension plan coverage which were not enacted, but which we continue to believe are important and have substantial support on the Hill. We should again call for legislation that:

authorizes a simplified plan for small businesses that combines the best features of a defined benefit and defined contribution plan (SMART), costing \$313 million over five years; provides a three-year tax credit to encourage small businesses to set up retirement programs, costing \$508 million over five years; and authorizes payroll deductions for IRAs. We are exploring ways to expand coverage for moderate and lower-income workers. Consideration is also being given to ways of enabling multiple small businesses to pool together for pension plan administration.

2. Women's Retirement Security: To underscore the importance of pensions for women's retirement security, you would call for legislation enacting the two initiatives you announced in late October -- namely, that time taken under FMLA should count toward retirement plan vesting requirements and mandating that employer plans offer an option that pays less while the retired employee is living but pays a survivor benefit equal to at least 75 percent of the benefit the couple received while both were alive.

3. Pension Portability: You could renew your call for reducing vesting requirements from five years to three years for employer matching contributions to 401(k) and other plans to reflect an increasingly mobile workforce, and more workers moving in and out of the workforce over a lifetime. We are also exploring various options that would increase pension portability and facilitate the movement of retirement savings between plans, where this can be done without encouraging "leakage" or loss of worker protections -- e.g., providing that federal employees can roll over retirement savings from private sector qualified plans into the federal Thrift Savings Plan.

4. Expand Pension Right to Know Provisions: You could call for a pension right to know package that provides for both workers and their spouses general information relating to retirement needs and their benefits under employer retirement plans. In addition, an employee's spouse should have the same rights to get information as the employee, before waiving the statutorily provided survivor protection. You should call for a Pension Right to Know package that provides information for both workers and their spouses. We are also working on an employee education program that would provide employees with the tools they need to work with their employers to provide pension plans, and are thinking about how to encourage courses in high schools on the importance of savings and other general investment education (which can be combined with the Consumer Literacy and Education campaign described below). Consideration is also being given to a savings stamp book program in the schools (sell savings stamps in very small amounts; when the book is full, turn it in for a U.S. savings bond) to help educate the young about how to reach savings goals.

5. Increase Retirement Security: To promote security, we are continuing to work on the pension audit bill, changes to the multi employer (collectively bargained) plan rules, and expansion of PBGC's missing participant program.

FINANCIAL SERVICES (NEC/DPC)

1. Consumer Financial Literacy and Education. We are currently developing a set of proposals to promote consumer financial awareness and enhance consumer credit literacy,

ranging from a public awareness campaign to establishing an educational clearinghouse to disseminate quality curricula to high school students. We are also working on a study to identify what the biggest problems are with how Americans use consumer credit, and what basic banking services and steps they can take to help themselves (this may be very important if bankruptcy reform is a live item next year). Part of our focus is on reaching out to low-income households, building on (and expanding) two existing government programs -- Treasury's Electronic Funds Transfer program that was a first step in helping the "unbanked" enter into electronic commerce and a USDA extension program that is providing some (limited) services to rural low-income families. This proposal would cost \$5-10 million.

2. Consumer Financial Bill of Rights. In order to respond to the outrage consumers feel about ATM surcharges, without supporting economically questionable regulation of ATM fees, we are considering a proposal either for the government or for financial institutions voluntarily to make publicly available a list of basic banking services and fees on an individual or geographic basis to be published periodically over the Internet. The services profiled would include, but would not be limited to, charges for access to ATMs. We are also considering the adequacy of current credit card disclosure requirements (again, relevant to bankruptcy reform) and other areas where information about financial service arrangements would be helpful to consumers. This would cost \$3-5 million.

November 5, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan
Sally Katzen

SUBJECT: State of the Union/Budget Ideas

This memorandum provides a brief description of new ideas we are considering for the State of the Union. Some work has been done on fleshing them out, but many need additional work and further vetting through the interagency process. Most of these ideas involve increased spending, and you will have to make choices among them and/or scale them back as you consider the FY 2000 budget. Options relating to social security are not included in this memo.

EDUCATION AND TRAINING (DPC/NEC as specified)

1. Ending Social Promotion. Last year's budget proposal included \$300 million for Education Opportunity Zones in districts that agreed to remove bad teachers, turn around failing schools, and end social promotions. The proposal required authorization, which Congress will never give us. For next year, we recommend a simpler approach that uses existing authority and focuses entirely on ending social promotion. We would like to expand our after-school program from \$200 million to \$700 million and give a disproportionate share of this money to districts that end social promotion. These school districts could use the money (as Chicago does) to provide extra help after school and mandatory summer school for students who need it. (Cost: \$200 million above FY99 budget.) (DPC)

2. Teacher Quality and Recruitment. Now that we're on track to begin hiring 100,000 new teachers to reduce class size, we have an even greater responsibility to help communities attract talented new teachers to the profession. We envision a five-part strategy on teacher quality and recruitment: (1) a \$100 million increase in the teacher recruitment scholarships we enacted this year in the Higher Education Act, which would put us on course to attract 60,000 new teachers at high-need schools over the next five years; (2) a \$60 million initiative -- modeled after the successful Troops-to-Teachers program -- that would help states expand alternative certification routes and attract talented people from other professions, such as military personnel and employees in firms being downsized; (3) a nationwide crackdown on teacher education schools, including new regulations authorized by the Higher Education Act to require report cards for education schools; (4) a \$50 million increase in the Eisenhower program to send secondary school teachers who teach outside their field back to college to take additional courses in the subjects they're teaching, coupled

with a new requirement that new secondary teachers pass competency tests in a subject before they can teach it; and (5) a high-profile effort to help states make the most of the 15 percent set-aside for teacher quality in the recently passed class size legislation. (Cost: about \$210 million above FY99 budget). We are also exploring a politically interesting counter to private school choice: vouchers for private school teachers -- i.e., an incentive program to encourage private school teachers to teach in public schools. (DPC)

