NLWJC - KAGAN

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ARMS - BOX 007 - FOLDER 005

[2/9/1999 - 2/18/1999]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-FEB-1999 13:50:08.00

SUBJECT: response to HHS's argument about Medicaid

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

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

TEXT:
---------- Forwarded by Elena Kagan/OPD/EOP on 02/09/99 01:51 PM ----------

Jeanne Lambrew
02/09/99 01:48:10 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Christopher C. Jennings/OPD/EOP, Devorah R. Adler/OPD/EOP
Subject: response to HHS's argument about Medicaid

From Chris as well:

HHS argues that a decision about state action in Medicare is not applicable to Medicaid because Medicare beneficiaries can always return to fee-for-service, while Medicaid beneficiaries cannot not. (Note: Under the BBA, by 2001, beneficiaries will be locked into managed care plans for nine months from when they join the plan).

Medicaid is not that different from Medicare -- millions of Medicaid beneficiaries have a choice of managed care or fee-for-service.

- Only 2 states have 100 percent of beneficiaries in managed care (Tennessee and Washington). States need 1115 waivers to require Medicare-Medicaid □&dual eligibles□8 and children with special needs to join Medicaid managed care plans. In 10 states, less than 25 percent of beneficiaries are enrolled in managed care.

- Half (25) of states do not enroll any elderly or disabled Medicaid beneficiaries in managed care. This, plus the choice of fee-for-service for some adults and children account for the fact that 50 percent of Medicaid beneficiaries are not enrolled in managed care.

Absurd to make the case based on whether a beneficiary chooses managed care. In Medicaid, some children with special needs can choose but cannot be forced to enroll in managed care -- while healthy children may be required to enroll. Under HHS□,s logic, it would be alright to have no private right of action for the sick child whose parents□, chose managed care but not alright to take away the right of action from the healthy child.

Some Medicare-Medicaid dual eligibles are enrolled in managed care. For some elderly and people with disabilities, Medicare covers their basic health services and Medicaid pays for prescription drugs, Medicare cost

sharing, etc. In this situation, the managed care plan could be sued as a state actor in Medicaid but not in Medicare.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-FEB-1999 10:24:07.00

SUBJECT: Final Final ESEA Testimony

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

TEXT:
---------- Forwarded by Elena Kagan/OPD/EOP on 02/09/99 10:25 AM ----------

Ann_O'Leary @ ed.gov
02/09/99 08:00:00 AM
Record Type: Record

To: Elena Kagan, Tanya E. Martin, Jonathan H. Schnur
cc:
Subject: Final Final ESEA Testimony

Please ignore my message from last night.

This is the final version of the testimony that was delivered to the Hill.

_____ Forward Header _____
Subject: Final Final ESEA Testimony
Author: Bill Cordes at USDOED
Date: 2/9/99 12:47 AM

Please ignore the previous message (sent 8:01 PM Monday 2/8) and its attachment
(eseafin.doc), which purported to be the final version of Secretary Riley's ESEA
reauthorization testimony for Tuesday's Senate hearing. The real McCoy is attached to this message as "finaltst.doc". Some parts of the earlier message
were accurate: this attachment also does not include either a cover sheet or
the 5 charts referenced in the testimony.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D91]MAIL430622143.036 to ASCII,
The following is a HEX DUMP:

D0CF11E0A1B11AE10000000000000000000000000000000003E000300FEFF090006000000000000
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Good morning Mr. Chairman and Members of the Committee.

I appreciate this opportunity to present the Administration's views on the upcoming reauthorization of the Elementary and Secondary Education Act (ESEA) of 1965. The Administration is working on a detailed reauthorization proposal that we plan to submit for your consideration next month. The Department will also soon submit to Congress several reports evaluating the implementation and impact of Title I, other ESEA programs, and Goals 2000. Today I will provide an overview of our reauthorization efforts, as well as some of our specific recommendations. If there is one overriding principle that defines what we hope to accomplish, it is to end the tyranny of low expectations and raise achievement levels for all of our young people.

Let me begin by urging the Committee to develop a single, comprehensive bill reauthorizing the Elementary and Secondary Education Act. Some have suggested a title-by-title approach that could lead to several separate bills. This concerns me, because we have worked very hard with the Congress in recent years to develop a comprehensive approach to Federal support for education reform. If our efforts are to be successful, it is very important for all the pieces to fit together, complementing and reinforcing each other to help States, school districts, and schools to make the changes needed to raise achievement for all students. This is why the Administration is developing a single, integrated reauthorization proposal, and I hope you will do the same.

I also want to point out that with the nearly simultaneous reauthorization of the Department's Office of Educational Research and Improvement, we have a unique opportunity to develop a comprehensive agenda for independent research to support improved practices and instruction in elementary and secondary education. We should make every effort to develop research-based solutions to the many challenges we face in elementary and secondary education, and to get the best information on what works into the hands of parents, teachers, principals, and superintendents across the Nation.

BACKGROUND AND ACCOMPLISHMENTS

This is, of course, this Administration's second opportunity to work with Congress on improving the ESEA. The 1994 reauthorization—the Improving America's Schools Act—took direct aim at transforming a Federal role that for too long had condoned low expectations and low standards for poor children. Along with the Goals 2000: Educate America Act, the 1994 reauthorization reflected a bipartisan effort to raise expectations for all children by helping States and school districts to set high standards and establish goals for improving student achievement. The 1994 Act included provisions to improve teaching and learning, increase flexibility and accountability for States and local school districts, strengthen parent and community involvement, and target resources to the highest poverty schools and communities.

There is strong evidence that these changes, particularly the emphasis on high standards, have helped States and school districts carry out the hard work of real education reform. States that led the way in adopting standards-based reforms—like Kentucky, Maryland, North Carolina, and Oregon—found new support from Federal programs that helped them to raise reading and math achievement. In other States, the new ESEA and Goals

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2000 encouraged and supported improvements in teaching and learning tied to high standards. For example, in a very positive report on Goals 2000 by the General Accounting Office (GAO), we were most pleased that State officials described Goals 2000 as "a significant factor in promoting their education reform efforts" and a "catalyst" for change.

Signs of Progress

Partly as a result of changes at the Federal level and our new partnerships with the States, 48 States, the District of Columbia, and Puerto Rico have developed state-level standards and two States have pushed for standards at the local level. More importantly, there are promising signs of real progress toward meeting these higher standards in the classroom. The National Assessment of Educational Progress (NAEP), for example, has shown significant increases in math scores at the 4th, 8th, and 12th grades (See Chart 1). The National Education Goals Panel reported that between 1990 and 1996, 27 States significantly increased the percentage of 8th graders scoring at either the proficient or the advanced level on the NAEP math test (See Chart 2).

Tomorrow the National Center for Education Statistics will release its national report card on reading, and I understand we will see some improvement. Making sure that every child can read well and independently by the end of the 3rd grade is a key benchmark of whether or not American education is improving. This has been a very high priority for the Administration and over the past few years a strong, bipartisan consensus has emerged on the importance of helping all children master this key prerequisite for all further learning. Title I provides substantial resources to improve reading instruction, and last year, Congress on a bipartisan basis passed the Reading Excellence Act to strengthen State and local efforts to improve reading in the early grades. We also now have some 20,000 College Work-Study students serving as reading tutors.

"Leading-Edge" States

Turning from the national to the State level, individual States have made notable progress in a very short period of time (See Chart 3). North Carolina, for example, more than doubled the percentage of its 8th graders scoring at the proficient or advanced levels on the NAEP math test, from 9 percent in 1990 to 20 percent in 1996. In Texas, the percentage of 4th grade students reaching the NAEP proficient or advanced levels rose from 15 percent in 1992 to 25 percent in 1996.

The National Education Goals Panel issued a report authored by the RAND Corporation that examined experience of these two States. This report found that the "most plausible explanation" for the test-score gains was an "organizational environment and incentive structure" based on standards-based reform, defined as "an aligned system of standards, curriculum, and assessments; holding schools accountable for improvement by all students; and critical support from business." The report also tells us that the willingness of political leaders to stay the course and continue the reform agenda, despite "changes of Governors and among legislators," is another key element that has defined the success of these two leading States.

