

**NLWJC - KAGAN**

**EMAILS CREATED**

**ARMS - BOX 12 - FOLDER 004**

**[5/8/1997 – 5/21/1997]**

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Elena Kagan to Laura Emmett. Subject: mtg on child care conf. [partial] (1 page)	05/20/1997	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
Automated Records Management System [Email]  
WHO ([From Elena Kagan])  
OA/Box Number: 500000

### FOLDER TITLE:

[05/08/1997 - 05/21/1997]

2009-1006-F

ab829

### 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: 8-MAY-1997 07:30:17.00

SUBJECT: Re: texas letter

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

READ:UNKNOWN

TEXT:

there weren't many stories anyway. let me know if there's anything you think we can do.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-MAY-1997 13:36:59.00

SUBJECT: IDEA statement

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

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

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

TEXT:

Since we didn't get the statement out yesterday, we'd like to issue it early next week when the full House passes the bill. Does that sound OK?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 8-MAY-1997 16:35:40.00

SUBJECT: Child Care/HHS mtg.

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 05/08/97 04:39 PM -----

JANET MURGUIA  
05/08/97 03:43:07 PM  
Record Type: Record

To: See the distribution list at the bottom of this message  
cc:  
Subject: Child Care/HHS mtg.

Please confirm that you can attend a meeting with HHS re: pending child care legislation on MONDAY, 5/12, @ 4pm in 476 OEOB.

Ken: Pls. fwd this mtg. notice to whomever else you think should attend. Thanks.

HHS attendees:  
Mary Bourdette  
Joan Lombardi  
Ann Rosewater

Message Sent

To: \_\_\_\_\_  
Jennifer L. Klein/OPD/EOP  
Nicole R. Rabner/WHO/EOP  
Cynthia A. Rice/OPD/EOP  
Kenneth S. Apfel/OMB/EOP  
Jill M. Pizzuto/OMB/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-MAY-1997 11:35:56.00

SUBJECT: Meeting at 4:00 p.m. on Monday, May 12th in room 9001

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 05/09/97 11:39  
AM -----

James A. Brown  
05/08/97 03:57:21 PM  
Record Type: Record

To: William P. Marshall/WHO/EOP, Robert G. Damus/OMB/EOP, Steven D.  
Aitken/OMB/EOP, Elena Kagan/OPD/EOP  
cc: See the distribution list at the bottom of this message  
Subject: Meeting at 4:00 p.m. on Monday, May 12th in room 9001

As previously noted, we hope to meet on Monday afternoon with  
representatives of Justice and the Department of Transportation, and the  
White House Counsel's Office to resolve Justice's constitutional concerns  
regarding Amtrak's board. This now stands as the sole remaining  
impediment to clearance of the Administration's Amtrak reform proposal for  
submission to Congress.

This meeting is now scheduled for 4:00 p.m. in room 9001. Thanks.

Message Copied

To: \_\_\_\_\_  
James J. Jukes/OMB/EOP  
Mark J. Schwartz/OMB/EOP  
Kenneth L. Schwartz/OMB/EOP  
David E. Tornquist/OMB/EOP  
Dorothy Robyn/OPD/EOP  
Michael Deich/OMB/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:12-MAY-1997 18:06:12.00

SUBJECT: Re: Volunteer Liablity - HR911

TO: Ellen S. Seidman ( CN=Ellen S. Seidman/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

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

CC: Kathleen M. Wallman ( CN=Kathleen M. Wallman/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

TEXT:

I suspect it's a lot better than the alternative. Ingrid, can you send me a copy of the bill? thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:12-MAY-1997 19:08:02.00

SUBJECT: Re: IDEA statement

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

TEXT:

You bet. Here's the statement.

----- Forwarded by Elena Kagan/OPD/EOP on 05/12/97 07:11 PM -----

William R. Kincaid  
05/12/97 06:26:10 PM  
Record Type: Record

To: Elena Kagan/OPD/EOP  
cc: Michael Cohen/OPD/EOP  
bcc:  
Subject: Re: IDEA statement

The House vote is scheduled for tomorrow after it comes back into session at 2. The Senate will probably wrap things up later in the afternoon, but as of this weekend no time agreement had been reached. We should know more about this in the morning.

One of the main potential obstacles had been an amendment that Sen. Boxer was threatening to drop on the issue of serving disabled kids in prisons. My impression is that she has backed off, but wants a colloquy on the issue.

I have made a couple of changes in the draft press statement (attached) to reflect final passage, so it will be ready to go when the bill is.

Elena Kagan  
05/12/97 06:01:00 PM  
Record Type: Record

To: Michael Cohen/OPD/EOP  
cc: William R. Kincaid/OPD/EOP  
Subject: IDEA statement

what's the likely timing on IDEA -- house passage? senate passage?  
----- Forwarded by Elena Kagan/OPD/EOP on 05/12/97 06:02 PM -----

Barry J. Toiv



**STATEMENT ON HOUSE AND SENATE PASSAGE OF INDIVIDUALS WITH  
DISABILITIES EDUCATION ACT (IDEA) REAUTHORIZATION LEGISLATION --  
DRAFT -- May 12, 1997**

**I am pleased that the House and Senate today took a major step toward ensuring high quality educational opportunities for all students by voting to reauthorize the IDEA.** Over the last 20 years, the IDEA has made it possible for young people with disabilities to reach their full potential, and this legislation strengthens and reaffirms our commitment to these children and their parents. This legislation is the result of a remarkable process involving hard work by congressional Democrats and Republicans, the Department of Education, and representatives of the education and disability communities. I look forward to signing this legislation into law, and I hope that we can continue in this bipartisan spirit and move forward on the rest of our agenda to improve education and prepare America for the 21st Century.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:12-MAY-1997 09:11:28.00

SUBJECT: abortion

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

READ:UNKNOWN

TEXT:

Your voice-mail won't let me leave a message. Call me.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1997 09:18:49.00

SUBJECT:

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

READ:UNKNOWN

TEXT:

Dear [whomever]:

As America moves into the 21st Century, we must give our people the strongest education in the world. No other priority is more important for our nation. I will veto any legislation that would hinder our mission of raising standards and giving every American child a world-class education.

As I said in my State-of-the-Union Address, America needs educational standards -- not federal government standards, but national standards representing what all our students must know to succeed in the new knowledge economy. I have proposed that every state should test 4th graders in reading, and 8th graders in math, to make sure these standards are met. In recent months, we have worked with educators, parents, business and state officials to encourage states to adopt these standards throughout the nation. Our Department of Education has begun to work with these states, and will help them develop math and reading tests that will truly measure these skills. The proposed amendment would stop in its tracks this national, cooperative effort to develop meaningful tests.

Education is the key to our future, and national standards are the key to improving education. The proposed amendment would effectively block these national standards. It would set back the cause of education and damage the future of our children. I would veto it, without hesitation.

We must make sure that all our young people can meet these new rigorous standards. That is why, for example, I believe it is so important that the recent budget agreement funds our America Reads challenge, which would mobilize an army of 1 million volunteer tutors toward our goal of every 8 year old being able to read independently. We must press forward with other ongoing efforts to help our children learn the basics of reading and math, and I look forward to working with you in partnership toward these critical national goals. But above all, I will not allow our nation to come to a halt as we move toward effective national standards.

As you are also aware, I have made clear that I will veto this legislation if it includes the automatic continuing resolution provision contained in the senate passed bill. While I share the goal of ensuring that Congress does not shut the government down again, such a provision is inconsistent with our recent bipartisan budget agreement, and is clearly extraneous to this emergency disaster relief legislation.

In addition, members of my administration have informed you of other seriously objectionable provisions that must be addressed before this legislation reaches my desk.

This vital legislation contains \$5.6 billion in urgently needed disaster assistance funds for hundreds of thousands of victims of recent natural disasters in 33 states. These citizens should not be forced to wait. I urge you to pass strong disaster relief and international

peacekeeping supplemental funding, without attaching unrelated and damaging provisions that can only set this legislation back.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1997 14:21:57.00

SUBJECT: Re: REVISED IDEA MATERIALS

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

READ:UNKNOWN

TEXT:

i just left it for sylvia.

----- Forwarded by Elena Kagan/OPD/EOP on 05/13/97 02:24 PM -----

William R. Kincaid  
05/13/97 02:13:38 PM  
Record Type: Record

To: Barry J. Toiv/WHO/EOP  
cc: Elena Kagan/OPD/EOP, Michael Cohen/OPD/EOP, Diana Fortuna/OPD/EOP, Lucia A. Wyman/WHO/EOP  
bcc:  
Subject: Re: REVISED IDEA MATERIALS

I am comfortable with these minimal changes; Elena, do you want to share with Sylvia or John?

House is just coming into session now; my understanding is that it will be voted on early this afternoon, with Senate action to follow. Don't have a strong sense of what time Senate should wrap up, but we do expect the Senate to have a final vote today.

I'll let you know if I get more updated information.

Barry J. Toiv

05/13/97 01:43:17 PM

Record Type: Record

To: William R. Kincaid/OPD/EOP  
cc: Elena Kagan/OPD/EOP, Michael Cohen/OPD/EOP, Diana Fortuna/OPD/EOP  
Subject: Re: REVISED IDEA MATERIALS

Sorry, here it is.

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

**DRAFT STATEMENT ON HOUSE AND SENATE PASSAGE OF INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA) REAUTHORIZATION LEGISLATION**

**I am pleased that the House and Senate today took a major step toward ensuring high quality educational opportunities for all students with disabilities by voting to reauthorize the Individuals with Disabilities Education Act (IDEA).**

Over the last 20 years, the IDEA has made it possible for young people with disabilities to reach their full potential. This legislation strengthens and reaffirms our commitment to these children and their parents, and I look forward to signing it into law.

This legislation is the result of a bipartisan process that involved hard work not only by both Democrats and Republicans in the Congress but also by the Department of Education and representatives of the education-and disability communities. I hope that we can continue in this bipartisan spirit and move forward on the rest of our agenda to improve education and prepare America for the 21st Century.



Dear Senators Daschle and Feinstein:

I am writing to express support for your amendments prohibiting late-term abortions. If Congress were to substitute either of these amendments for the current H.R. 1122, I would sign the legislation.

As you know, I have long opposed late-term abortions, and I continue to do so except where necessary to save the life of a woman or prevent serious harm to her health. When I was Governor of Arkansas, I signed into law a bill that barred third-trimester abortions, with an appropriate exception for life or health. And last year, I made clear that I would sign such a bill at the federal level.

Your amendments, though differing in detail, both meet the standards I have set for such legislation. The amendments contain exceptions that will adequately protect the lives and health of the small group of women in tragic circumstances who need an abortion at a late stage of pregnancy to avert death or great injury. At the same time, the amendments prohibit any late-term abortions performed for elective reasons. This balance is an appropriate one, which I -- and, I believe, most Americans -- would gladly make the nation's law.

Sincerely,

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1997 18:41:57.00

SUBJECT: Re: Distilled Spirits meeting

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

READ:UNKNOWN

TEXT:

they beat me to it! i'm pretty sure, but let me get back to you tomorrow  
(I promise!)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1997 13:22:23.00

SUBJECT: Re: Same-Sex Domestic Partner Benefits at the DNC

TO: Richard Socarides ( CN=Richard Socarides/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

rich -- has the dnc actually done this already?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1997 14:35:59.00

SUBJECT: Re: Shays Hearing

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

TEXT:

It seems the hearing was last week, and everything went well. Shays focused mostly on desert storm issues, barely touching on informed consent. No one else asked much of anything.