3. Work-Site Schools. One of the most promising new education ideas sprouting up around the country is the creation of public schools located at work sites, designed primarily to serve employees' children. School districts provide the teachers and curriculum; companies provide facilities and upkeep. These schools-at-work serve a host of objectives at once, by (1) providing new facilities at no cost to the district, (2) increasing parental involvement in the schools and parental satisfaction in the workplace; (3) reducing employee turnover and absenteeism; and (4) increasing school diversity, because work sites are more diverse than residential neighborhoods. We propose a \$50 million increase in an existing magnet school program to provide grants to 50 communities to launch work-site schools. We also are working with Treasury to develop a tax credit for businesses that start on-site schools, similar to the Kohl business tax credit for on-site child care that is already in our budget. (Cost: \$50 million for start-up grants. No estimate yet for tax credit, but it will be very small.) (DPC/NEC)

4. Expanding public school choice. As support grows for private school vouchers, we must continue our efforts to expand choices within the public schools. Charter schools are one answer, and we recommend a \$20 million increase, to \$120 million, to keep us on track to 3,000 charter schools by 2002. Work-site schools are another. We also recommend increased funding for (1) an existing grant program that helps urban and suburban school districts reduce racial isolation by forming interdistrict magnet programs; and (2) magnet schools on university campuses, especially in urban areas. (Cost: \$25 million for 10 interdistrict magnet programs; \$15 million for 10 university-based schools.) (DPC)

5. School leadership academies. Research has shown that an effective principal is the single most important indicator of school success, yet little has been done at the national or state level to improve the management skills of principals. We propose a small initiative to create school leadership academies that would provide training in management, teacher evaluation, school discipline, and other areas to elementary school principals in high-poverty districts. (Cost: \$50 million) (DPC)

6. Class size. To stay on course to reach 100,000 new teachers in seven years, we will ask for \$1.3 billion in the FY2000 budget. We are planning an ambitious rollout of the class size initiative over the next year, as we award first-year funding, issue guidance to local districts on how the program works, and so on. We also will press Congress to restore the local matching requirement and strengthen the provisions to require competency testing of new teachers. (DPC)

7. Partnership for a Literate America. According to the National Adult Literacy Survey, 44 million adults struggle with a job application, cannot read to their children, or are left on the welfare

rolls because they lack basic skills. We are considering: (1) Workplace: a new tax credit and/or Federal grants to encourage employers to provide adult basic education classes at the worksite, and setting aside funds for work-based literacy projects within Welfare-to-Work competitive grants (see welfare section of this memo); (2) Community: expanding the infrastructure and funding for adult basic education through the Adult Education program, encouraging the development of programs focused on easing the transition to the U.S. for new immigrants (through ESL and civics classes), subsidizing the provision of child care on college campuses and other adult education sites, and launching a national information campaign to make people aware of the problem of functional illiteracy and of available services; and (3) Home: using the new *Learning Anytime Anywhere Partnerships* to create software for adult basic education using \$200 computers (e.g., WebTV, game players) and subsidizing public housing projects that create computer literacy programs. (NEC/DPC)

8. National Campaign to Open Doors of College. Notwithstanding enormous strides we have made in reducing the financial barriers to college, too many families assume college is more expensive than it really is and are not aware of the aid that is available (Even among low-income youth with high test scores, one-fourth say they have not been able to get much information about financial aid for college). We are planning: (1) launching a major national public information campaign about college costs and financial aid (e.g. naming a national chairman such as Bill Cosby, having a national college visit day, etc.), (2) building on the authority in the new GEAR UP program, providing *every* middle school (e.g. 7th grade counselor) with the ability to give students a “21st Century Scholar Certificate,” indicating the financial aid that they are eligible for, and (3) seeking to provide *every* high-poverty middle school with a college partner. This does not require any new investment, just some focus and creativity. (NEC)

9. Improving the College Success Rate. Getting people in the doors of college is not enough to close the racial and income opportunity gaps. For example, only 21% of African-American and 18% of Hispanic students who begin college complete a bachelor’s degree within 5 years compared to 30% of White students. We are considering a package of policies to increase degree attainment among low-income and minority students, including: (1) a super-Pell grant for the lowest income families and/or to encourage a full-time focus on school in the first year of college (this would be expensive); (2) expanding successful mentoring and other support services in colleges (including those aimed at graduate school preparation); (3) promoting college course-taking while in high school; (4) improving articulation between two-year and four-year colleges; (5) encouraging partnerships between predominately minority-serving and predominately majority-serving institutions of higher education (particularly to promote graduate study); and (6) establishing a bridge fellowship program for graduate study in science and technology fields for minorities and women. (NEC)

10. School Modernization. The current assumption is that we will repeat this year’s proposal for tax credits to build and renovate schools covering the interest on nearly \$22 billion in bonds. We are however, critically comparing our current proposal against other possible mechanisms to ensure we have the most effective approach. (NEC)

11. Further Expanding Junior ROTC. In response to the Los Angeles riots, Colin Powell

proposed and Congress approved in 1992 an expansion of the high school-based JROTC. Since then, 1,000 units have been added primarily in urban areas, bringing the total to nearly 2,600 units with 400,000 participants. The budget increased over that period from \$76 million to \$166 million. There is a waiting list of more than 450 schools that would like to have a JROTC unit. Because DOD does not plan any further expansion, these 450 schools on the waiting list will not likely be added. We could propose adding another 900 units over the next few years, to reach the authorized maximum of 3,500. Cost: about \$235 million. (NEC)