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Many states are not yet implementing proven practices that are working in some of this Nation's "leading-edge" States. According to recent special report on accountability in *Education Week*, 36 states issue school report cards, 14 do not, and fewer than half of the parents in States that do issue report cards are aware of their existence. The report also tells us that only 19 States provide assistance to low performing schools, and only 16 States have the authority to reconstitute or close down failing schools. Only about half the States require students to demonstrate that they have met standards in order to graduate, and too many still promote students who are unprepared from grade to grade. So we have work to do.

New Flexibility at the Federal Level

The 1994 reauthorization also brought real change to the way we do business at the Department of Education. We made a very determined effort to give States and school districts greater flexibility to make innovations that help all students reach high standards. Our regulatory reform effort, for example, systematically examined every Department regulation and set very specific criteria for regulating only when absolutely necessary. The Office of Management and Budget has supported this approach, and other Federal agencies have since adopted it as a model. Under our new regulatory criteria, we found that we needed to issue regulations for only five of the programs included in the 1994 ESEA reauthorization; thus we eliminated a full two-thirds of the regulations previously covering the Elementary and Secondary Education Act.

Another major improvement was to give States the option of submitting a single, consolidated State application, instead of separate applications, for the majority of ESEA programs. Not surprisingly, every State but one has adopted this approach, which both reduces paperwork and encourages a comprehensive approach to planning for the use of Federal funds. Moreover, States now submit their single plan just once during the life of the authorization cycle, with brief yearly updates to ensure accountability. States reported in fiscal year 1996 that the consolidated application slashed paperwork requirements by 85 percent.

In addition, the Department has vigorously implemented the waiver provisions included in the 1994 reauthorization, which permit States, school districts, and schools to request waivers of statutory and regulatory requirements that present an obstacle to innovative reform efforts if there are adequate accountability safeguards in place. Our efforts included a Waiver Hot Line as well as comprehensive waiver guidance at our site on the World Wide Web.

Since the reauthorization of ESEA in 1994, the Department has received 648 requests for waivers from States and local districts and granted a total of 357 waivers. Overall, the Department has approved 55 percent and disapproved 8 percent of all waivers requested. Of the remainder, 28 percent were withdrawn largely because districts learned that they had sufficient latitude or flexibility under existing law to proceed without a waiver, demonstrating that the ESEA is more flexible than many people thought even without the waiver authority.

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ED-Flex

Another approach to flexibility is the ED-Flex demonstration program, which allows the Department to give States with strong accountability mechanisms the authority to approve waivers of certain Federal statutory and regulatory requirements that stand in the way of effective reform at the local level. Congress has authorized up to 12 States to participate in ED-Flex.

We are proposing to expand ED-Flex to allow all eligible States to participate. I believe such an expansion should be considered in the context of reauthorization, our emphasis on accountability for results, and other programmatic issues. ED-Flex can be an important tool for accelerating the pace of real reform in our schools, but it must be done thoughtfully. ED-Flex cannot be used to get around established civil rights protections.

Federal Education Dollars to the Local Level

One final issue I want to touch on is the Department's performance in getting Federal education dollars to the local level, where they can do the most good. There have been a number of "dollars to the classroom" proposals over the past two years based on the assumption that the Department of Education retains a significant portion of Federal elementary and secondary appropriations to pay for administrative costs.

The truth is that over 95 percent of all the dollars appropriated by Congress for ESEA programs already go to local school districts. Almost all of the rest goes to States to provide technical assistance, to support the use of standards and assessments, and to provide oversight. If the "95 percent" figure sounds familiar, it is because some of those proposals I mentioned promise to send 95 percent of Federal dollars to the classroom.

I recognize that some may argue about whether the "local level" is the same as "the classroom." My view is that once the funds reach the local level, it is up to local elected school boards to decide how best to spend them to achieve the purposes of the programs enacted by the Congress. We in Washington should not attempt to bypass local school boards and deny them their lawful responsibility to determine how to meet the educational needs of their students.

I believe that these accomplishments—widespread adoption of challenging standards, promising achievement gains nationally and even more improvement in "leading-edge" States, and new flexibility for States and school districts—show that we were on the right track in 1994. The evidence demonstrates a clear connection between raising standards and raising student achievement. The record also shows, however, that many States and districts are still phasing in the 1994 reforms. Taken as a whole, this experience provides a compelling argument for the Administration and Congress to keep working together to help States and school districts get high standards into the classroom, and to push for improved incentives and strengthened accountability mechanisms to ensure that these reforms take hold.

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THE NEXT STAGE: RAISING ACHIEVEMENT IN OUR SCHOOLS AND CLASSROOMS

Let me lay out for you the broader context for our ESEA reauthorization proposals. In 1994, we broke sharply with the past and made a significant policy shift in putting an end to the practice of giving students a watered-down curriculum. I strongly believe that the tyranny of low expectations—and it is tyranny—has been one of the great flaws of American education. We vigorously oppose the idea of "dumbing down" American education. Instead of "dumbing down," we want to "achieve up."

To support this effort we have developed a comprehensive, three-part strategy of (1) targeting investments to disadvantaged children, with particular attention to the early years of schooling; (2) improving teacher quality, and (3) real accountability. All these pieces need to fit together if we want to raise achievement levels.

First, our investments in the Title I, the Class-Size Reduction program, the Reading Excellence Act, education technology, and after-school programs—to name just a few—are all part of our effort to get communities and their teachers and principals the resources they need to raise achievement for all students. We have put a real emphasis on the early years of schooling because research and common sense tells you that if a young person can "master the basics" early, they get off to a much better start in their education.

We want to improve academic achievement for all students, with a special emphasis on closing the gap upward between poor and minority students and other students. This is why, for example, we are such strong supporters of reducing class size in the early grades. Research from the Tennessee STAR study demonstrated that reducing class sizes in the early grades led to higher achievement for all students, with poor and minority students showing the greatest gains.

Second, we think it is absolutely essential to put a highly qualified, dedicated teacher in every classroom in America. John Stanford, the inspiring former superintendent from Seattle who recently passed away, had this marvelous slogan that summed up his philosophy: "the victory is in the classroom." If we are going to achieve many more victories in the classroom, we simply have to raise teacher quality and get many more certified teachers into our Title I schools. This is why we asked the Congress to create a strong teacher quality initiative in the Higher Education Act reauthorization last year. Our intent here is to make high standards part of every teacher's daily lesson plans. I will discuss this part of our proposal in greater detail later on in my testimony.

Strengthening Accountability

Stronger accountability is the third part of our broad strategy of improvement. We believe that effective accountability measures—what business leaders call quality control measures—can make sure that our investments are used wisely and actually produce the desired results.

Much of our thinking about accountability has been informed by successful accountability initiatives at the local and State levels. The most thoughtful education leaders

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at the State and local level are doing what we are proposing: they are ending social promotion, requiring school report cards, identifying low-performing schools, improving discipline in schools and classrooms, and putting in place measurable ways to make change happen, such as basic skills exams at different grade levels. They are striking a careful balance between giving schools the increased support and flexibility they need to raise achievement levels and, at the same time, holding schools accountable when they do not measure up to clearly established goals. We are trying to strike that same balance in our reauthorization proposals.

Our emphasis on accountability in ESEA, and in particular in Title I, seeks to build on, support, and encourage these growing State and local efforts to pick up the pace of standards-based reform. Here it is important to recognize that we are not talking about more regulations. We want better results. There is both a moral and a fiscal dimension to being more accountable. We cannot afford to lose the talents of one child, and we cannot waste the substantial resources entrusted to us by American taxpayers.

The "either/or" thinking that has dominated the public debate about our accountability proposals—more Federal control versus less local control—really misses the point entirely about what we seek to achieve. If a State is putting its own accountability measures into place, we are not demanding that they replace their measures with our measures. But if a State does not have such requirements in place, then it makes a good deal of sense for them to adopt our proposals. We expect States to do this because it is good education policy and the right thing to do for the children.

Our approach to increased accountability is one of graduated response, a range of options—some positive and others more prescriptive—that can help break the mold and get low-performing schools moving in a more positive direction. On the positive side of the continuum, we give school districts greater flexibility if we see that they are making progress. But if a school or a school district simply isn't making things happen, we want to work with State and local officials to find out why and shake things up. The local school district, for example, may not be giving teachers the real professional development time they need.