Dear [whomever]:

As America moves into the 21st Century, we must give our people the strongest education in the world. No other priority is more important for our nation. I cannot sign any legislation that would hinder our mission of raising standards and giving every American child a world-class education. Therefore, I will veto the supplemental appropriations bill if it includes the proposed amendment that seeks to block national educational standards.

As I said in my State-of-the-Union Address, America needs educational standards -- not federal government standards, but national standards representing what all our students must know to succeed in the new knowledge economy. Every state and school must shape its curriculum to reflect these standards, and train teachers to lift students up to them. I have proposed that every state should test 4th graders in reading, and 8th graders in math, based on widely accepted national standards. These tests are already used to measure the performance of states; what we propose is that they measure the performance of every student, so parents can learn how their children are doing and how their own schools measure up. The Department of Education is already funding the development of these tests. Make no mistake: The proposed amendment would stop in its tracks this national, cooperative effort to develop meaningful tests.

Education is the key to our future, and national standards are the key to improving education. The proposed amendment would effectively block these national standards. It would set back the cause of education and damage the future of our children. It must not become law.

I am determined that all our young people will meet these new rigorous standards. That is why, for example, I am so pleased that the recent budget agreement funds our America Reads challenge, which would mobilize an army of 1 million volunteer tutors toward our goal of every 8 year old being able to read independently. We must press forward with other ongoing efforts to help our children learn the basics of reading and math, and I look forward to working with you in partnership toward these critical national goals. But above all, I will not allow our nation to come to a halt as we move toward effective national standards.

As you are also aware, I have made clear that I will veto this legislation if it includes the automatic continuing resolution provision contained in the senate passed bill. While I share the goal of ensuring that Congress does not shut the government down again, such a provision is inconsistent with our recent bipartisan budget agreement, and is clearly extraneous to this emergency disaster relief legislation.

In addition, members of my administration have informed you of other seriously objectionable provisions that must be addressed before this legislation reaches my desk.

This vital legislation contains \$5.6 billion in urgently needed disaster assistance funds for hundreds of thousands of victims of recent natural disasters in 33 states. These citizens should not be forced to wait. I urge you to pass strong disaster relief and international peacekeeping supplemental funding, without attaching unrelated and damaging provisions that can only set this legislation back.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1997 13:21:27.00

SUBJECT: Re: Shays Hearing

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

READ:UNKNOWN

TEXT:

we'll check it out.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:13-MAY-1997 14:33:51.00

SUBJECT: Re: Late term letter

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

TEXT:  
good, thanks. but i take it the president wants a memo on the subject.



May 14, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: RAHM EMANUEL  
BRUCE REED  
ELENA KAGAN

SUBJECT: UNIONIZATION OF SECRET SERVICE UNIFORMED DIVISION

You will meet tomorrow with Gil Gallegos and other officers of the Fraternal Order of Police (FOP). They may ask you, as they have before, whether you will amend an Executive Order to allow employees of the Secret Service Uniformed Division to unionize and engage in collective bargaining. This memo provides you with the arguments on each side of the issue, so you can decide how to respond to inquiries.

Before his departure, Jack Quinn conducted an extensive review of this issue and recommended changing the Executive Order in the way the Uniformed Division employees requested. The Department of Treasury is strongly opposed to this approach. We believe a sensible compromise proposal is available, but Treasury has rejected this compromise and we do not know how the Uniformed Division employees would greet it.

Background

Federal law gives the President authority to issue an order prohibiting the employees of any federal unit that "has as a primary function, intelligence, counterintelligence, investigative or national security work" from organizing and collective bargaining. Using this authority, President Carter issued Executive Order 12171, which precluded the Secret Service Uniformed Division from engaging in these activities. The E.O. also covered many other units in the Departments of Treasury, Defense, Justice, Transportation and Energy.

In March and May 1995, members of Congress (Reps. Trafficant, Frank, Conyers, and Torres) wrote to you requesting that you exempt the Secret Service Uniformed Division from the E.O., allowing employees of this division to unionize. The White House referred the letters to the Department of Treasury, which advised the Congressmen and two interested unions that national security concerns required the ban to remain in effect. In September 1995, Judge Mikva affirmed this determination, citing a policy of deference to the Treasury Department on matters relating to the security of the President and Vice President.

Last year, Jack Quinn received a letter from the Secret Service Uniformed Division Labor Committee of the FOP asking for reconsideration of this issue. The letter stated that "national

security concerns...are being used as a convenient way to deny the members of the Uniformed Division fundamental labor rights.” Quinn initiated discussions with Treasury Department officials and Uniformed Division employees.

In a September 1996 FOP questionnaire for presidential candidates, you referred to the controversy and stated: “To make a decision on this issue in as thoughtful and expeditious a manner as possible, I have asked my counsel . . . to look into the competing arguments, and present a recommendation to me.”

At a later meeting with the Executive Board of the FOP, you were careful not to commit yourself, but did express sympathy for the position of the Uniformed Division employees. The Wall Street Journal quoted you as saying at that meeting that “it would be the height of hypocrisy for me not to support [the right to unionize] for federal officers.” Members of the FOP left the meeting generally encouraged.

Quinn recommended before he left that the Administration grant the Uniformed Division employees’ request. Secretary Rubin, however, vehemently opposed this recommendation, and the matter did not come to you for decision.

As consideration of the issue has proceeded, Gallegos and employees of the Uniformed Division have accused Uniformed Division management of retaliating against union supporters. One incident resulted in a lawsuit brought by the officers alleging various constitutional violations. In addition, Gallegos has come under increasing pressure from his membership to move forward on this issue.

#### Department of Treasury Arguments

The Department of Treasury offers three reasons for opposing unionization. First, Treasury claims that the obligation to bargain will compromise security by decreasing management’s authority over such matters as the deployment and scheduling of officers and the selection of equipment. Treasury cites the decision to close off Pennsylvania Avenue to traffic as an example. That decision affected many employees’ schedules and work assignments. Without a union, the Division could take this action unilaterally; with a union, the Division might first have had to bargain about the proposed change, thereby losing flexibility and causing delay.

Second, Treasury argues that unionization will compromise security by forcing the disclosure of information during collective bargaining. Treasury notes that information about security procedures and techniques-- about postings, manpower allocations, equipment, and so forth-- is now provided on a “need to know” basis. If the Division were obligated to engage in collective bargaining, Treasury argues, it would have to provide such information to union members and officials and possibly to arbitrators.

Third, Treasury argues that exempting the Uniformed Division from the E.O. will place

the government on a slippery slope toward exempting other covered employees or eventually eliminating the E.O. Treasury is particularly concerned that if the Uniformed Division are free to unionize, then the special agents of the Secret Service, who directly protect you, the Vice President, and your families, will request identical treatment.

### Uniformed Division Employees' Arguments

The argument in favor of allowing employees of the Uniformed Division to organize starts from a simple premise: this Administration is committed to safeguarding the rights of employees to organize and engage in collective bargaining. This commitment should be upheld unless there is a strong countervailing interest.

In considering whether such an interest exists, you should note that there is no danger that unionization will lead to work stoppages of essential employees. A federal statute makes it an unfair labor practice for a union to strike at any federal agency. This statute would apply to Uniformed Division personnel just as it does to other federal employees.

Although Treasury is right that the obligation to bargain will limit its unfettered authority over workplace decisions, it is not nearly so clear that this obligation will compromise security interests. With respect to a number of issues, such as benefits, the obligation to bargain will have little or no effect on security. With respect to more sensitive issues, bargaining often will not be required. Agencies can take certain actions involving hiring, assignments and the like -- actions implicating "management rights" -- without engaging in collective bargaining. If this authority is insufficient, Treasury can negotiate contract provisions giving it additional powers. And if even this is not enough, we can reserve still greater powers to Treasury through adoption of the compromise proposal discussed below.

Similarly, Treasury's concern about the disclosure of sensitive information seems overstated. The officers in the Uniformed Division already have most of this information -- or at least could obtain it if they all pooled their knowledge. Moreover, the Treasury Department could condition providing such data in collective bargaining on an agreement by the union to confidentiality requirements.

Finally, Treasury's "slippery slope" argument is subject to question. If exempting another unit from the E.O. would pose a greater danger to security than exempting the Uniformed Division, then the Administration should be able to justify continued coverage of that unit. For this reason, all four other agencies with covered employees declined to support Treasury's argument, stating that their employees could be distinguished from Uniformed Division personnel.

### Compromise Proposal

An alternative course is to amend the E.O. to allow Uniformed Division employees to

unionize, but to give them fewer collective bargaining rights than other unionized federal employees have. This approach should not be difficult to accomplish. When you came into office, you signed an executive order requiring the agencies to bargain over certain subjects that they previously did not have to bargain over. In modifying the E.O. to allow unionization of Uniformed Division employees, you could make clear that the old rules apply to these employees. These rules would give the Treasury Department greater authority to act unilaterally -- without any consultation with the employees' union -- than federal agencies now have. It would go some way toward accommodating both the employees' desire for unionization and the agency's concerns about security.



May 14, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: RAHM EMANUEL  
BRUCE REED  
ELENA KAGAN

SUBJECT: UNIONIZATION OF SECRET SERVICE UNIFORMED DIVISION

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In March and May 1995, members of Congress (Reps. Trafficant, Frank, Conyers, and Torres) wrote to you requesting that you exempt the Secret Service Uniformed Division from the E.O., allowing employees of this division to unionize. The White House referred the letters to the Department of Treasury, which advised the Congressmen and two interested unions that national security concerns required the ban to remain in effect. In September 1995, Judge Mikva affirmed this determination, citing a policy of deference to the Treasury Department on matters relating to the security of the President and Vice President.

Last year, Jack Quinn received a letter from the Secret Service Uniformed Division Labor Committee of the FOP asking for reconsideration of this issue. The letter stated that "national

security concerns...are being used as a convenient way to deny the members of the Uniformed Division fundamental labor rights.” Quinn initiated discussions with Treasury Department officials and Uniformed Division employees.

In a September 1996 FOP questionnaire for presidential candidates, you referred to the controversy and stated: “To make a decision on this issue in as thoughtful and expeditious a manner as possible, I have asked my counsel . . . to look into the competing arguments, and present a recommendation to me.”

At a later meeting with the Executive Board of the FOP, you were careful not to commit yourself, but did express sympathy for the position of the Uniformed Division employees. The Wall Street Journal quoted you as saying at that meeting that “it would be the height of hypocrisy for me not to support [the right to unionize] for federal officers.” Members of the FOP left the meeting generally encouraged.

Quinn recommended before he left that the Administration grant the Uniformed Division employees’ request. Secretary Rubin, however, vehemently opposed this recommendation, and the matter did not come to you for decision.

As consideration of the issue has proceeded, Gallegos and employees of the Uniformed Division have accused Uniformed Division management of retaliating against union supporters. One incident resulted in a lawsuit brought by the officers alleging various constitutional violations. In addition, Gallegos has come under increasing pressure from his membership to move forward on this issue.