12. Training American Workers for Current and Future Skills Gaps. We should challenge the private sector to make specific commitments to train more American workers, which they pledged to do during the debate on H1-B visas. They could provide more college scholarships for women and minorities, partner with community colleges to develop cutting-edge curricula, and encourage their employees to serve as telementors for middle school students to get them excited about math and science. In addition, we are working on: (1) a program to foster partnerships (“Regional Skills Alliances”) between industry and training providers to train both employed and unemployed workers; (2) competitive grants to encourage companies to develop programs in which they subsidize the training of individuals who they then commit to hire; (3) extensions and/or expansions of some of the current training tax provisions (such as the lifelong learning tax credit and Section 127); (4) a major informational/media campaign by the Departments of Education and Labor to inform all Americans about available training opportunities, financial aid, and job search assistance to allow them to develop the skills required for employment opportunities around the country; (5) the adult literacy initiative described above; and (6) the “Improving the College Success Rate” initiative described above. (NEC)

13. Making Job Training Universal. We are considering an initiative to make job training more universal. The first component of this initiative would be to seek a significant increase in dislocated worker funding -- about \$190 million -- so that we are on path to provide training to every dislocated worker who wants or needs it within five years. The second component would be to ensure that job search assistance is available for every unemployed person. The final component would be to take the steps necessary to ensure that every worker, regardless of where they live, would be able to have access to a One-Stop Career Center (where they can learn about job training, employment service activities, unemployment insurance, vocational rehabilitation, adult education, and other assistance.) (NEC)

School safety -- see CRIME section

SERVICE (DPC)

1. AmeriCorps Seniors. In the wake of John Glenn’s return to space, we have an opportunity to give other senior citizens a mission. **We propose adding \$25 million to the current AmeriCorps program to create a senior corps of 10,000 volunteers to serve as tutors and mentors and in afterschool programs.** We would build on a successful demonstration program that recruits seniors to serve 15-20 hours per week over a fixed period of time in schools and other community centers.

In exchange, seniors would be eligible for small incentives, including awards to participate in senior learning programs. By inspiring responsibility among seniors, this initiative would provide an ideal complement to Social Security reform. John Glenn has expressed some interest in playing a role in AmeriCorps now that he's retired. We could invite him back to the State of the Union and place him in charge of a national effort to inspire seniors to serve. (Cost: \$25 million)

2. Expand AmeriCorps. We propose expanding the AmeriCorps program from its current level of 50,000 members per year to approximately 70,000 per year, with the goal of reaching 100,000 per year by the end of this Administration. These additional members could be targeted to serve primarily in after-school and summer school programs. (Cost: \$75 million)

3. Expand Service Component of Work-Study Program. Nearly 1 million students now receive federal work-study funding. Despite our efforts, colleges and universities are required to use only 7 percent of their work-study money for students employed in community service. The higher education lobby would object, but we could propose a substantial increase in that requirement -- e.g., phasing it up to 25 percent over the next 3 years.

HEALTH CARE (DPC/NEC as specified below)

1. Long-Term Care Initiative. This package could include: (1) a tax credit of up to \$1,000 for people with three or more limitations in activities of daily living (ADL) or their caregivers, at a cost of about \$6 billion over 5 years; (2) a plan for OPM to offer federal employees a choice of high-quality private long-term care insurance policies at lower-than-market prices; (3) a family caregiver support program, costing about \$500 to \$750 million over five years, that would provide grants to states for "one-stop shops" to assist families who care for severely impaired elderly relatives through counseling, training, and respite services; and (4) a nursing home quality initiative, costing about \$500 to \$750 million over five years, that would include new enforcement provisions (e.g., increased penalties), new funds for surveys of repeat offenders and improved surveyor training, and perhaps a new commission to oversee HCFA's nursing home enforcement efforts and to investigate other kinds of facilities where health care is offered (e.g., assisted living facilities). (DPC/NEC)

2. Disability Proposals. This package could include: (1) the Jeffords-Kennedy Work Incentives Improvement Act, which enables people with disabilities to go back to work by giving them an option to buy into Medicaid and Medicare, at a cost of about \$1.2 billion over 5 years; (2) a tax credit of \$1,000 to \$5,000 for working people with disabilities to assist them in paying for the costs associated with employment, at a cost of about \$1 to 2 billion over 5 years; (3) a proposal, costing \$50 million over five years, to promote the deinstitutionalization of Medicaid beneficiaries by developing viable community-based care alternatives for people residing in nursing homes after a "date certain"; and (4) a proposal to make Medigap supplemental insurance more accessible to people with disabilities. Other non-health related proposals focusing on disabilities include: a new competitive grant program, developed by your disabilities task force, to increase the employment rate of adults with disabilities, and

efforts to ensure that new technologies are designed so as to be accessible to people with disabilities (see below). (DPC/NEC)

3. Health Insurance Coverage Expansions. We could propose again, in somewhat new and improved forms: (1) an initiative to encourage small businesses to form purchasing cooperatives for health insurance, costing about \$50 to 100 million over 5 years; (2) proposals to improve outreach for children's health insurance; and (3) a proposal, more limited than last year's, to provide a Medicare buy-in for certain people ages 55 to 65, benefiting about 30,000 people and costing \$500 million over 5 years. (DPC/NEC)

4. Biomedical Research. We should again propose an increased investment in biomedical research -- perhaps (depending on how we treat tobacco money in the budget) between \$500 million and \$1 billion. (DPC)

5. Antibiotics (Super Bug) Initiative. Resistance to antibiotics is becoming a public health crisis, causing prolonged illnesses and even death. A new initiative, costing about \$25 million each year, could address this problem through: (1) a major outreach and education campaign involving hospitals, health professionals, and managed care organizations; and (2) new research and surveillance efforts to understand where and why antibiotic resistance occurs and to develop effective responses. (DPC)

6. Bioterrorism Initiative. This initiative, costing \$100-300 million each year, would: (1) train epidemic intelligence officers who can coordinate with state health departments to identify and respond to attacks; (2) develop a mass casualty emergency response system that includes primary care, emergency transportation, and decontamination abilities; (3) create and maintain a stockpile of pharmaceuticals; and (4) improve research to develop new vaccines and antibiotics to be used in the event of attack. (DPC)