If a school district is refusing to change, we are prepared to be much more specific about how it uses ESEA funding. We do not intend to be passive in the face of failure. We will help, nudge, prod, and demand action. And, if we have to, we are prepared to restrict or withhold ESEA funding.

We recognize that a complete accountability system should be multi-dimensional and include high expectations and accountability for everyone in the system. All of us are responsible for ensuring that all students reach high standards. The accountability measures in our reauthorization proposal will be designed to (1) help school districts and states provide students with a high-quality education, (2) focus on continuous improvement, and (3) hold students, teachers, principals, schools, and districts to high standards.

It is important to note that our proposed accountability measures reinforce and build on similar provisions enacted in 1994. For example, the underlying structure of the Title I accountability provisions is sound, and a minority of States are hard at work emphasizing continuous improvement and holding schools and principals accountable for results. Many

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States, however, have not fully implemented the Title I provisions and have moved only tentatively to make other changes based on high standards and accountability.

We seek to speed up and strengthen the process by requiring States to take immediate action to turn around low-performing schools, to give parents annual report cards, to end social promotion, to improve teacher quality, and to have well-thought-out discipline policies in place that make a difference.

Meeting State Standards

First, we would retain the current Title I requirement that States establish assessments aligned with State content and performance standards by the 2000-2001 school year. States must also define adequate yearly progress for Title I schools and local school districts in a manner that would result in continuous progress toward meeting State standards within a reasonable time frame.

Turning Around the Lowest Performing Schools

Second, States should take immediate corrective action to turn around the lowest performing schools. Currently, there are over 6,500 schools and 1,300 school districts designated under Title I as needing improvement. These schools and districts were placed in school-improvement status after making little or no improvement over a period of two years. Many of these schools are still showing no improvement despite receiving additional support. We are saying our children have spent enough time in low-performing schools—it is time to take action now.

States should quickly identify the lowest performing schools that are failing to show improvement and provide additional support and assistance. If any school continues to show no improvement, States should take bold action such as reconstituting the school or closing the school down entirely and reopening it as a fresh new school. The Department's 2000 budget request includes a $200 million set-aside in Title I to help jumpstart this process of State and district intervention in the lowest performing schools.

Annual Report Cards

Third, annual report cards at the State, district, and school levels should be a requirement for receiving ESEA funds. The report cards should provide invaluable information on improvement over time or the lack thereof. They should include information on student achievement, teacher quality, class size, school safety, attendance, and graduation requirements. Where appropriate, the student achievement data should be disaggregated by demographic subgroups to allow a greater focus on the gaps between disadvantaged students and other students.

For report cards to make sense they need to be easily understood by and widely distributed to parents and the public. As I indicated earlier, while 36 States already require report cards, many parents and teachers from these States say that they have never seen them. Our proposal is intended to give parents a tool they can use to join the debate over bringing

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high standards into the classroom, to advocate on behalf of their children and their children's schools, and to work with teachers and principals to make improvements.

I assure you, if parents find out that their children are going to an unruly or unsafe school, there will be standing-room only at the next school board meeting and that can be a very good thing. If parents discover that test scores are down at their school but up at a nearby school, they will start asking questions and spark reform. In short, a good, honest report card gives parents a real accountability tool that allows them to make a difference in the education of their children.

Separately, we have proposed an additional test that can help parents determine if their children are measuring up: the voluntary national tests in 4th grade reading and 8th grade math. The independent, bipartisan National Assessment Governing Board (NAGB) is developing a plan for this test, in accordance with language in the Fiscal Year 1999 Appropriations Act. I ask the Committee to join me in looking carefully at this plan when NAGB announces it later in the spring.

Ending Social Promotion

Fourth, all States receiving ESEA funds should end the practice of social promotion. I want to be clear that in calling for an end to social promotion we are not encouraging school districts to retain students in grade; instead, we are asking school districts to prepare children to high standards. That is why we have pushed so hard for programs like Class Size Reduction, the Reading Excellence Act, and the 21st Century Community Learning Centers after-school initiative, which invest in the early years and help to minimize the number of children at risk of retention in grade.

Research indicates that from 10 to 15 percent of young adults who graduate from high school and have not gone further—up to 340,000 students each year—cannot balance a checkbook or write a letter to a credit card company to explain an error on a bill. In addition, about 450,000 to 500,000 young people drop out of high school between the 10th and 12th grades. These are the young people who are hurt by current practices. We need to make sure these students are given the support they need to succeed.

The President's call for an end to social promotion is designed to tell students that "performance counts," and to encourage districts and schools to take aggressive action to help all students meet promotion standards on time. States should target their efforts at key transition points, such as 4th, 8th, and 10th grades, and should use multiple measures, such as valid assessments and teacher evaluations, to determine if students have met the high standards required for promotion to the next grade. States would develop their own specific approaches to match their unique circumstances.

Strategies to end social promotion include early identification and intervention for students who need additional help—including appropriate accommodations and supports for students with disabilities. After-school and summer-school programs, for example, can provide extended learning time for students who need extra help to keep them from having to repeat an entire grade.

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Ensuring Teacher Quality

Fifth, States must do more to ensure teacher quality. States receiving ESEA funds should adopt challenging competency tests for new teachers, phase out the use of uncertified teachers, and reduce the number of teachers who are teaching "out of field." Less than two weeks ago, we released our first biannual report on Teacher Quality. In developing this report, we are making a statement that we are going to keep coming back to the issue of teacher quality again and again. The report told us that less than half of America's teachers feel very well-prepared to teach in the modern classroom. Teachers cited four areas of concern: using technology, teaching children from diverse cultures, teaching children with disabilities, and helping limited English proficient (LEP) students (See Chart 4). This study really is a cry for help and we need to respond.

I know the Members of this Committee share our concern about teacher quality, and we want to work with you to address that concern. Research shows that qualified teachers are the most important in-school factor in improving student achievement, yet more than 30 percent of newly hired teachers are entering the teaching profession without full certification, and over 11 percent enter the field with no license at all.

Our ability to raise academic standards also is hindered by teachers teaching "out of field." Overall, nearly 28 percent of teachers have neither an undergraduate major nor minor in their main assignment fields. Another significant concern is the practice of using teacher aides as substitutes for full-time instructors. All of these individuals are trying to do their best, but where they are being asked to take the place of a teacher we are shortchanging our students.

High-poverty urban schools are most likely to suffer from unqualified teachers. Even when urban districts succeed in hiring qualified teachers, attrition rates during the first five years often reach 50 percent. Partly as a result of difficulties in recruiting and retaining teachers, Title I schools are hiring teacher aides at twice the rate of certified teachers, and an increasing number of aides are providing direct instruction without a teacher's supervision.

Our ESEA reauthorization proposal would begin to address these problems by ensuring that States adopt challenging competency examinations for all new teachers that would include assessments of subject-matter knowledge and teaching skills. We would also work to phase out the use of teacher aides as instructors in Title I schools, but at the same time encourage paraprofessionals to become certified teachers by supporting State and local efforts to build career ladders leading to certification. Our proposal will ensure that States make significant progress in reducing both the number of teachers with emergency certificates and the number of teachers teaching subjects for which they lack adequate preparation.

The issue of improving teacher quality is also of great importance to all of us who want to improve the education of children with disabilities. The ESEA is meant to serve all children and there are growing numbers of children with disabilities who have been successfully mainstreamed into regular classrooms. The ESEA and the Individuals with Disabilities Education Act can work together to make a real difference for many more of these children. The Teacher Quality report told us that the majority of our teachers do not feel as well-prepared as they should to teach children with disabilities. We want to work very hard to

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make sure that all teachers have the skills and the tools they need to teach these children to high standards.

We made a good start in improving teacher quality last year when Congress passed—with strong bipartisan support—the new teacher recruitment and training programs in Title II of the reauthorized Higher Education Act. Our ESEA reauthorization plan would build on this success by providing resources to help States strengthen teacher-certification standards. It also will include—in the new Teacher Quality and High Standards in Every Classroom initiative—increased investment in the high-quality professional development that teachers tell us they need to help all students meet challenging new State standards.