#### Department of Treasury Arguments

The Department of Treasury offers three reasons for opposing unionization. First, Treasury claims that the obligation to bargain will compromise security by decreasing management’s authority over such matters as the deployment and scheduling of officers and the selection of equipment. Treasury cites the decision to close off Pennsylvania Avenue to traffic as an example. That decision affected many employees’ schedules and work assignments. Without a union, the Division could take this action unilaterally; with a union, the Division might first have had to bargain about the proposed change, thereby losing flexibility and causing delay.

Second, Treasury argues that unionization will compromise security by forcing the disclosure of information during collective bargaining. Treasury notes that information about security procedures and techniques-- about postings, manpower allocations, equipment, and so forth-- is now provided on a “need to know” basis. If the Division were obligated to engage in collective bargaining, Treasury argues, it would have to provide such information to union members and officials and possibly to arbitrators.

Third, Treasury argues that exempting the Uniformed Division from the E.O. will place

the government on a slippery slope toward exempting other covered employees or eventually eliminating the E.O. Treasury is particularly concerned that if the Uniformed Division are free to unionize, then the special agents of the Secret Service, who directly protect you, the Vice President, and your families, will request identical treatment.

### Uniformed Division Employees' Arguments

. The argument in favor of allowing employees of the Uniformed Division to organize starts from a simple premise: this Administration is committed to safeguarding the rights of employees to organize and engage in collective bargaining. This commitment should be upheld unless there is a strong countervailing interest.

In considering whether such an interest exists, you should note that there is no danger that unionization will lead to work stoppages of essential employees. A federal statute makes it an unfair labor practice for a union to strike at any federal agency. This statute would apply to Uniformed Division personnel just as it does to other federal employees.

Although Treasury is right that the obligation to bargain will limit its unfettered authority over workplace decisions, it is not nearly so clear that this obligation will compromise security interests. With respect to a number of issues, such as benefits, the obligation to bargain will have little or no effect on security. With respect to more sensitive issues, bargaining often will not be required. Agencies can take certain actions involving hiring, assignments and the like -- actions implicating "management rights" -- without engaging in collective bargaining. If this authority is insufficient, Treasury can negotiate contract provisions giving it additional powers. And if even this is not enough, we can reserve still greater powers to Treasury through adoption of the compromise proposal discussed below.

Similarly, Treasury's concern about the disclosure of sensitive information seems overstated. The officers in the Uniformed Division already have most of this information -- or at least could obtain it if they all pooled their knowledge. Moreover, the Treasury Department could condition providing such data in collective bargaining on an agreement by the union to confidentiality requirements.

Finally, Treasury's "slippery slope" argument is subject to question. If exempting another unit from the E.O. would pose a greater danger to security than exempting the Uniformed Division, then the Administration should be able to justify continued coverage of that unit. For this reason, all four other agencies with covered employees declined to support Treasury's argument, stating that their employees could be distinguished from Uniformed Division personnel.

Finally, you should note that the Capitol Police do have a right to unionize as a result of the passage of the Congressional Accountability Act last year. The FOP and other unions are now bidding to represent these police officers.

### Compromise Proposal

An alternative course is to amend the E.O. to allow Uniformed Division employees to unionize, but to give them fewer collective bargaining rights than other unionized federal employees have. This approach should not be difficult to accomplish. When you came into office, you signed an executive order requiring the agencies to bargain over certain subjects that they previously did not have to bargain over. In modifying the E.O. to allow unionization of Uniformed Division employees, you could make clear that the old rules apply to these employees. These rules would give the Treasury Department greater authority to act unilaterally -- without any consultation with the employees' union -- than federal agencies now have. It would go some way toward accommodating both the employees' desire for unionization and the agency's concerns about security.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-MAY-1997 08:07:56.00

SUBJECT: House Judiciary Committee Markup of Volunteer Liability Legislation

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 05/14/97 08:12  
AM -----

PETER G. JACOBY

05/13/97 07:33:47 PM

Record Type: Record

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

cc:

Subject: House Judiciary Committee Markup of Volunteer Liability  
Legislation

The House Judiciary Committee reported out the volunteer liability legislation earlier this evening by a 20-7 vote. As expected, the Committee substituted the Senate-passed language for the underlying Porter legislation. The Committee adopted two amendments to the Senate language during consideration. The first amendment clarified that the bill is only applicable to those cases filed after the date of enactment. The second amendment, offered by Sheila Jackson Lee, ensures that any volunteer who works for an organization that commits hate crimes is not covered by the bill's liability limitations. Committee Democrats also offered amendments to highlight our concerns with the legislation including amendments to strike the state preemption language and the limit on joint and several liability. These amendments were not adopted.

Given that two amendments were adopted by the Committee, the measure now differs from the Senate bill. This means the bill must either return to the Senate (where the amended measure must be passed); sent into conference with the Senate (unlikely); or stripped of the amendments at the House Rules Committee and sent to the House for consideration in its original Senate-passed form. No indication yet as to which course of action will be pursued. FYI.

Message Sent

To:

Ellen S. Seidman/OPD/EOP

Elena Kagan/OPD/EOP

Tracey E. Thornton/WHO/EOP

Kathleen M. Wallman/WHO/EOP

William P. Marshall/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1997 12:08:40.00

SUBJECT: Re: Volunteer Liability SAP

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

CC: Ingrid M. Schroeder ( CN=Ingrid M. Schroeder/OU=OMB/O=EOP @ EOP [ OMB ] )  
READ:UNKNOWN

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

CC: Kathleen M. Wallman ( CN=Kathleen M. Wallman/OU=WHO/O=EOP @ EOP [ WHO ] )  
READ:UNKNOWN

CC: Ellen S. Seidman ( CN=Ellen S. Seidman/OU=OPD/O=EOP @ EOP [ OPD ] )  
READ:UNKNOWN

TEXT:  
sounds right to me.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1997 09:45:00.00

SUBJECT: satcher

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

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

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

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

TEXT:

I forget who asked about whether we could announce our intent to nominate Satcher, but the view from this office is that we definitely should not. He has done a lot of writing; some of it may be controversial; we are not finished reviewing it yet; and we are not prepared to start answering questions. All in all: we would be buying trouble.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1997 10:07:50.00

SUBJECT: housing bill

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

TEXT:

Could you write up a brief description of the housing bill and our objections to it for the weekly? Thanks much.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1997 18:03:06.00

SUBJECT: gq

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

READ:UNKNOWN

TEXT:

Is this still on? I think we were going to set up a time, and you were going to bring me some clips. Thanks much.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:15-MAY-1997 12:08:01.00

SUBJECT: petition to fcc

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

TEXT:

I don't think we can say anything much yet. I'd be noncommittal, but vaguely forward-leaning. Something like: "We're still reviewing the petition and don't yet have a view on how the FCC should respond. But it presents some interesting ideas, and we are giving it close consideration."



## **Talking Points on FLSA**

5/16/97; 2:20 p.m.

- The Labor Department has concluded that the Fair Labor Standards Act (FLSA) applies to welfare recipients in workfare or other subsidized employment programs in the same way as that law applies to all other employees.
- This means that many, if not most, welfare recipients in these programs will receive at least the minimum wage for their work activities.
- Welfare recipients in these programs will not have to be paid the minimum wage if they fall within the FLSA's exception for "trainees." Some states will probably try to structure their workfare programs so that recipients fall within the "trainee" exception.
- In most cases in which the minimum wage is required, both cash assistance and food stamps will count toward the minimum wage. The Department of Agriculture will take necessary administrative action to ensure that food stamps can be counted to the greatest degree possible.
- This will not affect the work requirements of the welfare law. States will still be able to meet those requirements, by placing people in private sector jobs (where the minimum wage already applies) and in workfare programs. With both cash assistance and food stamps counting toward the minimum wage, very few states will have to increase their assistance payments. In fact, every state but one (Mississippi) can comply with the welfare law's current work requirements (now 20 hours per week for a welfare recipient) and pay minimum wage without increasing their current benefit level.
- Far from undermining the welfare law, paying welfare recipients the minimum wage required by the law promotes the goals of welfare reform by giving people the ability to support their families and break the cycle of dependency.
- The Labor Department will provide guidance within the next week or two on the specifics of this policy and will engage in extensive consultation with states on how to apply this policy with the least disruption.
- The Treasury Department is still exploring how the tax laws apply to welfare recipients in workfare programs. We hope to be able to give states an answer to that question very shortly.

## Q&A

**Question:** Won't this end welfare reform as we know it by making work more expensive?

**Answer:** Not at all. With both TANF and food stamps counting toward the minimum wage, every state except Mississippi will be able to give welfare recipients workfare slots for 20 hours each week (the welfare law's current work requirement) without raising their benefit levels. And of course states should be trying to place welfare recipients in private sector jobs where the minimum wage already applies.

**Question:** Are most welfare recipients who are working going to be considered "employees"?

**Answer:** Most welfare recipients participating in the work activities described in the new welfare law probably will count as "employees," entitled to the minimum wage, under the FLSA. But some individuals, engaged in such activities as job search, vocational education, and secondary school, may count as "trainees" instead. The Labor Department will advise states on how the FLSA applies to particular programs and individuals engaged in them.

**Question:** What's the difference between a trainee and a worker under FLSA?

**Answer:** An individual is in training if:

- Training is similar to that given in a vocational school;
- Training is for the benefit of the trainee;
- Trainees do not displace regular workers;
- The employer derives no immediate advantage from the trainees' activities;
- Trainees are not entitled to a job after training is completed; or
- The employer and trainee understand that the trainee is not paid.

**Question:** Can Food Stamps count as wages?

**Answer:** We believe that through waivers or other mechanisms such as the Simplified Food Program option now in law, states will be able to count food stamps toward the minimum wage for all those required to work under the new welfare law.

**Question:** Does this mean welfare recipients in workfare and other subsidized employment programs can unionize?

**Answer:** No -- that is a different question entirely. Whether and when workers can unionize is a function of the National Labor Relations Act. The National Labor Relations Board, an independent entity that administers that Act, has not ruled on the unionization question.

**Question:** Would the Administration support or oppose legislation to exempt welfare recipients from the minimum wage laws?

**Answer:** We would oppose legislation that flatly exempts welfare recipients from the minimum wage law. The Administration believes that people who work should be paid at least the minimum wage.

**Question:** Would you oppose any legislation addressing this issue?

**Answer:** Not necessarily, but any legislation would have to be consistent with our support for the minimum wage. In determining how the minimum wage law applies to workfare, the Administration has had to address a host of technical issues that Congress did not deal with in passing the welfare law. If Congress wants to address these issues, the Administration will consider the proposals carefully. But any legislation must reflect the Administration's position that people who work should be paid at least the minimum wage.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-MAY-1997 14:43:00.00

SUBJECT: budget agreement background materials

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

TEXT:

please print these out for me some time today.

----- Forwarded by Elena Kagan/OPD/EOP on 05/16/97 02:46  
 PM -----

Russell W. Horwitz  
 05/16/97 02:35:00 PM  
 Record Type: Record

To: See the distribution list at the bottom of this message  
 cc:  
 Subject: budget agreement background materials

Find attached a 4-page fact sheet outlining major components of the budget agreement, a one-page chart on the major savings and a 1-page summary of how the agreement fulfills our priorities and values (Rahm made me say that).