7. Protecting beneficiaries from HMO withdrawals from Medicare. This year, a number of HMOs pulled out of Medicare with only a few months notice, leaving 50,000 beneficiaries with no plan options in their areas. You announced that the Administration would develop legislation to prevent this behavior in the future, and we are currently reviewing the best approaches. (DPC/NEC)

8. Redesigning and increasing enrollment in Medicare's premium assistance program. Over 3 million low-income Medicare beneficiaries are eligible but do not receive Medicaid coverage of their Medicare premiums and cost sharing. Many more may not get enough assistance through a new provision that is supposed to help higher income beneficiaries. We are developing a range of proposals, costing up to \$500 million over five years, to use Social Security Offices to educate beneficiaries about this program, reduce administrative complexity for states, and give them incentives to engage in more aggressive outreach efforts. (DPC/NEC)

9. Prescription drug coverage for Medicare beneficiaries. We are considering a variety of proposals to address the lack of coverage for prescription drugs in Medicare, including a

means-tested Medicaid option, an approach that would apply only in managed care, a traditional benefit for all beneficiaries, and an unsubsidized purchasing mechanism that uses Medicare's size as leverage for drug discounts for beneficiaries. If desirable, a proposal could be included in the budget or coordinated with the March release of the Medicare Commission's recommendations. The cost varies significantly depending on the proposal, ranging from \$1 to 20 billion a year. (DPC/NEC)

10. Disease Initiatives. We are working on several initiatives designed to combat particular diseases. These initiatives, which you could choose to do individually or in combination, are: (1) an asthma initiative, which will curb recent steep increases in asthma cases especially among young children, by disseminating new treatment guidelines to state and local public health programs and encouraging them to work with schools, child care organizations, businesses, and other community organizations; (2) a mental illness initiative that will accompany a Surgeon General's report on this subject (and perhaps a White House Conference recommended by Mrs. Gore) and will include public-private partnerships to improve access to prevention and treatment, reforms in federal health programs to improve delivery of mental health services, and funding increases in the mental health block grant; and (3) a heart disease initiative, which could include: a new partnership with aging networks to evaluate and improve nutrition; efforts to measure successful prevention approaches and replicate them nationwide; and the creation of a network of educators, churches, and community-based organizations to launch a nationwide awareness campaign. In each of these initiatives, the public health efforts described above would supplement NIH funding of research projects. The estimated cost of these initiatives is \$50 million for asthma, \$100 million for mental illness, and \$20 million for heart disease. (DPC)

11. Food Safety. We are working on a food safety initiative that will highlight safety standards and enforcement. Included in this initiative are: (1) a repackaged and somewhat modified legislative proposal giving the FDA and USDA additional enforcement powers (e.g., mandatory recalls and civil penalties); (2) additional food-specific regulations and/or guidelines (e.g., for certain fruits and vegetables); and (3) more extensive adoption of our model codes for restaurants and food service workers. In addition, we will focus on improving coordination with state and local agencies that regulate food safety in order to develop a wholly integrated national inspection system. (DPC)

TOBACCO (DPC)

1. State Menu. Our best vehicle for enacting tobacco legislation next year will be a legislative waiver of federal Medicaid claims to the states' expected \$200 billion settlement with the tobacco companies. We will seek bipartisan agreement on a menu of uses for the federal share of state money, with tobacco control and child care as our top priorities. We will try to use this measure as a vehicle for other key elements of our tobacco policy, such as FDA jurisdiction and warning labels.

2. Price Increase. One of the most difficult budget decisions will be whether to assume a tobacco tax increase in our budget request, and if so, what to do with the money. Proponents

argue that a substantial price increase is an essential part of our efforts to reduce youth smoking, and we need the money to pay for new initiatives. Others argue that once again using tobacco as a honeypot will hurt our ability to pass tobacco legislation and undermine the credibility of our entire budget, since a big tax hike is unlikely to pass. If we do assume tobacco revenue, the candidates for it include: (1) assistance to tobacco farmers (about \$1 billion a year); (2) the long-term care tax credit (about \$1 billion a year); (3) other tax cuts, such as a child care / stay-at-home tax credit and/or a reduction in the marriage penalty; (4) NIH research; (5) public health programs; and (6) the Medicare trust fund and/or a new prescription drug benefit for Medicare beneficiaries.

FAMILIES AND CHILDREN (DPC/NEC as specified)

1. Expansion of the Child Care and Development Block Grant (old policy). We propose to expand the Child Care and Development Block Grant as we did in the FY 1999 Budget. The block grant is the primary federal child care subsidy program, helping low-income working families to pay for child care. Currently, between one and two million children are served by the program, leaving roughly nine million children who are eligible but unserved. This proposal would cost at least \$7.5 billion over five years. (DPC)

2. Tax Relief for Parents, Including Parents who Stay at Home. We are considering replacing our last year's proposal to expand the Child and Dependent Care Tax Credit with a new proposal to benefit all parents, including those who stay home. This change will address the criticism that our child care initiative did little for stay-at-home parents. We are reviewing proposals to (1) double the child tax credit to \$1,000 per child for all children under the age of four, at a cost of about \$12 billion over five years; (2) increase the standard deduction for each child under the age of three by \$1,000, at a cost of about \$3 billion over five years; or (3) expand the Child and Dependent Care Tax Credit as we did last year *and* extend its benefits to parents with children below age three by assuming minimum child care expenses of \$150 each month, at a total cost of about \$21 billion over five years. Each of these proposals can be dialed up or down by adjusting either the age threshold or the dollar amount. (DPC/NEC)

3. Tax Credit for Businesses Providing Child Care. We could again propose to provide a tax credit to businesses that provide child care services for their employees. The credit, which covers 25% of qualified costs but may not exceed \$150,000 per year, costs \$500 million over 5 years. To further build on this concept, we also propose to provide tax credits to businesses that provide on-site schools (see education section). (DPC/NEC)