TITLE I

I have described some of the key, crosscutting measures for getting high standards into all classrooms. Now I would like to outline some program-specific issues and recommendations, beginning with Title I, which is the largest Federal investment in elementary and secondary education. This $7.7 billion program reaches more than 45,000 schools in over 13,000 school districts. With the expansion of schoolwide projects following the last reauthorization, the program now serves over 11 million students. In the 1996-97 school year, 36 percent of the children served were white, 30 percent were Hispanic, and 28 percent were African-American. Seventeen percent of the children served were limited English proficient.

Historically, Title I has been the single largest source of Federal funding targeted to raising the achievement levels of students in high-poverty schools and helping to close the achievement gap between these children and their more advantaged peers. The 1994 reauthorization focused on helping children in high poverty schools reach the same high standards expected of all students. In particular, States were required to develop content and performance standards in reading and math, with aligned assessments to measure student progress toward meeting the standards.

The 1994 Act also improved targeting of resources, expanded the schoolwide approach, and strengthened parental involvement. With regard to targeting, the GAO recently reported that Federal programs are much more targeted than State programs. On average, for every $1 a State provided in education aid for each student in a district, the State provided an additional $0.62 per poor student. In contrast, for every $1 of Federal funding districts received for each student, they received an additional $4.73 in Federal funding per poor student. We believe targeting works, and we recommend leaving in place the Title I allocation formula adopted by the Congress in 1994.

The 1994 Act expanded schoolwide programs by permitting schools with poor children making up at least 50 percent of their enrollment to use Title I funds in combination with other Federal, State, and local funds to upgrade the instructional program of the entire school. Since 1995, the number of schools implementing schoolwide programs has more than tripled, from about 5,000 to approximately 16,000. Our reauthorization proposal would maintain the 50-percent threshold for schoolwide programs.

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Parents of Title I children are now more fully involved in their children's education through the use of parent compacts called for in the 1994 Act. I want to stress that getting parents involved in the process of school reform is often the spark that makes the difference. I have been a strong advocate of increased parental involvement in education for many years and there is a good reason for it. Parents are children's first teachers and they set the expectations that tell children how hard they should strive to achieve. Teachers tell us again and again that parents are too often the missing part of the education success equation.

If you look at the chart entitled "Making the Grade," you will see why we are placing such a strong emphasis on developing compacts between parents and schools for our Title I children (See Chart 5). Four years ago, we created the Partnership for Family Involvement in Education with 40 organizations. This Partnership has since grown to 4,700 organizations and it continues to grow quite rapidly. To give you one example of its activities, last month the Partnership sent out a detailed guide of best practices on how teachers can work better with parents.

Progress Since the 1994 Reauthorization

Current information on Title I indicates progress on several fronts. Title I has contributed to the rapid development of challenging State standards that apply to all students in Title I schools. Teachers in Title I schools are increasingly reporting that standards are helping to guide instruction. Moreover, preliminary data gathered for this reauthorization from States that have implemented the Title I standards and assessment provisions generally show increased achievement levels in high-poverty schools. For the 1997-98 school year, 7 of the 10 States with standards and aligned assessments in place for two years report increasing percentages of students meeting proficient and advanced performance standards in schools with poverty rates of at least 50 percent. These State-level data are particularly encouraging since final assessments are not required to be in place until school year 2000-2001. This and other information, including data indicating that Title I is driving higher standards to poor districts and schools, will be discussed in greater detail in the Congressionally mandated National Assessment of Title I scheduled for release in late February.

Despite these initial signs of progress, I would be the first to admit that we are not anywhere near where we need to be in turning around the thousands of low-performing high-poverty schools that are served by Title I. This is why the President is so strong for improving teacher quality and increasing accountability. We know that many States, districts, and schools are not making as much progress as we had hoped. However, we did not expect to turn around the long, sorry history of setting low expectations for our Nation's poorest children in just four years. I believe we are now on the right course in aligning Title I with the best efforts of State and local school systems. We simply need to stay the course in fitting all the pieces together to raise achievement levels.

Finally, in looking at the impact of Title I, we should keep in mind that despite its size and prominence at the Federal level, it represents about three percent of national spending on elementary and secondary education. Title I is effective only when it works in partnership with much larger State and local resources. Nevertheless, Title I can and should do more to

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assist State and local efforts to raise the educational achievement level of poor and minority children, and this is what we are trying to achieve through our reauthorization proposals.

Proposed Changes to Title I

Building on what we have learned since 1994, our reauthorization proposal would continue to hold at-risk children in high-poverty schools to the same high standards expected of all children and to link Title I to State and local reforms based on high standards. We also would continue targeting resources to areas of greatest need, supporting flexibility at the local level to determine instructional practices, and encouraging more effective implementation of schoolwide programs.

Title I schools would, of course, be subject to the accountability provisions that we would apply to all ESEA programs. Specific improvements to Title I would include targeting additional resources to help the lowest achieving schools and phasing out the use of teacher aides as instructors in Title I schools. We also would strengthen the schoolwide authority by borrowing some of the successful features of the Comprehensive School Reform Demonstration program, such as basing reforms on solid research about what works. And in response to a key recommendation of the reading study conducted by the National Academy of Sciences (NAS), we are proposing the use of diagnostic assessments in the first grade to ensure the early identification of children with reading difficulties. In addition to these proposals, we are giving serious consideration to phasing in a set-aside within Title I for professional development aligned to standards.

Separately, we support the continuation of the Comprehensive School Reform Demonstration program, which we believe is generating some good models for improving the effectiveness of the broader Title I program and for strengthening both Title I and non-Title I schools.

The Department also is considering proposals to promote high quality professional development for early childhood educators and others to help children develop better language and literacy skills in the early years. The NAS's reading study presented strong evidence that children who receive enrichment services focused on language and cognitive development in early childhood show significantly higher reading achievement in the later elementary and middle school years. We believe that professional development based on recent research on child language and literacy development—including strategies that could be shared with parents—could make a significant contribution toward the goal of ensuring that every child can read well by the end of the 3rd grade. Our proposal would target those children most at risk of experiencing difficulty in learning to read by working with early childhood educators in Head Start and Title I pre-K programs.

QUALITY TEACHERS AND HIGH STANDARDS IN EVERY CLASSROOM

While every State has developed high standards, States and districts now need significant support to continue the hard work of turning these high expectations into classroom realities. This is why we are proposing a new initiative called Quality Teachers and High Standards in Every Classroom. This initiative would help States and school districts

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continue the work of aligning instruction with State standards and assessments, while focusing most resources on improving teacher quality through high-quality professional development. Our proposal would build on and succeed the current Goals 2000, Title II, and Title VI programs.

The National Commission on Teaching and America's Future found that the biggest impediment to improving teaching was the lack of access to the kinds of knowledge and skills teachers need to help students succeed. We know from the Commission's report that most school districts do not direct their professional development funds in a coherent way toward sustained, standards-based, practical, and useful learning opportunities for teachers. We need to provide teachers with opportunities to change instructional practices in order to ensure that all children are taught to high standards.

Just as we have real concerns about improving teacher quality, we need to recognize the growing shortage of qualified principals. I was struck by a recent article in *The Washington Post*, which indicated that about 50 percent of all schools face a shortage of qualified principal candidates. That is a very heavy statistic.

Unfortunately, we have not done enough to support the professional growth of teachers and principals. Currently, most school districts spend less than three percent of their budgets on professional development, while our best private companies spend as much as 10 percent to ensure that their employees have quality training and keep current in their work. If we expect the best from our students, we need to ensure that we are giving our teachers the best support possible. And, we know it works. In New York City's District 2, former Superintendent Tony Alvarado made major investments in professional development—investments that paid off in marked improvement in student achievement.

The 1994 reauthorization included a greater focus on research-based principles of professional development in the Eisenhower Professional Development program. Despite this emphasis, recent evaluations of the Eisenhower professional development program found that most districts did not receive enough funding to support the kind of on-going, intensive professional development that works best to improve teaching skills.

As we move into the next phase of getting high standards into schools and classrooms, we must give States and districts the flexibility they need to strengthen their local efforts to implement standards and to improve teacher quality. States could use these funds to continue the development of standards and assessments and provide leadership to districts working to align instruction with these standards and assessments and to improve professional development for teachers. School districts would use their funds to implement standards in schools and to invest in professional development in core subject areas, with a priority on science and mathematics.