Message Sent

To: \_\_\_\_\_  
 Pauline M. Abernathy/OPD/EOP  
 Lori L. Anderson/WHO/EOP  
 Barry B. Anderson/OMB/EOP  
 Brenda M. Anders/WHO/EOP  
 Kenneth S. Apfel/OMB/EOP  
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Peter G. Jacoby/WHO/EOP  
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Bob J. Nash/WHO/EOP  
Peter O'Keefe/WHO/EOP  
Peter R. Orszag/OPD/EOP  
Kristen E. Panerali/OPD/EOP  
John Podesta/WHO/EOP

Jonathan Prince/WHO/EOP  
 Victoria Radd/WHO/EOP  
 Franklin D. Raines/OMB/EOP  
 Bruce N. Reed/OPD/EOP  
 Christa Robinson/OPD/EOP  
 Dorothy Robyn/OPD/EOP  
 Steven J. Ronnel/WHO/EOP  
 Stacey L. Rubin/WHO/EOP  
 Ellen S. Seidman/OPD/EOP  
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 Joshua Silverman/WHO/EOP  
 Stephen B. Silverman/WHO/EOP  
 Douglas B. Sosnik/WHO/EOP  
 Jordan Tamagni/WHO/EOP  
 Daniel K. Tarullo/OPD/EOP  
 Barry J. Toiv/WHO/EOP  
 Michael Waldman/WHO/EOP  
 Paul J. Weinstein Jr./OPD/EOP  
 Lisa M. Kountoupes/OMB/EOP  
 Ronda H. Jackson/WHO/EOP  
 Anna M. Gomez/OPD/EOP  
 Kathleen M. Wallman/WHO/EOP  
 Craig T. Smith/WHO/EOP  
 John O. Sutton/WHO/EOP  
 Daniel C. Tate/WHO/EOP  
 Sara M. Latham/WHO/EOP  
 Thomas D. Janenda/WHO/EOP  
 Charles R. Marr/OPD/EOP  
 Beverly J. Barnes/WHO/EOP  
 Barbara D. Woolley/WHO/EOP  
 Robert B. Johnson/WHO/EOP  
 Cynthia A. Rice/OPD/EOP  
 Aviva Steinberg/WHO/EOP  
 William H. White Jr./WHO/EOP  
 Dan Pink/OVP @ OVP  
 Jill M. Pizzuto/OMB/EOP  
 Joseph M. Wire/OMB/EOP  
 Lisa J. Levin/WHO/EOP  
 Nicholas B. Kirkhorn/WHO/EOP  
 Lynn G. Cutler/WHO/EOP  
 Christopher J. Lavery/WHO/EOP  
 Minyon Moore/WHO/EOP  
 Craig T. Smith/WHO/EOP  
 Karen E. Skelton/WHO/EOP  
 Jeffrey A. Forbes/WHO/EOP  
 Virginia M. Terzano/OVP @ OVP  
 Lorraine A. Voles/OVP @ OVP  
 Roger V. Salazar/OVP @ OVP  
 Julia M. Payne/OVP @ OVP

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

## TEXT:

Unable to convert ARMS\_EXT:[ATTACH.D69]MAIL49580653J.116 to ASCII,  
 The following is a HEX DUMP:

FF5750434E060000010A020100000002050000008B33000000020000B5D5FA67C8912630A9566D

## FACT SHEET ON THE BUDGET AGREEMENT

May 16, 1997

### **DEFICIT REDUCTION**

- **First balanced budget in a generation.** Budget balances by 2002 -- for the first time since 1969.
- **Finishes the job.** The 1993 Economic Plan has already reduced the deficit 77%, from \$290 billion in 1992 to an expected \$67 billion this year. This budget agreement finishes the job, balancing the budget by 2002 -- with \$204 billion in net budget savings over the next 5 years.
- **Keeps budget balanced through 2007.** The agreement will maintain budget balance until 2007, and save \$906 billion over the next 10 years.

### **CONSERVATIVE ASSUMPTIONS**

- **Proven record on forecasts.** For four years in a row, growth has been higher and the deficit has been lower than predicted. For example, CBO predicted growth for 1996 of 2.0 percent and the Administration predicted 2.2 percent. Actual growth was 2.4 percent. CBO forecast a deficit of \$197 billion, and the Administration forecast a deficit of \$211 billion. The actual deficit was \$107 billion.
- **Conservative assumptions.** The assumptions used in this agreement are similarly conservative. The real growth assumption over the next 5 years (2.2 percent per year), for example, is lower than the Blue Chip private sector consensus (2.3 percent). It is intended to reflect average growth over different stages of the business cycle. Since 1973, over several business cycles, growth has averaged 2.6 percent per year.
- **80% of the \$225 billion in additional CBO revenue either already assumed or used for deficit reduction.** The majority of the \$225 billion adjustment had already been assumed in the budget negotiations.

### **DISCRETIONARY SPENDING**

- **Budget agreement achieves 99% of the President's budget for non-defense discretionary spending over the next 5 years.** \$61 billion of savings in non-defense discretionary outlays over the next 5 years -- a 10% real cut by 2002. \$77 billion of savings in defense spending over the next 5 years -- an 11% real cut by 2002.

## ***TAX CUTS***

- **\$85 billion in net tax cuts.** \$85 billion in net tax cuts over the next 5 years and \$250 billion in net tax cuts over the next 10 years.
- **\$35 billion for the President's education tax proposals.** The agreement includes a commitment to provide roughly \$35 billion over 5 years for post-secondary education, including a deduction and tax credit.
- **Other commitments.** The agreement commits the House and Senate Leadership to seek approval of various proposals, including:
  - \$500 per child tax credit
  - The welfare-to-work tax credit
  - Capital gains tax relief for home sales
  - The Administration's EZ/EC proposals
  - Tax relief for brownfields legislation
  - Tax relief for FSC software
  - Tax incentives to spur DC growth

## ***ENTITLEMENT SAVINGS***

- **Extends life of Medicare Trust Fund for more than a decade.** Contains Medicare savings of \$115 billion over 5 years including payment reductions and long overdue structural reforms, extending the life of the Trust Fund for at least a decade. Helps protect the Medicare Part A Trust Fund by reallocating a portion of home health care costs to Part B and phasing in these costs over 7 years into the Part B premium.
- **Modernizes Medicare.** Modernizes Medicare by:
  - Increasing the number of health plan options such as preferred provider organizations and provider sponsored organizations;
  - Implementing a new prospective payment system for skilled nursing home facilities, home health, and hospital outpatient departments; and
  - Increasing financial incentives for managed care plans in rural communities.
- **New Medicare improvements.** Establishing new benefits including: helping detect breast cancer, colon cancer, and helping manage diabetes; and reducing excessively high outpatient hospital coinsurance.
- **Reforms Medicaid while maintaining Federal guarantee.** Medicaid savings of \$13.6 billion through reductions in DSH payments and increased state flexibility, while maintaining the Federal guarantee. Setting aside \$1.5 billion for low-income protections to help ease the impact of Medicare premiums.

## ***CHILDREN'S HEALTH CARE***

- Invests \$16 billion to expand health care coverage to as many as 5 million children through one or both of the following: expanding Medicaid coverage by improving outreach initiatives and adding new options for coverage and/or a capped mandatory grant program.

## ***EDUCATION***

- **Largest increase in education investment in 30 years.**
- **Fully Funds Education and Training.** Adopts the President's FY 1998 request for discretionary education and training programs.
- **Higher Education Tax Cuts.** Provides roughly \$35 billion over five years for postsecondary education tax cuts consistent with the President's HOPE Scholarship and tax deduction proposals.
- **Largest Pell Grant Expansion in Two Decades.** Increases the maximum Pell Grant for low-income college students to \$3,000 -- the largest increase in two decades. Provides a \$1.7 billion increase in funding -- a 25% increase in FY 1998.
- **America Reads Challenge.** Adopts the President's budget request to launch a child literacy initiative consistent with his America Reads program.

## ***WELFARE TO WORK***

- **Fully funds the President's welfare-to-work jobs initiative.** Adds \$3 billion, the full amount requested by the President for the Welfare-to-Work Jobs Challenge, to the TANF block grant to fund welfare-to-work efforts in high-poverty, high-unemployment areas. A share of the funding will go to cities and counties with large numbers of people in poverty.
- **Preserves food stamps for people willing to work.** Provides \$750 million to create additional work slots for able-bodied unemployed childless adults subject to the time limit on food stamps. Also allows States to exempt a limited number of persons falling into this category who are willing to work but would otherwise be ineligible for food stamps.
- **Welfare-to-work tax credit.** The President and the Congressional leadership have agreed to seek a welfare to work tax credit to encourage employers to give welfare recipients the chance to work.

## ***RESTORING BENEFITS TO LEGAL IMMIGRANTS***

- **Benefits for legal immigrants.** Restores full SSI and Medicaid benefits for disabled legal immigrants currently receiving assistance; and for legal immigrants in the country prior to August 23, 1996 who are not now receiving benefits but subsequently become disabled.

## ***ENVIRONMENT***

- **EPA operations, enforcement, and research.** Provides a 9 percent increase, to \$3.4 billion, for EPA's operating program -- which finances most of EPA's research, enforcement, and regulatory programs.
- **Doubles the pace of Superfund cleanups.** Pending agreement on detailed policies, adopts the President's proposals for Superfund cleanups of an additional 500 sites by the end of the year 2000.
- **Brownfields initiative.** Boosts funding by \$75 million in 1998 to provide grants to communities for site assessment and development planning and to leverage state, local, and private funds to foster redevelopment.
- **National Parks.** Provides a 6 percent increase for operation of the National Parks, and an 89 percent increase (\$234 million) for Everglades Restoration.

# Summary of Budget Savings

President Clinton has achieved a balanced budget agreement that provides funding for critical investments in education, health care, and the environment while strengthening and modernizing Medicare and Medicaid -- just as he promised last year. We have cut the deficit 77% -- from \$290 billion in 1992 to an expected \$67 billion this year. This historic achievement will finish the job, giving the American people the first balanced budget in a generation, while meeting the President's goals:

- *The First Balanced Budget in a Generation.*
- *Saves over \$200 Billion over 5 Years & over \$900 Billion over 10 Years.*
- *Largest Increase in Education Funding in 30 Years - including \$35 billion in tax cuts to make college more affordable.*
- *Entitlement Savings of Nearly a Half Trillion Dollars over 10 Years.*
- *Strengthens and Modernizes Medicare -- extending the life of the Trust Fund more than a decade through long overdue structural reforms.*
- *Expanded Health Coverage for as many as 5 Million Children.*

<b>BUDGET AGREEMENT SAVINGS</b>		
<b>AREA</b>	<b>5 Year Savings 1998-2002 (\$ billion)</b>	<b>10 Year Savings 1998-2007 (\$ billion)</b>
<i>Discretionary Spending</i>		
<i>Defense</i>	-77	-247
<i>Nondefense</i>	-61	-273
<i>Subtotal</i>	-138	-520
<i>Mandatory Spending</i>		
<i>Medicare</i>	-115	-434
<i>Medicaid</i>	-14	-66
<i>Other</i>	-40	-60
<i>Subtotal</i>	-168	-560
<i>Net Interest</i>	-14	-142
<i>Gross Savings</i>	-320	-1,221
<i>Initiatives</i>		
<i>Children's Health</i>	16	39
<i>Welfare Reform</i>	14	23
<i>Tax Cut</i>	85	250

<i>Net Savings</i>	-204	-906
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# President Delivers First Balanced Budget Agreement in a Generation Historic Agreement Promotes the Country's Values and Priorities

May 16, 1997

*President Clinton has achieved a balanced budget agreement that promotes our values, providing critical funding for education, health care, and the environment while strengthening and modernizing Medicare and Medicaid. We have cut the deficit by 77%, from \$290 billion in 1992 to roughly \$67 billion this year. This historic achievement will finish the job, while meeting the President's goals.*

**GOAL: To achieve the first balanced budget in a generation.**

- Budget balances by 2002 -- for the first time since 1969.
- Saves over \$200 billion over five years and over \$900 billion over ten years.