4. Parent Paid Leave Plan. Many workers cannot afford to take unpaid leave following the birth or adoption of a child, even though they have access to an unpaid leave policy through FMLA or voluntary employer benefit plans. To address this problem, we are considering a proposal to provide eligible parents who already have access to unpaid leave with partial wage replacement for a set period of time. The cost of the program, which would be administered through the Unemployment Insurance System, varies according to the selected eligibility criteria. If we choose, for example, to give \$200 per week for four weeks to new parents with median income (about \$37,000) or below, the

cost will be about \$875 million for FY 2000 (including start-up and administrative expenses). (DPC)

5. FMLA Expansion to Businesses with 25 Workers (old but unarticulated policy). Under current law, workers are eligible for FMLA coverage only if they work at a business with *50 or more* employees and if they have worked at least twelve months and 1,250 hours for the employer. In your last State of the Union, you called for covering more workers under the FMLA, but did not fully articulate how you would do so. We could now advance a specific proposal to lower the FMLA threshold to 25 or more workers, which would expand coverage for up to ten million more American workers. (DPC/NEC)

6. Parent Education and Support Fund. We are considering proposals to create a competitive grant program administered by HHS to fund parent education and support programs, including home visitation programs and "second chance maternity homes" to support teen mothers and teach parenting skills. This fund could cost about \$500 million over five years. (DPC)

7. Adoption Registry. We are working on plans to create an Internet-based adoption registry of foster care children waiting to be adopted, so that prospective adoptive parents can learn about these waiting children. Funding this registry would require very small increase in HHS's Adoption Opportunities Grant Program. (DPC)

COMMUNITY EMPOWERMENT (DPC/NEC for all)

1. CDFI Tax Credit. We are looking at a proposal to extend tax incentives to encourage investment in CDFIs, which would leverage additional private investment in distressed areas and stimulate the economic revitalization of those areas. Under the proposal, \$100 million in non-refundable tax credits would be made available to the CDFI Fund to allocate among equity investors in qualified CDFIs using a competitive process.

2. Microcredit Initiative. We are working to identify means to increase support for microenterprise finance, both domestically and internationally. We are examining whether to build on Senators Kennedy's and Domenici's PRIME legislation which would provide technical assistance to microenterprise. We are also looking at increased funding for CDFI initiatives specifically targeted to microenterprise, and CRA and other regulatory reform designed to enhance bank lending to microenterprise funds. On the international side, we are looking at whether we can increase microenterprise funding through USAID or MDBs, especially to countries hardest hit by the financial crisis.

3. Clean Water, Parks, and Communities Bonds. We are examining three proposals to encourage "green" infrastructure projects. The first model uses the same financing mechanism as your school construction proposal for a menu of projects: protecting and improving water quality; cleanup of contaminated sediments; waterfront reclamation and revitalization; stormwater runoff control; purchasing of green spaces to prevent sprawl; park enhancements and revitalization, and brownfields cleanup. The second model, which provides a smaller incentive than the first model, would create new tax-exempt bond authority for these state and local areas to invest in clean water,

parks, and communities. The advantage of this model is that it builds on the current system of bond finance. The final model would allocate tax credits (like the Low-Income Housing Tax Credit) to states and local areas to provide to the developers of these green infrastructure projects.

4. Employment Tax Credits. The Work Opportunity Tax Credit and the Welfare-To-Work Tax Credit encourage employers to hire and retain members of certain economically disadvantaged targeted groups. Both credits will expire on June 30, 1999. Under this proposal the two credits would be made permanent.

5. Re-Develop 10,000 Abandoned Buildings. Abandoned buildings are a symbol of urban blight, and an action plan to turn this around will be a powerful signal of change. We are examining different proposals to help re-develop 10,000 abandoned buildings, combining several existing programs or providing grants or tax incentives to spur private-sector redevelopment of these sites.

6. Low-Income Housing Tax Credit and Regional Affordable Housing Initiative. Last year, you proposed a 40-percent expansion of the Low-Income Housing Tax Credit to spur the private sector to develop more affordable rental housing for low-income Americans. We recommend that you again ask Congress to take this action, which would restore the value of the credit to its 1986 level and help develop an additional 150,000-180,000 affordable housing units over the next five years. This proposal would cost \$1.6 billion over five years. At the same time, you could propose a Regional Affordable Housing Initiative to increase the availability of affordable housing in areas with high growth in low-skilled jobs and inadequate supplies of housing for low-income workers. This proposal could be funded through HUD's HOME program and would cost \$125 million over five years.

7. Homeownership Tax Credit. We are examining two kinds of tax credits to promote homeownership among lower-income families, who generally do not benefit from the mortgage interest deduction. The first proposal would use the model of the Low-Income Housing Tax Credit to create a Low-Income Homeownership Tax Credit. Under this proposal, low-income families would receive a low- or zero-interest second mortgage, which would reduce their upfront costs (e.g., downpayment and closing costs) and investors would receive tax credits in return. The second proposal is a \$5,000 tax credit for first-time homebuyers in Empowerment Zones or Enterprise Communities.

8. Housing for the Elderly Initiative. This proposal is designed to improve housing for elderly people and thereby provide an alternative to nursing home care. In addition to providing capital to improve and modify such housing to meet the needs of elderly residents, the initiative would provide housing vouchers for low income elderly who live in housing developed through the Low-Income Housing Tax Credit. Because the tax credit helps subsidize rent, this proposal would allow us to leverage our resources and provide more vouchers to the poor elderly.

9. Incremental Tenant-based Section 8 Vouchers. To build on our success in this past year's

budget, we recommend seeking an additional 50,000 welfare-to-work housing vouchers and another 25,000 vouchers to meet the needs of the homeless, including elderly homeless and homeless veterans.

10. Homelessness. We are working on a three-part proposal that would: (1) assist the approximately 250,000 homeless veterans by increasing residential alternatives, community-based contracted care, job preparation activities, stand down activities (community-sponsored events that conduct one-stop service delivery programs for homeless veterans), the distribution of clothing, and long-term housing; (2) allow VA to sell surplus property with 10 percent of proceeds going to homeless veterans; and (3) start a demonstration project targeted to the chronically homeless to test the most promising models for moving the chronically homeless to self-sufficiency using a combination of permanent housing and links to mainstream services. Cost: \$105 million -- \$60 million for VA and \$45 million for HUD demonstration project.