States and districts would also be able to use these funds to meet new ESEA teacher quality requirements related to the implementation and improvement of competency-based assessments for initial licensure, the reduction of the number of teachers on emergency credentials, and the reduction of the number of teachers teaching out of field.

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Funds would be used to advance teacher understanding and use of best instructional practices in one or more of the core academic content areas, with a primary focus on math and science. The initiative also is designed to complement the strong emphasis on professional development throughout our ESEA reauthorization proposal, including Title I, the Reading Excellence Act, and Title VII.

We would support activities to assist new teachers during their first three years in classroom, including additional time for course preparation and lesson planning, mentoring and coaching by trained mentor teachers, observing and consulting with veteran teachers, and team-teaching with veteran teachers.

Veteran teachers would be encouraged to participate in collaborative professional development based on the standards developed by the National Board for Professional Teaching Standards. The initiative also would support district-wide professional development plans designed to help students meet State academic standards, the integration of educational technology into classroom practice, and efforts to develop the next generation of principals.

SAFE, DISCIPLINED, AND DRUG-FREE SCHOOLS

The Administration's plans for reauthorizing the Safe and Drug-Free Schools and Communities Act have actually taken shape over the past few years in our annual budget requests. These proposals have been designed to strengthen the program by improving accountability and by targeting funds to local educational agencies with (1) significant drug and violence prevention problems and (2) high-quality, research-based programs to address those problems.

Our reauthorization proposal would build on these earlier efforts by emphasizing a schoolwide approach to drug and violence prevention. All school districts receiving funds would be required to develop a comprehensive Safe and Drug-Free Schools plan to ensure that they have a drug-free, safe, and disciplined learning environment. These plans would include fair and effective discipline policies, safe passage to and from schools, effective research-based drug and violence prevention policies, and links to after-school programs. These plans would also have to reflect the "principles of effectiveness" that the Department recently established, which include the adoption of research-based strategies, setting measurable goals and objectives for drug and violence prevention, and regular evaluation of progress toward these goals and objectives.

Program funds would be distributed in larger, more effective grants, because our proposal would require States to award competitive grants to a limited number of high-need districts. Program evaluations have consistently found that the current practice of allocating funds by formula to all districts spreads funds too thinly to have a significant impact in most districts. For example, about three-fifths of districts currently receive grants of less than $10,000, with the average grant providing only about $5 per student.

Our reauthorization plan also would continue the Safe Schools/Healthy Students program, an interagency initiative that provides competitive grants to help school districts and communities to develop and implement comprehensive, community-wide strategies for creating safe and drug-free schools and for promoting healthy childhood development.

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Similarly, the Safe and Drug-Free Schools Coordinator Initiative would be continued under our proposal.

We also will propose to authorize the Department to provide emergency services, especially mental health and counseling services, to schools affected by the kind of violence we saw last year in Arkansas, Kentucky, Mississippi, Oregon, and Pennsylvania. This is the $12 million Project SERV (School Emergency Response to Violence) initiative included in the President's 2000 budget request. Our reauthorization plan also would set aside a small amount of funding at the State level to support similar emergency response activities.

EDUCATIONAL TECHNOLOGY

Since the creation of Title III in the last ESEA reauthorization, the Federal government has helped States and school districts make significant progress in bringing technology into the classroom and making sure that teachers are prepared to effectively integrate technology throughout the curriculum.

With the support of Congress, the Department has delivered over $1 billion to States through the Technology Literacy Challenge Fund. This investment is helping to increase the number of classrooms connected to the Internet—just 27 percent in 1997—and has helped decrease the student-computer ratio from 38 students per multimedia computer to 13 students per multimedia computer.

By early March, $1.9 billion dollars in E-Rate discounts will be provided to the Nation's schools and libraries. This means that over the summer, the number of poor schools that are connected to the Internet will rise dramatically. These discounts will also provide affordable access to advanced telecommunications and ensure that all of our schools are active participants in the technological revolution.

To reduce the "digital divide" that could widen the achievement gap between disadvantaged students and their wealthier peers, we propose to strengthen the targeting provisions of the Technology Literacy Challenge Fund. Just 63 percent of high-poverty schools had connections to the Internet in 1998, compared to 88 percent of low-poverty schools. The disparity is even greater at the classroom level, with only 14 percent of classrooms connected to the Internet in high-poverty schools, compared to 34 percent of classrooms in low-poverty schools.

Federal dollars are helping to narrow this digital divide. High-poverty schools received over two-and-one-half times more new computers than their low-poverty counterparts in recent years. We will make a special effort to address the needs of rural America, where technologies like distance learning can make a real difference, and to coordinate ESEA technology programs with the Individuals with Disabilities Education Act Technology Development Program, which expands access to innovations in technology to students with disabilities.

Helping teachers integrate technology into their daily lesson plans will be another special focus. Currently, only 20 percent of our teachers feel qualified to integrate technology throughout the curriculum. The reauthorization proposal for Title III will focus on supporting

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State and local efforts to improve teacher quality, with a priority for developing partnerships between local school districts, institutes of higher education, and other entities.

We also want to strengthen our evaluation efforts to find proven and promising models of how technology is improving achievement that we can bring to scale.

SUPPORTING STUDENTS WITH LIMITED ENGLISH PROFICIENCY

Students with limited English proficiency (LEP) are the fastest growing population served by the Elementary and Secondary Education Act. According to State educational agency data, the number of LEP students grew 67 percent between the 1990-91 and 1996-97 academic years.

Growing numbers of LEP students are in States and communities that have little prior experience in serving them. For example, between the 1992-93 and 1996-97 school years, the LEP population more than doubled in Alabama, Alaska, Florida, Idaho, Nebraska, Nevada, North Carolina, Oregon, South Carolina, and Tennessee.

The President's goal is to hold schools accountable for ensuring that LEP students can speak and read English after three consecutive years in our schools. We are equally committed to ensuring that LEP students reach challenging academic standards in all content areas. We also want to assure that States and school districts have the flexibility they need to provide the most appropriate instruction for each child.

I told you earlier that we cannot afford to waste the talents of one child. One of America's greatest strengths has always been her diversity of peoples. Today, immigrants and their children are revitalizing our cities, energizing our culture, and building up our economy. We have a responsibility to make them welcome here and to help them enter the mainstream of American life.

Our reauthorization proposal for the Title VII bilingual education provisions seeks to achieve these goals by emphasizing the same two key strategies we are pursuing throughout the ESEA: improving teacher quality and strengthening accountability.

To increase teacher quality, for example, all institutions of higher education applying for Title VII grants would be required to show that their teacher education programs include preparation for all teachers serving LEP students.

To strengthen accountability, we would require both Title VII grantees and Title I schools to annually assess the progress of LEP students in attaining English proficiency. These assessments will be used to inform parents of their children's progress and to help schools improve instruction.

LEP students who have been in U.S. schools for less than three years would continue to be included in the Title I assessment system, but after three years reading assessments would be conducted in English. Schools and districts would be held responsible, as part of the larger ESEA accountability provisions, for ensuring that LEP students reach the three-year English language proficiency goal.

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I also believe that America's children need to become much more fluent in other languages. We are very far behind other nations when it comes to giving our students a mastery of other languages. There are teenagers in Europe who can easily speak three languages. I am certain we can do a much better job at giving our students both a mastery of English and fluency in at least one foreign language. There are currently over 200 two-way bilingual education programs that teach English and a foreign language and allow all students to truly develop proficiency in both languages.

EXCELLENCE AND OPPORTUNITY IN PUBLIC EDUCATION

As I travel around the country visiting schools, I continue to see the spark of innovation and creativity in many public schools. Public education is changing quite rapidly at the ground level and offering parents many more options in the terms of the type of schools their children can attend and the courses they can take.

This Administration is a strong advocate of public school choice as a way to encourage and stimulate the creative efforts of school districts to give parents the opportunity to find a school that best fits the needs of their children. Some discussions about choice suggest that there is choice only outside of public education. Well, that is an assumption that I want to challenge because it really has no basis in fact.