**GOAL: To ensure that every 8 year-old can read, every 12 year-old can log on to the Internet, and every 18 year-old can go to college.**

- A child literacy initiative consistent with the President's America Reads challenge to help children learn to read well and independently by the end of the third grade.
- Expands Head Start to 1998 level in the President's budget, which assumes path to one million kids in 2002.
- Fully funds Technology Literacy Challenge Fund with at least \$425 million in FY 98.
- Largest single increase in higher education since the G.I. Bill in 1945.
- Provides largest Pell Grant increase in two decades -- four million students could receive a grant of up to \$3,000, an increase of \$300 in the maximum grant.
- \$35 billion of tax cuts targeted to higher education to make college more affordable for America's families, consistent with the President's HOPE Scholarship and tuition tax deduction.
- Adopts President's full training and employment budget, including Job Corps.

**GOAL: Expand health coverage for as many as 5 million uninsured children.**

- Provides \$16 billion for children's health care, including Medicaid improvements and investments, and/or a new capped mandatory grant program that supplements states' efforts to cover uninsured children in working families.

**GOAL: Secure and strengthen Medicare and Medicaid.**

- Extends the Medicare Trust Fund at least a decade through long overdue structural reforms.
- Expands coverage of critical preventive treatments of diseases such as diabetes and helps detect breast cancer and colon cancer earlier.
- Preserves the federal Medicaid guarantee of coverage to our nation's most vulnerable people.

**GOAL: Strengthen environmental protection and enforcement.**

- Provides \$3.4 billion in 1998 -- a 9% increase over 1997 -- for EPA operations, research, and enforcement programs to protect public health from environmental threats.
- Provides funding to cover the expansion of the Brownfield Redevelopment Initiative to help communities cleanup and redevelop contaminated areas.
- Likely to double the pace of Superfund cleanups -- 500 additional sites cleaned up by the end of 2000.

**GOAL: Move people from welfare to work and treat legal immigrants fairly.**

- A Welfare-to-Work tax credit to help long-term welfare recipients to get jobs.
- Provides funding to preserve food stamp benefits for people willing to work.
- Provides \$3 billion to states and localities to move recipients in disadvantaged areas into jobs.
- Restores \$10 billion in disability and health benefits for legal immigrants.

**GOAL: Cut taxes for America's hard working families.**

- A Child Tax Credit to make it easier for families to raise their kids.
- \$35 billion of tax cuts targeted to higher education to make college more affordable
- A Welfare-to-Work tax credit to help long-term welfare recipients get jobs.
- Establishes additional Empowerment Zones and Enterprise Communities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-MAY-1997 14:48:19.00

SUBJECT: Re: Distilled Spirits Council meeting

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

TEXT:

Yes!!! (Sorry it took so long to get back to you.) Do you want to set it up, or should we?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-MAY-1997 14:53:01.00

SUBJECT: Re: Distilled Spirits Council meeting

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

READ:UNKNOWN

TEXT:

yes, and on mine too (call laura emmett). thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-MAY-1997 18:12:36.00

SUBJECT: meeting

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

TEXT:

please schedule this.

----- Forwarded by Elena Kagan/OPD/EOP on 05/16/97 06:15  
PM -----

Jill M. Pizzuto  
05/16/97 05:19:17 PM  
Record Type: Record

To: Elena Kagan/OPD/EOP  
cc: Cathy R. Mays/OPD/EOP  
Subject: meeting

Elena:

please see the note below re: a meeting on 5/29 w/ Mathews & Eunice Shriver. Cathy tells me that Bruce is away that week. Ken would like you to attend, if possible and noted that you may want to bring Diana too.

if you have any questions, please call Ken.

thanks.

----- Forwarded by Jill M. Pizzuto/OMB/EOP on 05/16/97  
05:19 PM -----

Jill M. Pizzuto  
05/16/97 03:17:10 PM  
Record Type: Record

To: Cathy R. Mays/OPD/EOP  
cc:  
Subject: meeting

Cathy:

Sylvia Mathews had called re: a meeting that she wanted to set up between Eunice Shriver, Sylvia & Frank Raines re: SSI kids. The date for the meeting, one of the only that Eunice is available for which Sylvia is making work on her calendar as well, is scheduled for THURSDAY, MAY 29 @ 11:00am in Sylvia's office.

Ken thinks that Bruce should attend - and might want to include Diana - but Bruce b/c of the level.

Please let me know if Bruce will attend. If there are any questions, Bruce should call Ken.

thanks.



## Talking Points on FLSA

5/16/97

- The Labor Department has concluded that the Fair Labor Standards Act (FLSA) applies to welfare recipients in workfare or other subsidized employment programs in the same way as that law applies to all other employees.
- This means that many, if not most, welfare recipients in these programs will receive at least the minimum wage for their work activities.
- Welfare recipients in these programs will not have to be paid the minimum wage if they fall within the FLSA's exception for "trainees." Some states will probably try to structure their workfare programs so that recipients fall within the "trainee" exception.
- In most cases in which the minimum wage is required, both cash assistance and food stamps will count toward the minimum wage. The Department of Agriculture will take necessary administrative action to ensure that food stamps can be counted to the greatest degree possible.
- This will not affect the work requirements of the welfare law. States will still be able to meet those requirements, not only by putting recipients in workfare, but by placing people in private sector jobs (where the minimum wage already applies). With both cash assistance and food stamps counting toward the minimum wage, very few states will have to increase their assistance payments. In fact every state but one (Mississippi) can comply with the welfare law's current work requirements (now 20 hours per week for a welfare recipient) and pay minimum wage without increasing their current benefit level.
- The Labor Department will provide guidance within the next week or two on the specifics of this policy and will engage in extensive consultation with states on how to apply this policy with the least disruption.
- The Treasury Department is still exploring how the tax laws apply to welfare recipients in workfare programs. We hope to be able to give states an answer to that question very shortly.

## Q&A

**Question:** Won't this end welfare reform as we know it by making work more expensive?

**Answer:** Not at all. With both TANF and food stamps counting toward the minimum wage, every state except Mississippi will be able to give welfare recipients workfare slots for 20 hours each week (the welfare law's current work requirement) without raising their benefit levels. And of course states should be trying to place welfare recipients in private sector jobs where the minimum wage already applies.

**Question:** Are most welfare recipients who are working going to be considered "employees"?

**Answer:** Most welfare recipients participating in the work activities described in the new welfare law probably will count as "employees," entitled to the minimum wage, under the FLSA. But some individuals, engaged in such activities as job search, vocational education, and secondary school, may count as "trainees" instead. The Labor Department will advise states on how the FLSA applies to particular programs and individuals engaged in them.

**Question:** What's the difference between a trainee and a worker under FLSA?

**Answer:** An individual is in training if:

- Training is similar to that given in a vocational school;
- Training is for the benefit of the trainee;
- Trainees do not displace regular workers;
- The employer derives no immediate advantage from the trainees' activities;
- Trainees are not entitled to a job after training is completed; or
- The employer and trainee understand that the trainee is not paid.

**Question:** Can Food Stamps count as wages?

**Answer:** We believe that through waivers or other mechanisms such as the Simplified Food Program option now in law, states will be able to count food stamps toward the minimum wage for all those required to work under the new welfare law.

**Question:** Does this mean welfare recipients in workfare and other subsidized employment programs can unionize?

**Answer:** No -- that is a different question entirely. Whether and when workers can unionize is a function of the National Labor Relations Act. The National Labor Relations Board, an independent entity that administers that Act, has not ruled on the unionization question.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1997 20:26:02.00

SUBJECT: Re: satcher

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

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

TEXT:

I think it's almost certain he will be our nominee, so there's no need to backpedal. We just don't want to make things official before we're fully prepared to answer questions about his writings and record.

Michael D. McCurry  
05/15/97 09:37:36 PM  
Record Type: Record

To: Sylvia M. Mathews/WHO/EOP  
cc: Elena Kagan/OPD/EOP, Mary E. Glynn/WHO/EOP, Barry J. Toiv/WHO/EOP  
Subject: Re: satcher

we have gotten nothing but green lights in suggesting that satcher is our nominee. we have confirmed on background to numerous news organizations. if there is a problem, we need to know right away since we are way out there.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:18-MAY-1997 12:43:33.00

SUBJECT:

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

TEXT:  
terry-- could you get me the final version of the morgan state speech? no  
rush. thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1997 20:47:10.00

SUBJECT: Minority Issues Meeting .

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 05/19/97 08:50  
PM -----

June G. Turner

05/19/97 07:34:04 PM

Record Type: Record

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

cc:

Subject: Minority Issues Meeting

The bi-weekly minority issues meeting will be held tomorrow (Tuesday, May 20) at 3:00 pm in Room 472 OEOB. The meeting will only last an hour (because someone else has the room at 4:00pm)

If you have any questions please give me a call at 6-1960. Thanks. If I left anyone off please let me know.

Invited Attendees:

Sylvia Mathews  
Cheryl Mills  
Minyon Moore  
Maria Echaveste  
Robert Johnson  
Doris Matsui  
Carolyn Curiel  
Terry Edmonds  
Ann Walker  
Jose Cerda  
Anna Gomez  
Goody Marshall  
Susan Liss  
Ellen Lovell  
Andrew Mayock  
Bob Nash (out of office on Tuesday)  
Elena Kagan  
Dawn Chirwa  
John Podesta  
Rahm Emaneul  
Alphonse Maldon  
Kathleen Wallman  
Janet Murguia  
Tracey Thornton  
Richard Socarides  
Richard Hayes

## Message Sent

To: \_\_\_\_\_  
Andrew J. Mayock/WHO/EOP  
Elena Kagan/OPD/EOP  
Dawn M. Chirwa/WHO/EOP  
John Podesta/WHO/EOP  
Rahm I. Emanuel/WHO/EOP  
Sara M. Latham/WHO/EOP  
Michelle Crisci/WHO/EOP  
Alphonse J. Maldon/WHO/EOP  
Kathleen M. Wallman/WHO/EOP  
Janet Murguia/WHO/EOP  
Tracey E. Thornton/WHO/EOP  
Laura K. Demeo/WHO/EOP  
Richard Socarides/WHO/EOP  
Richard L. Hayes/WHO/EOP  
Maria Echaveste/WHO/EOP  
Marjorie Tarmey/WHO/EOP  
Cheryl D. Mills/WHO/EOP  
Minyon Moore/WHO/EOP  
Robert B. Johnson/WHO/EOP  
Doris O. Matsui/WHO/EOP  
Carolyn Curiel/WHO/EOP  
James T. Edmonds/WHO/EOP  
Ann F. Walker/WHO/EOP  
Jose Cerda III/OPD/EOP  
Anna M. Gomez/OPD/EOP  
Ellen M. Lovell/WHO/EOP  
Susan M. Liss/OVP @ OVP  
Thurgood Marshall Jr./OVP @ OVP  
Angelique Pirozzi/WHO/EOP  
Trooper Sanders/OVP @ OVP  
Kim B. Widdess/WHO/EOP  
Odetta S. Walker/WHO/EOP  
Virginia N. Rustique/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1997 13:42:48.00

SUBJECT: Re: Drug Policy Announcements for Wednesday

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

READ:UNKNOWN

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

READ:UNKNOWN

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

READ:UNKNOWN

CC: Michelle Crisci ( CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [ WHO ] )

READ:UNKNOWN

TEXT:

sounds right to me. we should talk some more about what ultimately should go into the drug testing report, but your description makes it clear that we should not issue it this week.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:19-MAY-1997 11:39:20.00

SUBJECT: Re: 2 issues in the USA today article

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

TEXT:

we are getting answers on these questions. i'll let you know asap.