RURAL/AGRICULTURE (NEC/DPC as specified)

1. Strengthening the Safety Net. To help farmers suffering from the depressed export markets and natural disasters, we are considering various reforms of the crop insurance program and closing gaps in the emergency loan program. We are paying special attention to programs that will help small family farms. (NEC)

2. Bringing the knowledge of land grant colleges to every rural American: The USDA spends \$1.6 billion on agricultural research, much of it at America's land grant colleges and universities. The government could provide grants to ensure that this information is available on the Internet and is well-organized --so that all rural Americans can easily access information on topics such as crops, livestock, rural development, natural resource conservation, and food safety. (NEC)

3. Emergency Medical Services in Rural Areas. The presence of viable emergency systems is critical for residents in rural areas, because of the high rates of injury associated with jobs in these areas and the long distances to health providers. This proposal, costing about \$50 million, would provide funds to States and local communities to improve access to 911 services or alternative emergency systems. It also would fund programs to help rural communities train local citizens in CPR and first responder techniques and to recruit and retain emergency personnel. (DPC)

TECHNOLOGY (NEC)

1. Curbcuts on the Information Highway. We are looking at several options that would make information technology usable by people with disabilities in a manner that improves their lives: (1) investing in R&D (e.g., text-to-speech, automatic captioning, speech recognition); (2) giving disabilities groups a seat at the table as the standards for new technologies are developed; and (3) making the government a model "user" of accessible technology. In

addition, the tax credit for work-related impairment expenses for people with disabilities could be used to expand the market for assistive technology.

2. A Digital Library for Science, Math and Engineering. We need to get every young student and undergraduate excited about math, science and engineering. One approach we are exploring is creating a "digital library," which would contain lectures from Nobel Prize laureates, have an ability to track and replicate cutting-edge scientific experiments, and make it easier for students and teachers to locate the best instructional material on the Internet.

3. A User-Friendly Information Age Government. American citizens should not have to learn the "org chart" of the federal government. Building on the efforts of the Vice President's "reinventing government" activities, the Administration will be developing a series of "one stop shops" that tie together the most useful information and on-line transactions for students, senior citizens, exporters, and small businesses.

4. Information Technology Research Initiative. Increasing our investment in information technology research, which is currently about \$1 billion of the federal research budget, could lead to the following breakthroughs: supercomputers that can more rapidly perform important functions, such as designing life-saving drugs and predicting severe weather systems; wireless networks that can bring telemedicine and distance learning to rural America; a device of the size of a paper that could monitor the vital signs of a senior citizen, send a "911" message in the event of a medical emergency, and provide an exact location using global positioning technology; new software tools that can help us cope with "information overload" by discovering patterns in huge quantities of data; and intelligent spacecraft that can explore the Solar System. Options have been developed at roughly \$100, \$200 and \$400 million in FY2000; and \$1, \$2 and \$3 billion over 5 years.

5. 21st Century Research Fund. One initiative that you announced in last year's budget that we think is important to continue is the 21st Century Research Fund -- which provided across-the-board support for civilian R&D at agencies such as NIH, NSF, and Energy. This year, Congress provided a 10 percent increase for basic research, so this is an area where bipartisan cooperation is possible.

CRIME (DPC)

1. Crime Bill II. The 1994 Crime Act will expire at the end of the FY 2000 budget cycle, guaranteeing that the next Congress will consider major crime legislation. We recommend that you get a jump on this debate by using your State of the Union and FY 2000 budget to challenge Congress to pass a new crime bill that builds on the core elements of the successful 1994 Act -- more police, smarter punishment, and more prevention. Most of the money required is already built into future budgets; continuation of the COPS program, however, will require new funds totaling about \$1 billion. We believe that a new Crime Act should include the following elements:

- **Community-Oriented Policing and Prosecution Services (COPPS).** Your pledge to help fund 100,000 more police is likely to be fulfilled before the end of next summer. A new COPPS initiative (note the extra "P" for "Prosecution"), costing about \$1.4 billion in the first

year, could include funds to: (1) hire, redeploy, and retain an estimated 7,500 more police each year; (2) provide modern technology and equipment and support training in modern policing techniques, with a special emphasis on “hot spots” technology; (3) hire, train, and equip prosecutors to join local police in fighting crime on a more community-based, proactive basis; and (4) support partnerships between law enforcement and community-based groups to prevent crime in their areas.

- **A new focus on probation supervision and coerced abstinence.** The punishment title of the crime bill now focuses largely on prison construction; we recommend shifting the focus to a new “Certainty of Punishment” initiative that will support the expanded use of probation supervision and of drug testing and treatment.
- **Gun initiatives.** A new crime bill should include your longstanding firearms priorities -- juvenile Brady, Brady II, federal CAP legislation and child safety locks. It also could include new proposals to: (1) close the loophole that exempts many firearms sales at gun shows and flea markets from Brady background checks; (2) expand the Youth Crime Gun Interdiction Initiative (YCGII) -- to trace all crime guns and investigate gun traffickers -- to an additional 20-40 cities; and (3) assemble gun strike forces -- teams of federal prosecutors and ATF agents, acting with local law enforcement -- to target cities with high levels of gun violence and crack down on gun traffickers.
- **Values-based crime prevention initiative.** In addition to other crime bill prevention programs, we could invest in promoting values-based crime and violence prevention efforts, such as those of Rev. Eugene Rivers. Funds from this program would go to comprehensive prevention programs run by faith-based and other institutions seeking to instill and reinforce common sense values in troubled youth.