You can go to school district after school district and find schools-within-schools, magnet schools, school-to-work initiatives, high schools collaborating with local colleges, and option and theme schools that focus in on specialized fields like the environment, the visual and performing arts, communications and technology, back-to-basics, classical studies, marine science, accelerated learning, the international baccalaureate, finance, and medical sciences.

There is a great deal of variety in public education at the local level, from alternative schools to community-based learning efforts, to schools-without-walls, to public schools that focus in on the core-knowledge approach to education. There are public school districts like Seattle that have a completely open choice model and many other school districts that offer intra-district choice, inter-district choice, and controlled choice. Critics of public education would do well to recognize that many public school districts are far more in touch with parents than they think and are giving parents the choices they seek.

I want to stress that one of the most important choices that parents can make about a child's education is the choice of subjects and not schools. We have a growing body of research showing that courses students choose in middle and high school are powerful predictors of success—from mastery of high-level math to gaining entrance to top colleges and universities. The best schools in America—whether they are public, private or parochial—all share something in common: they place a strong emphasis on a rigorous and engaging academic program. This is what makes these schools distinctive, and it is what makes them work.

That is why President Clinton has spent six years advocating the idea that by raising standards, exciting families about their children's education, and putting quality teachers into

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every classroom, we can raise achievement for many, many more of our students—and indeed, someday soon, hopefully all of our students. That is the best public policy for us to support. Private school voucher programs affect only a small number of students, divert us from our goal of high standards for all children, and take scarce resources from the public schools that serve around 90 percent of America's children.

While the Administration strongly opposes efforts to divert public funds to private schools through vouchers or similar proposals, we want to encourage the development of new choices within the public school system. This is why we worked very closely with Congress to reauthorize the Charter School legislation that fosters creativity with accountability.

This year we are proposing a new choice authority that would help us identify and support new approaches to public school choice, such as inter-district magnet schools and worksite schools, and promote a new, broader version of choice that works within all public schools.

We are interested in promoting public school choice programs in which the schools and programs are public and accountable for results, are genuinely open and accessible to all students, and promote high standards for all students. There are many successful public schools that can provide models for improving low-performing schools, and one of our goals must be to find ways to help States and local school districts to replicate these successful models by leveraging "what works" for our children's education.

MODERNIZING SCHOOLS FOR THE 21ST CENTURY

An additional priority for the Administration is to help communities build and renovate the school buildings they will need to help all students reach challenging standards. The General Accounting Office has reported that States and school districts face over $112 billion in repairs to existing schools. In addition, many schools face severe overcrowding as a result of the "baby boom echo."

The Administration is proposing $25 billion in bonding authority to finance the construction or renovation of up to 6,000 schools. As part of the President's tax legislation, the Federal government will provide bondholders with tax credits in lieu of interest payments. State and local bond issuers will be responsible for repayment of principal. In addition, through the reauthorized ESEA, we would make grants to involve citizens in designing schools that reflect the needs of the entire community. The President's 2000 budget would provide $10 million for these grants under the Fund for the Improvement of Education.

CONCLUSION

These are just the highlights of a comprehensive reauthorization proposal that will span a dozen or so titles affecting nearly every area of Federal support for the Nation's elementary and secondary schools. I encourage you to give careful consideration to our full proposal when it is completed next month, and I look forward to discussing the specific details of our plan as your work on your legislation.

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The framework for all of our thinking is the clear recognition that the days of "dumbing down" American education are over. We want to "achieve up" and raise expectations for all of our young people. As I have said so many times before, our children are smarter than we think. We can and surely will debate the merits of the policy ideas that we are putting forward today and that is healthy. Let us find common ground, however, around the idea that we have both a moral and social obligation to give the poorest of our young people the help they need to get a leg-up in life and be part of the American success story.

As I travel around the country visiting schools, I really do get a sense that things are happening, that a very strong consensus has developed about what needs to be done to improve our schools. All the elements are coming together: a new emphasis on early childhood, better reading skills, high expectations for all of our young people, and accountability for results. We are moving in the right direction and we need to stay the course to get results and always remember that "the victory is in the classroom."

In conclusion, I want assure you that the Administration is prepared to work with the Congress to help and support local and State educators and leaders who are striving to raise achievement levels. I hope that in the process, a new bipartisan spirit can evolve around education issues. The last few years have been somewhat contentious here in Washington, and we need to give a better account of ourselves to the American people.

I will be happy to take any questions you may have.

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-FEB-1999 12:31:52.00

SUBJECT: idea for POTUS

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

TEXT:
---------- Forwarded by Elena Kagan/OPD/EOP on 02/09/99 12:33 PM ----------

Lynn G. Cutler
02/09/99 11:38:41 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: idea for POTUS

Had an idea--I was listening to Mandy Patimkin, who is in town and just had corneal transplants. He has become a major spokesperson for organ transplants, and listening to the terrible statistics on need and availability, it seems to me that this is a good project for the President to push. We could do a really wonderful event, with recipients and with Mandy, and announce some kind of new initiative where people who interface somehow with the federal govt.,i.e., Social Security, could sign up to be a donor. Mail cards with the checks for two months--something. Let me know.

Message Sent
To:
Ann F. Lewis/WHO/EOP
Paul E. Begala/WHO/EOP
Maria Echaveste/WHO/EOP
Douglas B. Sosnik/WHO/EOP
Elena Kagan/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-FEB-1999 13:48:51.00

SUBJECT: Re: Note to Congressman Rangel

TO: David R Thomas (CN=David R Thomas/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
Looks great, except change "you" to "your"

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-FEB-1999 17:51:47.00

SUBJECT: Re: sexist pig

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

TEXT:
among whom?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-FEB-1999 13:48:10.00

SUBJECT: Re: Pay Equity Pre-Brief

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

TEXT:
we're putting together a memo on this now, but you should feel very welcome to join us in the pre-brief and/or meeting.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 9-FEB-1999 13:46:53.00

SUBJECT: meeting on ESEA

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

TEXT:
why is he trying to talk with Mike Smith? It sounds as if Mike may share our views on this issue.
---------- Forwarded by Elena Kagan/OPD/EOP on 02/09/99 01:47 PM ----------

"Christopher F. Edley, Jr."
02/09/99 01:42:44 PM
Record Type: Record

To: Maria Echaveste/WHO/EOP
cc: Elena Kagan/OPD/EOP, Jane T. Price-Smith/PIR/EOP, aedmonds1 @ aol.com, James T. Edmonds/PIR/EOP
Subject: meeting on ESEA

Maria --

For the record, I've tried to meet with Mike Smith to discuss the ESEA issues. He cancelled once, and his secretary now reports that he's too busy because of testimony, etc.

I'm not complaining. I'm just registering my good faith efforts.

My recommendation is that you just figure this out when the whole draft is complete. I'm actually kind of relieved not to have the scheduling pressure.

Professor Christopher Edley, Jr.
Harvard Law School,
Cambridge MA 02138
(617)-495-4614; (f) 496-5156

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:10-FEB-1999 11:12:57.00

SUBJECT: Re: draft statement from the President on NAEP scores -- feel free to page me if

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

CC: Patricia M. Ewing (CN=Patricia M. Ewing/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
I talked with Bruce, and he gives up.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:10-FEB-1999 12:14:12.00

SUBJECT: Re: idea for POTUS

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

TEXT:
I sent the message on to Chris;he's the person in the best position to know what we can/should do in this area. It seems to me like a good idea.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1999 14:10:10.00

SUBJECT: Re: tobacco

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

TEXT:
fyi- Elena is out today & tomorrow -Laura

Barry J. Toiv

02/11/99 11:18:09 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
cc:
Subject: tobacco

1) Is there some brief guidance we should do for today?

2) I'm reminded by this that I haven't talked to anybody recently about what's going on in the world of tobacco. Would Bruce or Elena please give me a call to let me know what's up? Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:11-FEB-1999 14:10:27.00

SUBJECT: Meeting with Francis Collins

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

TEXT:
---------- Forwarded by Elena Kagan/OPD/EOP on 02/11/99 02:11 PM ----------

Joanne S. Tornow
02/11/99 11:21:55 AM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Christopher C. Jennings/OPD/EOP, Arthur Bienenstock/OSTP/EOP, Neal Lane/OSTP/EOP
Subject: Meeting with Francis Collins

I would like to invite you to attend a meeting with Dr. Francis Collins (Director of the National Human Genome Research Institute), Neal Lane, David Beier, and Artie Bienenstock. Francis has requested this meeting to discuss a variety of policy issues associated with the Human Genome Project. The meeting is scheduled for Tuesday, March 16, at 11 am, in OEOB 422.