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Elena Kagan to Laura Emmett. Subject: mtg on child care conf. [partial] (1 page)	05/20/1997	P6/b(6)

### COLLECTION:

Clinton Presidential Records  
Automated Records Management System [Email]  
WHO ([From Elena Kagan])  
OA/Box Number: 500000

### FOLDER TITLE:

[05/08/1997 - 05/21/1997]

2009-1006-F  
ab829

### 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:20-MAY-1997 12:13:33.00

SUBJECT: mtg on child care conf

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

READ:UNKNOWN

TEXT:

let's set this up.

----- Forwarded by Elena Kagan/OPD/EOP on 05/20/97 12:16 PM -----

Nicole R. Rabner

05/20/97 12:09:28 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Jennifer L. Klein/OPD/EOP, Laura Emmett/WHO/EOP

Subject: mtg on child care conf

Elena, you had asked me to forward to you a list of the administration people to include in the next meeting on child care -- this one, as we discussed, would focus specifically on the Conference. If possible, it would be great to have this later this week, but I'll follow up with Laura about times. Thanks.

Joan Lombardi, HHS

P6/(b)(6)

Carolyn Becraft, DoD

P6/(b)(6)

Linda Smith, DoD

P6/(b)(6)

Faith Wohl, GSA

P6/(b)(6)

Melissa Skolfield, HHS

P6/(b)(6)

Mary Bourdette, HHS

Melanne Verveer

Katy at ext. 67264



# *WELFARE TO WORK*

May 20, 1997

## *The Welfare to Work Partnership*

Today President Clinton announced that over 100 companies have accepted his State of the Union challenge to forge "a new national effort to marshal America's businesses, large and small, to create jobs so that people can move from welfare to work." CEOs and senior executives from the companies joined the President to launch the Welfare to Work Partnership, a private, non-profit organization which will lead the national business effort to hire people from the welfare rolls. The Partnership pledged to enlist 1,000 companies within the next six months and named United Airlines Corporation CEO Gerald Greenwald its Chairman of the Board.

The Welfare to Work Partnership is an independent, nonpartisan, national effort of the American business community to help move those on public assistance into jobs in the private sector. The Partnership will provide information, technical assistance, and support for all interested companies. The Partnership was formed in response to the President's challenge in his 1997 State of the Union speech, and the CEOs from the five companies the President noted in that speech -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- form the Partnership's Board of Directors. Since signing the welfare law last August, the President has launched an aggressive campaign to challenge both the public and private sector to help welfare reform succeed. The President signaled his commitment to work with the corporate community by holding a White House meeting with 14 company CEOs in January 1997. After that meeting five companies made a commitment to lead a national welfare to work effort.

## *The President's Welfare to Work Transportation Initiative*

Citing transportation as one of the biggest barriers in moving from welfare to work, President Clinton today announced grants to 24 states to develop strategies to solve this problem. The President urged Congress to enact his \$600 million welfare to work transportation initiative, part of his NEXTEA transportation proposal.

Two-thirds of new jobs are in the suburbs, but three of four welfare recipients live in rural areas or central cities. Only six percent of welfare recipients own cars, and public transit often provides inadequate connections to job and training centers. To combat this problem, the President today urged Congress to adopt the six-year, \$600 million grant program in his NEXTEA transportation bill that would support flexible, innovative transportation systems in rural, urban, and suburban areas to get people where the jobs are. Today, the President also announced grants to 24 states and the Virgin Islands to develop welfare to work transportation plans. The grants are being awarded by the Department of Transportation's Federal Transit Administration and the Federal Highway Administration in cooperation with the National Governors' Association.

## *A Balanced Budget that Helps Move People from Welfare to Work*

The President praised the new budget agreement which includes two critical welfare to work initiatives. The first is a \$3 billion Welfare to Work fund for cities and states to create job opportunities for welfare recipients. This proposal, a centerpiece of the President's second-term agenda, will help move one million adults from welfare to work. The budget agreement also

includes the President's proposed enhanced tax credit which would give companies that hire long-term welfare recipients a 50% tax credit on the first \$10,000 of wages paid over two years.

### Vice Presidential Initiatives

To ensure that former welfare recipients succeed in the workplace, Vice President Gore today announced a new campaign, beginning with a conference on May 29th, to help those leaving welfare retain jobs.

In addition to this new campaign, the Vice President is overseeing the federal government's hiring initiative. The President has committed the federal government, the nation's largest employer, to do its part to hire people from the welfare rolls. On April 10th the President held the first full Cabinet meeting of his second term in which federal agencies pledged to directly hire at least 10,000 welfare recipients over the next four years.

### Today's Program

The President was joined today by the Vice President, Mr. Greenwald, Partnership President Eli J. Segal, Delaware Governor Tom Carper, Wisconsin Governor Tommy Thompson, and small business owner George R. Stinson of Racine, Wisconsin, whose company workforce is more than half former welfare recipients.

**Welfare to Work**  
**May 20, 1997**  
**Q&A**

**Company Hiring**

Question: How many companies have committed to hire welfare recipients?

Answer: Today, over 100 companies committed to hire people from the welfare rolls -- and the Partnership's new Chairman, Gerald Greenwald today pledged to sign up 1,000 companies within six months.

Question: How many employees have they promised to hire?

Answer: Companies weren't asked to make specific commitments, but many have anyway. For example, United Airlines has pledged to hire 2,000 people on welfare by the end of the year 2000. Cessna currently employs 150 welfare recipients and plans to hire 50 more.

Question: Will these companies displace other workers in order to hire welfare recipients?

Answer: No. An explicit part of the commitment each company has made is to hire and retain former welfare recipients without displacing other workers.

Question: Will the companies pay health benefits?

Answer: We expect companies to treat former welfare recipients like any other workers, which includes providing health benefits if they are provided to other workers.

**Welfare to Work Partnership**

Question: **What is the Welfare to Work Partnership?**

Answer: **The Partnership is a national, independent, nonpartisan effort of the business community to help move people on public assistance to jobs in the private sector. The Partnership will concentrate on energizing the business community to hire and retain welfare recipients without displacement of existing workers.**

**The Partnership provides information, technical assistance and support for businesses of all sizes, from all industries and from all areas of the country.**

**Question:** What are the goals of the Partnership?

**Answer:** In the first year, the Partnership plans to build an expanding network of companies committed to hiring and retaining persons on public assistance. In addition to mobilizing companies, the Partnership will publish and broadly disseminate a best practices manual of private sector initiatives and promising public-private alliances at the state and local levels. It expects to develop a comprehensive, customer-friendly database of organizations which provide job training and readiness, child care and related services.

**Question:** Who are the five founding corporations?

**Answer:** The founding companies of the Partnership are United Airlines, Burger King, Monsanto Company, Sprint Corporation, and United Parcel Services of America. United Airlines CEO Gerald Greenwald is the chairman of the board.

**Question:** Who can participate in the Partnership?

**Answer:** Membership is open to all businesses, large or small, who are committed to either hiring and retaining those on public assistance without displacing existing workers.

**Question:** Why should businesses get involved with the Partnership or any other type of welfare reform effort?

**Answer:** Because it makes good business sense. Today many companies find it difficult to locate entry-level workers. By actively recruiting welfare recipients, companies will greatly enlarge their pool of potential entry-level workers, a pool of workers that companies have previously not actively recruited. In addition, companies will have the knowledge that they are actively participating in their communities to strengthen families and improve children's lives.

### Today's Speakers

**Question:** Why was Governor Thompson invited to speak?

**Answer:** We invited two governors to speak today -- Governor Tommy Thompson (R-Wisc.) and Governor Tom Carper (D-Del.). Both were intimately involved in developing the welfare reform proposals the President signed into law, and both have been welfare reform leaders in their own states -- so it seemed appropriate to have them here today. In addition, today the President announced transportation planning grants to 24 states, which were given in cooperation with the National Governors' Association.

Question: Tell me more about the small business owner speaking today.

Answer: George R. Stinson is the President and owner of General Converters and Assemblers, Inc. in Racine, Wisconsin. More than half his workforce is former welfare recipients. He is currently expanding his plant and plans to fill many of the 100 new positions with welfare recipients. An African American, Stinson says that one of his primary concerns as an employer is to hire and provide on-the-job training to persons without much job experience.

### Transportation Announcement

Question: Why is the President talking about new transportation funding now, after the budget has been agreed to?

Answer: With the budget agreement in place, the Congressional Committees are about to take up the ISTEA reauthorization -- so now is exactly the right time for the President to highlight the welfare to work provisions of the transportation bill he sent to the Hill earlier this spring. Also, many of the business leaders involved in the Welfare to Work Partnership have told us how important transportation will be to their ability to hire welfare recipients, so today's event seemed like a good time to discuss the President's welfare to work transportation proposal.

In general, the budget negotiations assume the reauthorization of ISTEA, although the level of transportation spending within the domestic discretionary category has been under some discussion recently. But the budget agreement certainly leaves room for the President's \$600 million welfare to work transportation proposal.

Question: What does the President's transportation proposal do?

Answer: The President's NEXTEA transportation bill:

- **Invests \$600 Million to Improve Access to Jobs and Training.** NEXTEA includes a six-year, \$600 million grant program to support innovative transportation initiatives, such as vanpools, to get people where the jobs are.
- **Increases Job Training Opportunities in Transportation Technology and Construction.** NEXTEA opens opportunities in transportation by increasing incentives for states and localities to provide job training in conjunction with federally-funding technology and construction projects and enabling them to offer hiring preferences favoring welfare recipients and residents of Empowerment Zones and Enterprise Communities.

Question: What can the \$600 million be used for?

Answer: States, local governments, and private, non-profit organizations could apply for grants to plan and implement new transportation services targeted at linking welfare recipients with jobs.

Question: Would the proposal allow welfare recipients to be hired at the expense of other workers?

Answer: No. What the President's bill does allow is what are called "local hiring preferences" allowing transportation contractors to provide a preference to equally qualified welfare recipients and residents of Enterprise Zones and Enterprise Communities who apply for construction and related jobs.

Question: The grants the President announced today seem pretty small. Do you expect them to accomplish anything?