2. Safe, Disciplined, and Drug-Free Schools. At the White House Conference on School Safety, you announced that you would overhaul and strengthen the Safe and Drug-Free Schools Program. Under this proposed reform, funds will be appropriately targeted to schools with serious drug and crime problems, and schools will have to adopt rigorous, comprehensive school safety plans that include: tough but fair discipline policies, such as zero tolerance for guns and drugs; safe passage to and from schools; effective drug and violence policies and programs; annual school safety and drug use report cards; links to after school programs; efforts to involve parents; and crisis management plans. We also could include in this package (1) funds for states that adopt a policy of drug testing first-time applicants for drivers’ licenses and (2) funds for school districts that adopt a policy of drug testing middle and high school students with parental consent. We believe that these reforms will require up to \$450 million in new funding in FY 2000.

3. Parity for Substance Abuse Treatment. Appropriate substance abuse treatment remains unavailable to nearly half of the people who need it. To help fill this treatment gap, we could propose legislation to encourage parity between substance abuse treatment and other medical

benefits. Similar to the Mental Health Parity Act signed into law in 1996, a current draft of this legislation would prohibit health care plans that provide a substance abuse benefit from setting annual or lifetime dollar limits on this benefit at a lower level than those for other medical and surgical benefits. At the same time, we would have to ensure that federal health programs provide parity between substance abuse treatment and other medical benefits; we are still exploring the cost of any necessary reforms to these programs.

4. Binge Drinking. We are working on a number of proposals regarding alcohol abuse, including (1) promoting a voluntary code for alcohol advertisements directed toward minors; (2) banning alcohol billboards near schools; (3) discouraging alcohol advertising on youth-oriented web sites; (4) and funding educational efforts about the dangers of alcohol consumption.

WELFARE REFORM, CHILD SUPPORT ENFORCEMENT, AND CHILD WELFARE (DPC)

1. Reauthorize the Welfare-to-Work Program. Congress authorized the Welfare-to-Work Program for only two years; if we wish to continue our current investment in the hardest-to-employ, we will have to propose a reauthorization of about \$1.5 billion annually. Within this funding level, we propose several set-asides, totaling \$500 million, for the following specific purposes: (1) work-based English-language literacy projects for immigrants and others; (2) work-based substance abuse testing and treatment programs; (3) employment services for welfare recipients with disabilities; and (4) a work-based program to promote responsible fatherhood, including efforts to increase low-income fathers' employment and earnings and ensure that they provide financial and other support to their children.

2. Child Support. One initiative, costing just a few million dollars each year, would increase the prosecution of egregious child support violators by establishing multi-agency teams, working with state and local law enforcement, to identify, analyze, and investigate cases for prosecution. A pilot project of this kind is already under way in five states; this proposal would put these units in place all across the nation within the next several years. A second initiative would seek legislation to exclude doctors and other health care providers who are delinquent in child support from the Medicare program or from programs offering health professional loans.

3. Children "Aging Out" of Foster Care. Each year, nearly 20,000 18-year-olds "age out" of the public child welfare system. Federal financial support for these young people ends just at the time they are making the critical transition to adulthood. Areas for increased investment for these young adults include: (1) expanding the independent living program, which provides services to foster care children in this age group; (2) expanding the transitional living program, a competitive grant program that funds community-based organizations that provide services to this population, including housing support; and (3) giving states the option of using Federal Medicaid dollars to provide health care coverage for this population. (Cost: roughly \$150 million each year)

Welfare-to-Work Housing Vouchers and Tax Credit -- see COMMUNITY EMPOWERMENT

Section

CIVIL RIGHTS (DPC)

1. Equal Pay. We are working on a program to be run by the EEOC and DOL to increase outreach to businesses and employees about equal pay requirements, provide technical assistance to businesses seeking to comply, improve training for EEOC employees, and expand enforcement capabilities. In addition, the program will fund research on the nature and extent of wage discrimination, as well as a new Women in Non-Traditional Occupations Initiative designed to improve access of women into occupations such as construction and high technology. Cost: about \$20 million for EEOC and \$10 million for DOL)

TRANSPORTATION (NEC/DPC as specified)

1. Reauthorization of the FAA, with Focus on Modernization and Competition. A blue-ribbon panel concluded last year that the air transportation system faces "gridlock" within a decade without sweeping changes. We are considering various policy options to incorporate into the FAA reauthorization that you will likely propose in 1999 that will: (1) improve the efficiency and capacity of the nation's aviation system, and (2) enhance competition and service to rural areas. Some of the components of this initiative would include: centralizing the air traffic control services (ATS) in a performance-based organization; financing ATS for commercial aviation through cost-based user fees; increasing Passenger Facility Charges (PFCs) to finance airport expansion nationwide; modifying federal rules on how airports can use PFCs and other funds to encourage new airline entrants; and enhancing service to underserved areas.

We are also looking at ways to further competition in international aviation. The Administration has extended the benefits of competition by negotiating dozens of bilateral open-skies agreements. We could press our trading partners for World Wide Open Skies and explore lifting other restrictions on foreign aviation investment and operation on a reciprocal basis. (NEC)

2. Auto Safety. We are making headway on auto safety. Last year, the number and rate of auto fatalities declined. However, we still have a long way to go -- more than 40,000 Americans die in auto accidents each year, at a direct cost of \$150 billion. The keys are seatbelts (more) and alcohol (less). We are working on a comprehensive initiative that would include: (1) meeting the President's goal of 85 percent seatbelt compliance by the year 2000, which would save 4,000 lives and nearly \$7 billion; (2) promoting education initiatives like the Buckle-Up America campaign; (3) enforcing the TEA-21 requirement that states lower the legal blood alcohol content level from .10 to .08; and (4) pushing a new Administration initiative on children's safety that will target auto accidents, among other problems, by promoting the use of child safety seats, booster seats (for children ages 4-8), and bicycle helmets. (NEC/DPC)