Joanne

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-FEB-1999 13:53:51.00

SUBJECT: Re: AFL-CIO

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

TEXT:
why don't you do up a whole set of q&a -- today's teachers stuff, ed flex, and whatever else you think might come up. Thanks.
---------- Forwarded by Elena Kagan/OPD/EOP on 02/16/99 01:55 PM ----------

Bruce N. Reed
02/16/99 01:41:49 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Re: AFL-CIO

Yes, we should do something on ed-flex. NEA is OK with it; AFT more dubious.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-FEB-1999 13:18:16.00

SUBJECT: Re: Governors

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

TEXT:
---------- Forwarded by Elena Kagan/OPD/EOP on 02/16/99 01:19 PM ----------

Fred Duval 02/16/99 12:52:27 PM

Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Re: Governors

ug.
---------- Forwarded by Fred Duval/WHO/EOP on 02/16/99 12:54 PM ----------

Mickey Ibarra
02/16/99 12:41:57 PM
Record Type: Record

To: Fred DuVal/WHO/EOP
cc:
Subject: Re: Governors

spoke to Minyon again regarding DGA policy briefing. She agrees that we need to give Riley and Shalala some time on the agenda in additon to John. Let's figure this out at 4pm.

RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME:16-FEB-1999 19:33:47.00

SUBJECT: RECEIVED: Reminder--comments on Trade Adjustment Assistance Reform Act of 1999 (L

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

TEXT:
RETURN RECEIPT

Your Document:
Reminder--comments on Trade Adjustment Assistance Reform Act of 1999 (LRM MNB13) ARE DUE
was successfully received by:
CN=Elena Kagan/OU=OPD/O=EOP
at:
02/16/99 07:34:40 PM

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-FEB-1999 13:27:01.00

SUBJECT: AFL-CIO

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

TEXT:
do we need stuff on ed-flex too? where are the unions on that these days?
---------- Forwarded by Elena Kagan/OPD/EOP on 02/16/99 01:28 PM ----------

Laura Emmett
02/16/99 01:23:15 PM
Record Type: Record

To: Jonathan H. Schnur/OPD/EOP
cc: Tanya E. Martin/OPD/EOP, Elena Kagan/OPD/EOP
Subject: AFL-CIO

Jon- can we get this by 4:00 on Wednesday?
---------- Forwarded by Laura Emmett/WHO/EOP on 02/16/99 01:23 PM ----------

Bruce N. Reed
02/16/99 01:22:00 PM
Record Type: Record

To: Laura Emmett/WHO/EOP
cc:
Subject: AFL-CIO

You should ask Jon Schnur to do a Q&A for John on Riley's teacher licensing proposal. The Q&A should include reassurances for the unions.
---------- Forwarded by Bruce N. Reed/OPD/EOP on 02/16/99 01:21 PM ----------

Kevin S. Moran 02/16/99 11:28:40 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Cathy R. Mays/OPD/EOP, Laura Emmett/WHO/EOP
Subject: AFL-CIO

John is going to meet with the AFL-CIO's executive committee on Thursday. Are there any specific Education talking points or Q&As that he should have, beyond what we've already gotten from your shop?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-FEB-1999 20:11:59.00

SUBJECT: Firefighters

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

TEXT:
Let's give this one to Jose Cerda on the ground that the closest thing to fire fighters is police officers.
---------- Forwarded by Elena Kagan/OPD/EOP on 02/17/99 08:12 PM ----------

Charles M. Brain

02/17/99 04:26:00 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Firefighters

Who on your staff would deal with fire and public safety issues. Cong. Bill Pascrell (D-NJ) has a package that he wants to get our reaction to? ($1 billion per year in matching competitive grants to communities ti train, hire, equip fire fighters and emergency medical services within fire departments.) I've got some paper I can get to you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-FEB-1999 15:29:51.00

SUBJECT: Re: Panelists for NH

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

TEXT:
as chris will tell you, we've decided to put someone on the panel to talk about the patients' bill of rights.
---------- Forwarded by Elena Kagan/OPD/EOP on 02/17/99 03:31 PM ----------

Karin Kullman
02/17/99 12:29:05 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Re: Panelists for NH

Ok, thanks. Didn't know where the last word was. I'll try to track it down.

Thanks!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:17-FEB-1999 12:08:09.00

SUBJECT: Panelists for NH

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

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

TEXT:
please ask chris about this. he was going to check with doug sosnik
---------- Forwarded by Elena Kagan/OPD/EOP on 02/17/99 12:09 PM ----------

Karin Kullman
02/17/99 11:30:40 AM
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc:
Subject: Panelists for NH

I have been hearing conflicting things, and wanted to clarify with you both about our panelists for the healthcare roundtable tomorrow. So far we are looking to go with..

Small business person
Part-time worker on Medicaid with a disability who would like to work full-time
Long-term care provider
CHIPs story

We were also initially looking for a PBOR person, but I'm hearing that people agreed not to go with this panelist. Is this true? Do we just want the above 4 panelists?

RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME:17-FEB-1999 09:27:08.00

SUBJECT: RECEIVED: Waxman's staff new twist on recoupment

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

TEXT:
RETURN RECEIPT

Your Document:
Waxman's staff new twist on recoupment
was successfully received by:
CN=Elena Kagan/OU=OPD/O=EOP
at:
02/17/99 09:28:36 AM

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-FEB-1999 15:06:04.00

SUBJECT: Re: One America Initative

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

TEXT:
please arrange something.
---------- Forwarded by Elena Kagan/OPD/EOP on 02/18/99 03:04 PM ----------

Robert B. Johnson
02/18/99 02:07:22 PM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: Re: One America Initative

Thats really bad.... nobody noticed my frustration(smile). When can we get together in the next couple of days? I'll fit my schedule to yours.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-FEB-1999 12:44:57.00

SUBJECT: One America Initative

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

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

TEXT:
Of course. Did you show frustration?? Was that after I left??
---------- Forwarded by Elena Kagan/OPD/EOP on 02/18/99 12:46 PM ----------

Robert B. Johnson
02/18/99 10:40:29 AM
Record Type: Record

To: Elena Kagan/OPD/EOP
cc:
Subject: One America Initative

I didn't mean to show so much frustration yesterday. However, I really want this to work for the President. Elena I need your help, especially your ideas because you are always so clear. Can I spend about 30 minutes with you at your earliest convenience to go over how you think our offices should work together on One American policy issues. Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-FEB-1999 12:46:05.00

SUBJECT: Deadlines

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

TEXT:
thanks -- we needed this.
---------- Forwarded by Elena Kagan/OPD/EOP on 02/18/99 12:47 PM ----------

Paul J. Weinstein Jr.
02/18/99 11:03:35 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Jennifer M. Palmieri/WHO/EOP
Subject: Deadlines

I work very hard to ensure that everybody is given significant lead time on projects that our due. As you know, when I screw up, I take the blame. And there have been times when I have made mistakes on timing. However, I feel most of the kinks have been worked out of the system and other offices, particularly the press office, have been good lately at giving us significant advance notice for POTUS press conferences. Therefore, it is disappointing, and embarrasing that we are slipping in meeting some of these deadlines. We can't expect other White House Offices to cooperate with us if we don't meet our deadlines.

Now I know everyone is overworked, and people are putting in very late hours. You know how much Bruce appreciates your hard work, and we encourage you to take time off. We are also willing to tell other offices to back off when you need us to, you just have to ask. But, when I give a deadline and say no exceptions, I mean it. I don't do that lightly, and people know me well enough that I don't mince words. And when Laura gives a deadline, you should assume it is on behalf of Bruce, Elena, Chris, and myself. Don't give her excuses for missing a deadline. If you have problems with deadlines, come talk to me.

Here are some reminders:

Press guidance is due to Elena by 10:30. The press office must have it by 11:00. NO EXCEPTIONS. Joe can't answer questions without guidance. Put other things aside if you have to but get the guidance to Elena by 10:30 am through Laura.