Answer: These grants, provided by the Department of Transportation in cooperation with the National Governors' Association, will enable states and communities to develop strategies that support welfare to work efforts. They will bring state and local welfare, training, and transportation authorities together to address this problem in a strategic way. But these are just seed grants for developing plans -- that's why the President has proposed a comprehensive, \$600 million fund for welfare to work transportation services.

### **White House Hiring**

Question: More than a month ago, the White House pledged to hire welfare recipients? Have any been hired?

Answer: Yes, one former welfare recipient has already been hired, and the departments are reviewing resumes to fill the remaining positions.

### **Minimum Wage**

Question: Will the Administration's announcement last week that employers must pay welfare recipients the minimum wage make it harder for companies to hire welfare recipients?

Answer: No. Private companies have always had to pay the minimum wage and follow the Fair Labor Standards Act for those workers who are "employees" instead of "trainees." The confusion lay primarily in whether the law required government-sponsored workfare to pay the minimum wage. Our lawyers believe that most welfare recipients participating in the work activities such as workfare will legally count as "employees."

Question: Won't this end welfare reform as we know it by making work more expensive for states?

Answer: Not at all. With both TANF and food stamps counting toward the minimum wage, every state except Mississippi will be able to give welfare recipients workfare slots for 20 hours a week (the welfare law's current requirement) without raising their benefit levels. And of course states should be trying to place welfare recipients in private sector jobs where the minimum wage already applies -- that's why having so many companies commit today to hiring welfare recipients is so important.

Question: Will the Administration support changes to the welfare law so workfare programs don't have to pay the minimum wage?

Answer: We would oppose legislation that flatly exempts welfare recipients from the minimum wage law. The Administration believes that people who work should be paid at least the minimum wage.

Question: Would you oppose any legislation addressing this issue?

Answer: Not necessarily, but any legislation would have to be consistent with our support for the minimum wage. In determining how the minimum wage applies to workfare, the Administration has had to address a host of technical issues that Congress did not deal with in passing the welfare law. If Congress wants to address these issues, the Administration will consider the proposals carefully. But any legislation must reflect the Administration's position that people who work should be paid at least the minimum wage.

### **Welfare Privatization**

Question: I understand Erskine Bowles and other White House officials plan to meet with members of the Texas Congressional delegation this week. Is this the beginning of a negotiation over welfare privatization?

Answer: No, we are not taking part in any negotiation. The purpose of the meetings is simply to answer any questions the Congressional delegation may have regarding the response that the Administration provided to the state of Texas last week regarding what kinds of privatization is allowed under current law.

Question: Is the Administration going to approve Wisconsin's request to privatize welfare and food stamp offices in some parts of the state?

Answer: We have not yet responded to Wisconsin's request.

## **Vice Presidential Announcement**

Question: The Vice President announced he'll chair a conference on May 29th.  
What's the subject?

Answer: The conference will focus on job retention strategies and will include a panel of groups that have helped former welfare recipients become successful workers.

Question: What's the purpose of the conference?

Answer: The Vice President and his staff have been meeting with a wide range of civic organizations to discuss their role in welfare reform. Of course, many of these groups have been contributing to their communities for more than a century, so public service is nothing new to them.

Question: Is there any particular model the Vice President favors?

Answer: The panelists are from a variety of types of programs -- nonprofits, like the Strive program in New York which was recently featured on 60 Minutes; America Works, the successful, private sector job placement and retention company; and public sector, such as the Social Security Administration, which has a long record of successfully hiring welfare recipients. The Vice President is particularly intrigued by what State Comptroller John Sharp has done in Texas. The Texas Pathfinders project has paired welfare recipients with community mentors to help them make the transition to self-sufficiency.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-MAY-1997 16:56:34.00

SUBJECT: Re: LATE TERM - VETO STRATEGY

Ann and Elena--should we go forward with our plan to meet with some of our outside friend

GOOD NEWS TODAY ON LATE TERM. MY SUGGESTION IS TO PULL TOGETHER A MEETING WITH THE ADVOCAT

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

READ:UNKNOWN

TEXT:

I think it's a good idea to talk, though I suspect that our idea of strategy will not be their idea of strategy.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-MAY-1997 16:05:01.00

SUBJECT: Re: PLEASE RESPOND TODAY -- HHS giving Wash. Post. draft cloning report

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

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

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

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

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

TEXT:

ditto Bruce--whoever heard of an agency responding so quickly to anything?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-MAY-1997 16:05:23.00

SUBJECT: Budget Roll Out

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 05/20/97 04:04  
PM -----

Michelle Crisci

05/20/97 03:16:51 PM

Record Type: Record

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

cc:

Subject: Budget Roll Out

There will be a budget roll-out meeting tomorrow, Wednesday, May 21, from  
2:00 to 3:00 PM in OEOB Room 180.

Message Sent

To:

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Melissa Green/OPD/EOP  
Victoria Radd/WHO/EOP  
Elizabeth R. Newman/WHO/EOP  
Rebecca R. Culberson/OMB/EOP  
Kathryn O. Higgins/WHO/EOP  
Anne E. McGuire/WHO/EOP  
Russell W. Horwitz/OPD/EOP  
Jake Siewert/OPD/EOP  
Peter R. Orszag/OPD/EOP  
Charles R. Marr/OPD/EOP  
Ann F. Lewis/WHO/EOP  
Kevin S. Moran/WHO/EOP  
Alison E. Bracewell/WHO/EOP  
Virginia M. Terzano/OVP @ OVP  
Christopher C. Jennings/OPD/EOP  
Elena Kagan/OPD/EOP  
Laura Emmett/WHO/EOP  
Kenneth S. Apfel/OMB/EOP  
Julia R. Green/WHO/EOP  
Cheryl M. Carter/WHO/EOP  
Beverly J. Barnes/WHO/EOP  
Stacey L. Rubin/WHO/EOP  
Craig T. Smith/WHO/EOP  
Karen E. Skelton/WHO/EOP  
Jonathan A. Kaplan/OPD/EOP  
Eli G. Attie/WHO/EOP  
Brian J. Johnson/CEQ/EOP  
Beth A. Viola/CEQ/EOP  
Robert M. Shireman/OPD/EOP  
Barry J. Toiv/WHO/EOP

Lori L. Anderson/WHO/EOP  
Michael Cohen/OPD/EOP  
Lawrence J. Haas/OMB/EOP  
Susan A. Brophy/WHO/EOP  
Cynthia A. Rice/OPD/EOP  
Robert B. Johnson/WHO/EOP  
Sarah A. Bianchi/OMB/EOP  
WHITE\_W @ A1 @ CD @ LNGTWY  
Michele Jolin/CEA/EOP  
Emily Bromberg/WHO/EOP  
Linda L. Moore/WHO/EOP  
MCHUGH\_L @ A1 @ CD @ LNGTWY  
ECHAVESTE\_M @ A1 @ CD @ LNGTWY

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-MAY-1997 12:28:43.00

SUBJECT: Q&A on Second Hand Smoke and Heart Disease Finding

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

TEXT:

fyi

----- Forwarded by Elena Kagan/OPD/EOP on 05/20/97 12:32  
PM -----

Elizabeth Drye

05/20/97 12:22:41 PM

Record Type: Record

To: Barry J. Toiv/WHO/EOP, Mary E. Glynn/WHO/EOP, Joshua Silverman/WHO/EOP  
cc: Elena Kagan/OPD/EOP  
Subject: Q&A on Second Hand Smoke and Heart Disease Finding

NYT and WP report today on a Harvard research finding that regular exposure to second hand smoke almost doubles one's risk of heart disease. OSHA proposed regulating second hand smoke in workplaces in 1994, closed the comment period in February, 1996, and is currently reviewing comments. Below are Qs&As on the study and OSHA's rule drafted in consultation w/OSHA and HHS.

Q. What will the Administration do to respond to these findings?

A. Second hand smoke is an important area of concern, and we're disturbed by this particular finding. The Department of Health and Human Services is reviewing the finding.

Q. When will OSHA issue its rule on workplace smoking and what is taking so long?

A. OSHA is currently reviewing the 115, 000 comments it received on the proposed rule and will move the rule forward as expeditiously as possible. OSHA typically receives only several dozen to several hundred comments on its rules -- and is taking the time necessary to carefully review the very large volume of comments on the second hand smoke regulation.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:20-MAY-1997 12:12:32.00

SUBJECT: Re: How did your talk go?

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

READ:UNKNOWN

TEXT:

I had a good time, although it felt very short. And they did ask me a couple of great questions.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-MAY-1997 18:53:00.00

SUBJECT: Re: SSA/Nazis

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

TEXT:

please give them straight to brian coyne of the SSA. thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-MAY-1997 18:51:45.00

SUBJECT: Re: Friday Mtg.

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

TEXT:  
that's ok. set up something on a day when i'm clear.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:21-MAY-1997 16:01:05.00

SUBJECT: WVA q's and a's etc.

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

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 05/21/97 04:00  
PM -----

Michael Cohen  
05/21/97 02:01:09 PM  
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc:  
Subject: WVA q's and a's etc.

Attached are the most critical q's and a's for POTUS for your review. I'm working on fixing the format, but since my printer is operating at the rate of a page every 5 minutes or so, I decided to send as is. Note that the most critical of this set are separated from the rest by a line.

As for the briefing this afternoon, here is my plan:

1. My job is to make sure that the President understands the charts on the tests, tht he will be talking about. His job in the town hall is to explain them to the audience, literally by walking through each one (except for the charlotte's web passage which a 4yr old will read) and reading the brief text on each. In the briefing I will tell POTUS that he will read each chart, and explain what each of them is. I will assume if he has questions he will ask them, but I won't go into detail unless asked.

2. My second job is to walk him through the most important questions. In my judgment, the most important is the one on IDEA and disruptive kids. It's likely to come up, and I don't think he is really comfortable with where we are. Second, I will mention two on Goals 2000 and STW; there is nothing complicated here, but these have been controversial in WVA and he might get a question on them. Third, I will highlight the testing questions. The only one I believe requires a comment from me is the one on making kids pass the tests before they get promoted. I want him to be very firm on the idea of making kids pass, but I dont' want him to imply that our tests are the best ones for that; some states have better ones for those purposes. Finally, I will point him to the budget related questions. (Now I know how to organize these materials)

Question for you two: I am manifested for AF1 tomorrow, and I am scheduled to be in the briefing just before departure. Naturally, I'm not on the helo.

If I have to choose, I should probably be at the briefing rather than on

**Q Aren't these tests just another version of your Goals 2000 program, in which the federal government promotes outcomes-based education, politically-correct history, and a federal takeover of our schools?**

No. Goals 2000 provides federal support for state and local efforts to raise academic standards in the basic skills and core academic subjects, and for local, bottom up efforts to improve teaching and learning. There are no federal standards or curriculum, and no requirement for outcomes based education or any other particular approach.

With regard to a "federal takeover" of local schools, that simply isn't accurate. Goals 2000 supports local control, not federal control. You don't have to take my word for this. Harrison County and some 40 other school systems in West Virginia have received Goals 2000 funds. You should ask teachers, principals, school board members or parents in those communities if Secretary Riley and the U.S. Department of Education, have come in and set their curriculum or otherwise tried to tell them what to do.