3. Transportation Needs of the Aged. With the number of Americans over 65 expected to

grow by half by 2020, we should begin addressing the need to ensure their continued mobility, independence and safety in their later years. We are only beginning to look at this issue with DOT, which plans to hold six town meetings soon with senior citizens, medical experts, transportation safety specialists, and others to discuss the problems and challenges and identify best practices. The U.S. will host an international conference on this topic next year, in connection with the United Nation's Year of Older Persons. This may be combined with the long-term care and the housing for the elderly initiatives. (NEC)

4. **Sustainable Development and "Smart Growth."** Sensible, flexible transportation initiatives can improve both our economy and our quality of life. First, we will continue investing in sustainable transportation. TEA-21 authorizes a record \$41 billion over the next six years for transit; increases tax-free transit benefits; and expands communities' ability to transfer funds from highway construction to transit, bicycle and pedestrian programs, telecommuting and other forms of transportation that reduce congestion and pollution. Second, we need to empower communities to make smart choices, choosing the right transportation investments for their needs. As result of a new policy DOT announced in April, communities can now use federal funds to clean and reuse "brownfields," preserving farms and forests for the future. Third, we need to make communities more livable, with support for low-cost projects with big quality-of-life benefits, such as bicycle paths and historic preservation. (NEC)

ENERGY (NEC)

1. **Proposing the Comprehensive Electricity Competition Act.** You could call on Congress to enact the electricity restructuring legislation Act, to make the electricity industry more competitive and to provide more choices for industrial, commercial and residential customers. The Administration's Comprehensive Electricity Competition Act will save consumers \$20 billion a year. Retail competition will not only improve efficiency, but also reduce the two-thirds waste of energy currently associated with fossil-fuel generation of electricity, thereby cutting greenhouse gas emissions.

2. **Distributed Generation ("Micropower").** To increase the consumer savings and environmental benefits from electricity competition, the Administration will pursue legislation to eliminate obstacles to the use of small, clean efficient generation technologies (e.g., fuel cells and photovoltaics) that can be installed at or near the electricity user's site. Moving from large, central-station generation of electricity to distributed generation by small, clean sources is analogous to the move from mainframe computers to personal computers.

PENSIONS (NEC)

1. **Expanded Private Pension Plan Coverage:** Last year, you announced several initiatives to expand pension plan coverage which were not enacted, but which we continue to believe are important and have substantial support on the Hill. We should again call for legislation that: authorizes a simplified plan for small businesses that combines the best features of a defined benefit

and defined contribution plan (SMART), costing \$313 million over five years; provides a three-year tax credit to encourage small businesses to set up retirement programs, costing \$508 million over five years; and authorizes payroll deductions for IRAs. We are exploring ways to expand coverage for moderate and lower-income workers. Consideration is also being given to ways of enabling multiple small businesses to pool together for pension plan administration.

2. Women's Retirement Security: To underscore the importance of pensions for women's retirement security, you would call for legislation enacting the two initiatives you announced in late October -- namely, that time taken under FMLA should count toward retirement plan vesting requirements and mandating that employer plans offer an option that pays less while the retired employee is living but pays a survivor benefit equal to at least 75 percent of the benefit the couple received while both were alive.

3. Pension Portability: You could renew your call for reducing vesting requirements from five years to three years for employer matching contributions to 401(k) and other plans to reflect an increasingly mobile workforce, and more workers moving in and out of the workforce over a lifetime. We are also exploring various options that would increase pension portability and facilitate the movement of retirement savings between plans, where this can be done without encouraging "leakage" or loss of worker protections -- e.g., providing that federal employees can roll over retirement savings from private sector qualified plans into the federal Thrift Savings Plan.

4. Expand Pension Right to Know Provisions: You could call for a pension right to know package that provides for both workers and their spouses general information relating to retirement needs and their benefits under employer retirement plans. In addition, an employee's spouse should have the same rights to get information as the employee, before waiving the statutorily provided survivor protection. You should call for a Pension Right to Know package that provides information for both workers and their spouses. We are also working on an employee education program that would provide employees with the tools they need to work with their employers to provide pension plans, and are thinking about how to encourage courses in high schools on the importance of savings and other general investment education (which can be combined with the Consumer Literacy and Education campaign described below). Consideration is also being given to a savings stamp book program in the schools (sell savings stamps in very small amounts; when the book is full, turn it in for a U.S. savings bond) to help educate the young about how to reach savings goals.

5. Increase Retirement Security: To promote security, we are continuing to work on the pension audit bill, changes to the multi employer (collectively bargained) plan rules, and expansion of PBGC's missing participant program.

FINANCIAL SERVICES (NEC/DPC for all)

1. Consumer Financial Literacy and Education. We are currently developing a set of proposals to promote consumer financial awareness and enhance consumer credit literacy, ranging from a public awareness campaign to establishing an educational clearinghouse to disseminate quality curricula to high school students. We are also working on a study to

identify what the biggest problems are with how Americans use consumer credit, and what basic banking services and steps they can take to help themselves (this may be very important if bankruptcy reform is a live item next year). Part of our focus is on reaching out to low-income households, building on (and expanding) two existing government programs -- Treasury's Electronic Funds Transfer program that was a first step in helping the "unbanked" enter into electronic commerce and a USDA extension program that is providing some (limited) services to rural low-income families. This proposal would cost \$5-10 million.

2. Consumer Financial Bill of Rights. In order to respond to the outrage consumers feel about ATM surcharges, without supporting economically questionable regulation of ATM fees, we are considering a proposal either for the government or for financial institutions voluntarily to make publicly available a list of basic banking services and fees on an individual or geographic basis to be published periodically over the Internet. The services profiled would include, but would not be limited to, charges for access to ATMs. We are also considering the adequacy of current credit card disclosure requirements (again, relevant to bankruptcy reform) and other areas where information about financial service arrangements would be helpful to consumers. This would cost \$3-5 million.

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SUBJECT: memo

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

TEXT:
new version incorporating nec stuff. I have not yet read this to see whether there is overlap, confusion, etc. when the two parts are joined together.