Weekly Reports -- This is our best opportunity to influence POTUS decision-making. The reports are due at 5:00 pm on Thursday to Laura. Both Elena and I have to edit this document significantly and we need time to do so.

Daily Guidance -- I want to remind everyone that they should notify Bruce or Elena of important issues prior to the morning senior staff meetings. Page them with a quick note. But make certain they get the information they need.

Thanks for your cooperation in advance.

Message Sent
To:
Sarah A. Bianchi/OVP @ OVP
Michael Cohen/OPD/EOP
Laura Emmett/WHO/EOP
Julie A. Fernandes/OPD/EOP
Thomas L. Freedman/OPD/EOP
Cathy R. Mays @ EOP @ LNGTWY
Leanne A. Shimabukuro @ EOP @ LNGTWY
Jose Cerda III/OPD/EOP
Christopher C. Jennings/OPD/EOP
Elena Kagan/OPD/EOP
Andrea Kane/OPD/EOP
Jennifer Klein
Jeanne Lambrew/OPD/EOP
Tanya E. Martin/OPD/EOP
Nicole R. Rabner/WHO/EOP
Bruce N. Reed/OPD/EOP
Cynthia A. Rice/OPD/EOP
Jonathan H. Schnur/OPD/EOP
Mary L. Smith/OPD/EOP
Essence P. Washington/OPD/EOP
J. Eric Gould/OPD/EOP
Devorah R. Adler/OPD/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-FEB-1999 12:43:48.00

SUBJECT: Draft Medicare questions

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

TEXT:
could you also send these to laura in the future? thanks.
---------- Forwarded by Elena Kagan/OPD/EOP on 02/18/99 12:45 PM ----------

Jeanne Lambrew
02/18/99 08:57:38 AM
Record Type: Record

To: Elena Kagan/OPD/EOP, Melissa G. Green/OPD/EOP
cc: Devorah R. Adler/OPD/EOP, Sarah A. Bianchi/OVP @ OVP
Subject: Draft Medicare questions

Hello,

In response to today's Post story, there are three new questions in our current set of qs and as. Please call with questions.

Jeanne

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D94]MAIL421947258.036 to ASCII,
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Medicare Questions
February 18, 1999

Q. Will you support the Breaux plan now that he is indicating that he will include prescription drugs?

A. We look forward to seeing any proposal that provides affordable, accessible prescription drug benefit to all Medicare beneficiaries. But as you know, the Senator did not release any details of his proposal yesterday.

Q. Yesterday, the Medicare Commission released its estimates of the Breaux plan, saying that it will save hundreds of billions of dollars. Doesn't this suggest that premium support is the answer to Medicare's solvency problem?

A. A premium support proposal designed properly can probably produce savings. However, our independent actuaries have not yet finished their analysis to be able to assess and affirm the Commission staff estimates.

Q. Is it possible for this Medicare Commission to finish its work on time, and if not, would you support an extension past its March 1 deadline?

A. It would be inappropriate for us to comment on the Commission's time frame before consulting with Senator Breaux and Mr. Thomas on this matter. At the moment, they have not asked for an extension.

MEDICARE COMMISSION

Q: Do you support Senator Breaux's Medicare proposal?

A. First, let me remind you of the President's position on Medicare. He believes that we should dedicate 15 percent of the projected surpluses over the next 15 years to extending until 2020 the life of the Medicare Trust Fund. As the President indicated, however, his preference is to utilize these new resources in the context of broader improvements in the program which modernize the program, make it more efficient, provide for prescription drug benefits, and still extend the life of the Trust Fund until 2020. With respect to Senator Breaux' proposal, we believe it serves no useful purpose to comment on each proposal that emerges as part of the Commission's deliberations. However, the President has stated that he will evaluate any proposal to see that it:

- Dedicates Surplus to Secure Medicare until 2020.
- Modernizes Medicare and Make It More Competitive.

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- Guarantees Defined Set of Benefits w/o Excessive New Costs to Beneficiaries
- Use Savings from Reform to Help Fund a Prescription Drug Benefit.

We look forward to working with Senator Breaux and the rest of the Commission as they move forward with their important work.

Q. What do you think of the premium support proposal that the Commission is considering?

A: "Premium support" is a concept worth considering but, as with any initiative, the devil is in the details. We will carefully review the proposal and see whether it meets the following principles:

- Dedicates Surplus to Secure Medicare until 2020.
- Modernizes Medicare and Make It More Competitive.
- Guarantees Defined Set of Benefits w/o Excessive New Costs to Beneficiaries
- Use Savings from Reform to Help Fund a Prescription Drug Benefit.

Q: The Medicare Commission may propose to raise the Medicare eligibility age from 65 to 67 --making it consistent with phase-up for Social Security. What is the Administration's position on this proposal?

A: As we have said many times, we have serious concerns about raising the Medicare eligibility age. Indeed, the President has emphasized that we need to focus our attention on the most rapidly growing group of uninsured Americans -- Americans between the ages of 55 and 65. So we would view any such proposal with a good bit of skepticism.

Q: Senator Breaux is recommending an income-related premium. Do you support this?

A: The President has indicated in the past his openness to this concept. However, any such proposal would have to be considered in the context of an entire package of reforms.

PRESCRIPTION DRUGS

Q. The President's Medicare Commission appointees have said that they would only support the recommendations of the Medicare Commission if they include a prescription drug benefit. Is this a litmus test for the President?

A. The President believes that any proposal to provide a long-overdue prescription drug benefit should take place within the context of broader Medicare reform. He does believe, however, that a meaningful prescription drug benefit for all beneficiaries can and

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should be included in any such proposal. We have learned that successfully achieving meaningful Medicare reform can only happen in a bipartisan fashion. For this reason, we look forward to working with members on both sides of the aisle to add this important benefit this year.

Q. Won't a prescription drug benefit, even in the context of broader reforms, result in higher Medicare spending? How can it be afforded at a time when the program is facing a serious financing crisis?

A. Senator Breaux has said that not having a prescription drug benefit in 2000 is like not having hospital coverage in 1965. Prescription drugs have become an essential part of treatments and cures, and are expected to play an even greater role in health care in the next century. The President believes that additional savings from making Medicare more efficient should be used to help finance a long-overdue prescription drug benefit for all Medicare beneficiaries. It would be penny-wise and pound-foolish not to add this benefit.

Q. Is it true, as some Medicare Commission appointees suggest, that since 65 percent of Medicare beneficiaries already have some type of coverage, a new Medicare drug benefit would simply replace private dollars with government subsidies?

A. Absolutely not. Medicare beneficiaries have no coverage (35 percent), inadequate or declining private coverage (38 percent), Federally subsidized coverage through Medicare managed care or Medicaid (20 percent) or coverage that changes in the course of the year (7 percent). Thus, there is no stable, private source of financing for this critical benefit. Moreover, it would be virtually impossible to design a policy that only targets those beneficiaries without coverage, since existing coverage is so rapidly changing.

SURPLUS

Q: Doesn't the President's plan to reserve part of the surplus for Medicare represent a "pass" on real Medicare reform?

A: Absolutely not. Improving and strengthening Medicare requires adequate financing, making the program more competitive, and assuring a more modernized, defined benefits package. By assuring a significant infusion of much-needed revenue, the President's proposal actually makes it easier for Democrats and Republicans to come together to develop reforms that strengthen the program.

Q: Could the surplus just be used for a new prescription drug benefit?

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A: The President believes that a new prescription drug benefit should be included as part of, not independent from, a broader set of policies to improve the Medicare program. He believes that it would be irresponsible to focus only on expanding benefits without addressing the financial and structural challenges facing the program.

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RECORD TYPE: PRESIDENTIAL (NOTES READ RECEIPT)

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

CREATION DATE/TIME:18-FEB-1999 10:11:17.00

SUBJECT: RECEIVED: Tom Miller's memo re: tobacco recoupment

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

TEXT:
RETURN RECEIPT

Your Document:
Tom Miller's memo re: tobacco recoupment
was successfully received by:
CN=Elena Kagan/OU=OPD/O=EOP
at:
02/18/99 10:01:27 AM