The national tests we are discussing today are focused on basic reading and math skills that all students should master. They are not part of Goals 2000 in any way, and you don't have to give the tests in order to keep receiving Goals 2000 funds. However, I believe every states should participate in Goals 2000 and in these tests. They are both ways of helping our students reach for the highest possible standards.

**Q. You say these are "national, not federal" standards and tests. What exactly does that mean, especially since the U.S. Department of Education is going to develop them?**

It means that while the federal goverment will fund the development of the tests, it is not in charge of what the tests measure, when they are administered, or how they are used in schools and communities around the country.

The tests will be based on the existing National Assessment of Education Progress, which is already used in more than 40 states. The content for these tests -- the reading and math skills they measure -- have already been determined by outside groups of teachers, curriculum specialists and others, and by agreement of state education officials. These content frameworks for reading and math are widely accepted and are based on widespread input, and strong state involvement. They truly are national standards, built from the bottom up. And they are challenging for our youngsters. The new tests I have proposed will measure the same math and reading skills that NAEP already measures.

The federal government will pay for the development of these tests, just as it helps pay for other research and development in education and other policy areas, and just as it has paid for the National Assessment of Education Progress for almost 30 years. Providing good information and good tools to improve our schools has long been part of the federal

government's role in education, and should remain so.

**Q. I am concerned about keeping our schools safe and disciplined. I understand that the new special education law (IDEA) just passed by Congress still makes it difficult to discipline disruptive students who are disabled. How can the other students learn if teachers can't maintain order?**

First, let me point that the federal special education law, first passed in the 1970's, has been essential for providing education opportunities for children with disabilities. Before that law was passed, many children with disabilities were denied an education. Since the law was passed, educational opportunities for children with disabilities have increased dramatically, because the law guarantees an education to these children. This is a good thing, because the education of every child is important, because education is the way for for all of our people to become productive and independent citizens. I am proud to be able to sign, next month, the bill continuing this law in effect.

Second, I agree that it is very important for all children that classrooms be orderly places where children can learn and teachers can teach. While maintaining the responsibility to provide children with disabilities with a free and appropriate education, this new bill strengthens the ability of teachers and principals to deal with disruptive or dangerous students, including those with disabilities. It does this by:

- making it easier for principals to remove children with disabilities who bring a gun, weapon or drugs to school, or who pose a danger to themselves, their teachers or their classmates from the classroom, while continuing to provide them with an education in another setting.
- making it easier to address a child's behavior problems early on -- before they get out of hand -- by requiring that these be considered in the development of an Individual Education Plan, and by making the regular classroom teacher a part of the team that develops the plan.

Finding the right balance between the protection of individual rights and the needs of a larger group is often a difficult issue. I am pleased that the Congress, with an overwhelming bipartisan majority, has found a way to strike that balance.

**Q: WON'T YOUR HOPE SCHOLARSHIP PLAN JUST CAUSE TUITIONS TO GO UP EVEN MORE?**

A: Actually, Federal aid does not seem to have much of an effect on tuition costs. When Federal college aid was rising in the 1970s, real college tuitions remained fairly steady. But when real Federal aid dropped slightly during the 1980s, that is when tuitions rose most sharply. One study suggests that is partly because colleges are trying to provide aid to the lowest-income students, and to do that they increase tuition for everyone else. By

restoring the Federal government's commitment to financial aid -- for both low-income and middle-income families -- we are helping to reduce one of the pressures that increases tuition and fees.

**Q: WILL THE IRS BE LOOKING AT MY GRADES TO SEE IF I'M ELIGIBLE FOR THE HOPE SCHOLARSHIP?**

[NOTE: On Sunday, Frank Raines told CNN that "we think that having the IRS trying to enforce grades may be going a little too far, and we're going to try to find a way to simplify the program."]

**A:** The IRS would not be looking at student transcripts. But I do want to make sure that we are not only helping people pay for college, but also that they have an incentive to work hard once they are there. A new study from Georgia State University suggests that the grade requirement in Georgia's HOPE Scholarship plan has helped some of the borderline students, those who started out very close to the B average, to perform better in college.

**I have gotten some feedback about the grade requirement in my HOPE Scholarship plan, and Secretary Riley and Secretary Rubin will be working closely with Congress to make sure that we encourage students to work hard, but that we do it in a simple way, without imposing any undue burdens on taxpayers or colleges.**

**Q: DOES THE BUDGET AGREEMENT CUT STUDENT LOANS?**

**A:** No, it will not affect student loan borrowers in any way. There are some savings to taxpayers that we can achieve by making government more efficient and reducing subsidies to middlemen -- something that I proposed in my Budget in January -- and the negotiators agreed to some of those changes to help bring the deficit down by \$1.7 billion. But the agreement makes it clear that there can be no cuts in benefits or availability of loans. (And colleges may continue to choose to participate in the Direct Loan program or the guarantee system).

**Q: WHY DOESN'T THE BUDGET PLAN INCLUDE HELP FOR SCHOOL CONSTRUCTION?**

**A:** This is a critical need, and I have proposed a plan for jump-starting State and local school construction and renovation efforts. Unfortunately, there was considerable resistance in the budget negotiations to including it in the agreement. I am disappointed that it could not be included.

- We should remember that if we failed to reach agreement on a balanced budget plan, that would have made local school construction efforts more difficult, by raising interest rates.

- On balance, the agreement was a tremendous success on education overall.
- Within the context of the agreement, I will continue to look for opportunities to address this problem.

**[the q's above this line are the most important for the President to focus on]**

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**Q. Do you believe students should be required to pass these tests in order to be promoted to the next grade level?**

I believe that if we set standards for students, they should be required to meet the standards in order to be promoted from elementary to middle school, from middle school to high school, and before graduating from high school. When I was Governor, we required students to pass an 8th grade test before moving into high school. While some students had difficulty passing the test the first time, almost everyone did ultimately. We gave extra help to students who needed it, including summer school. And over time, the percentage of students who passed the test on the first time increased, as students, teachers and parents came to understand how well the did mattered.

I believe every state should require students to meet standards before they move on. Every state gives their own tests, in addition to these national tests. Each state will need to decide what the best combination of tests would be.

**Q. The School-to-Work program has been somewhat controversial in West Virginia. Is it true that School-to-Work tracks kids into inferior programs of study with low academic standards and requires them to make job decisions in elementary and middle schools?**

A. No. The School-to-Work Program is designed to give students the academic and on-the-job-training to prepare them for high skill jobs and further education. School-to-Work does not in any way track students into certain career paths, nor limit their options. It gives students and parents information and opportunities to explore a wide range of career options, and it helps make sure that students learn basic and advanced academic skills that will prepare them either for work or for college.

**Q: WITH THE TAX CUTS, WILL THERE BE ANY MONEY LEFT FOR EDUCATION PROGRAMS?**

A: The budget agreement includes *the largest increase in our investment in education in 30 years, and the largest single boost in college aid since the G.I. Bill.* It includes:

- **Roughly \$35 billion in tax cuts for higher education**, consistent with the HOPE Scholarship and \$10,000 tax deduction.

- **Pell Grant Expansion.** Includes the largest increase in two decades -- a funding boost of 25%. The maximum award will reach \$3,000, an increase of \$300. In the 1998 budget alone, an additional 348,000 students will receive grants: 130,000 young people from moderate-income families, and 218,000 low income students over the age of 24.
- **Technology Literacy.** Double funding to help ensure that computers are in every classroom, every classroom is connected to the Internet, all teachers are trained, and that high quality software and on-line resources are available to help schools integrate technology into the curriculum so that students can become technologically literate.
- **Head Start.** Continued expansion toward my goal of 1 million kids in 2002.
- **America Reads.** A child literacy initiative consistent with the America Reads Challenge, to mobilize volunteers to help every child learn to read well and independently by the end of third grade.
- **Job Corps and other Job Training.** A 12% increase for job training programs, including continued expansion of Job Corps

**Q: WHY HAVE COLLEGE TUITIONS BEEN GOING UP?**

A: Between the 1990-91 academic year and the 1995-96 academic year, overall price inflation was only 17 percent, but the average tuition and fees at public colleges increased by 31 percent and at private colleges increased by 33 percent. Some of the increase is the result of research and staffing costs that increased faster than inflation. At the public colleges, funding from State legislatures did not grow as fast as costs did. And at private colleges, while tuition went up, so did financial aid that the college was providing (in other words, not everyone was actually paying the full tuition and fees).

**Q: WHAT IS THE READING PROGRAM THAT WAS INCLUDED IN THE BUDGET DEAL?**

A: The agreement includes my plan to help make sure that every child learns to read well and independently by the end of third grade. Secretary Riley and Harris Wofford, the CEO of the Corporation for National and Community Service, will be working with Congress on some of the details. What I have proposed includes:

- **America's Reading Corps:** 25,000 reading specialists and 11,000 AmeriCorps members serving as recruiters and coordinators, to enlist an army of one million

volunteer tutors.

- **Parents as First Teachers:** Grants to foster effective programs that help parents help their children to become successful readers (e.g. HIPPY).
- **Head Start expansion.**

**Q: DOES TUTORING MAKE A DIFFERENCE? AREN'T TEACHERS MOST IMPORTANT.**

A: Even the best teachers will tell you that some children need extra help outside the classroom hours in order to catch up. And the research shows that tutoring programs that provide consistent help, with trained tutors, can make a big difference. For example:

--In Simpson County, Kentucky, 25 AmeriCorps members helped second graders jump 3 reading levels in one year

--At Hands on Atlanta, in the first three years of AmeriCorps involvement, the schools have seen an 11 percent increase in performance on national standardized tests in reading and in math, and 25 percent fewer discipline problems.

--At Reading One-to-One in Texas, with just a semester of tutoring, children improve one full reading level.

Question: How will these tests affect students who participate in home schooling?

Answer: In a legal sense, it will not affect those students at all. No student in a home school will be required to take these tests, though they will be able to if they want to. Every parent will have access to the tests on the Internet each year, so if they want to see for themselves how well their students are measuring up against these standards, they can find out.

Question: **Vouchers:** I think voucher programs provide an opportunity to some parents they otherwise would not have -- to send their child to a private or parochial school. What is your position on school vouchers?

Answer: I believe there are better ways to provide greater school choice to students and their families. One very good way is to have every state pass a charter school law that allows parents and teachers to start new public charter schools that stay open only as long they do a good job. In fact, I have proposed nearly doubling the charter school start-up program (to \$100 million next year) to help start 3,000 charter schools over the next several years.

While I support public school choice, I oppose federally funded tuition vouchers for private elementary and secondary schools. I also oppose state funded and locally funded vouchers, which take money away from public schools.

School vouchers would divert critical dollars from neighborhood public schools that are already short on resources in order to send a few selected students to private schools--schools that are not publicly accountable. In addition, controversy over voucher proposals may distract long-term attention from the hard work of reform needed to change failing schools into good schools and good schools into outstanding schools. Instead, we need to work together to ensure that every student, no matter where he or she lives, can attend a public school that is safe and academically challenging. For this to happen, we need to build strong partnerships among schools, families and communities that make education everybody's top priority.

**Q. One of your goals is to make sure every 12 year old can log on to the Internet. I don't want my 12 year old to see some of the pornography on the internet. What are you going to do about that?**

[awaiting Kincaid - Kagan response]