

NLWJC - KAGAN

EMAILS CREATED

ARMS - BOX 014 - FOLDER 004

[12/10/1998 - 1/6/1999]

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Elena Kagan to Laura Emmett. Subject: Invitation (3 pages)	12/15/1998	Personal Misfile

COLLECTION:

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

FOLDER TITLE:

[12/10/1998 - 01/06/1999]

2009-1006-F

wr58

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

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:10-DEC-1998 19:22:00.00

SUBJECT: Re: NCLR

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

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

TEXT:
sure

Maria Echaveste
12/10/98 06:29:54 PM
Record Type: Record

To: Sally Katzen/OPD/EOP, Elena Kagan/OPD/EOP
cc: Gene B. Sperling/OPD/EOP, Bruce N. Reed/OPD/EOP, Sylvia M.
Mathews/OMB/EOP
Subject: NCLR

Sally and Elena--we know everyone is really busy but a meeting with NCLR would be very helpful before we finish the initiatives process--for lots of reasons--I've asked Leslie to set up this meeting for late next week, if Gene can't do it, Sally will you please attend and Elenga--you're critical.

----- Forwarded by Maria Echaveste/WHO/EOP on 12/10/98
06:28 PM -----

Maritza Rivera
12/10/98 01:41:14 PM
Record Type: Record

To: Maria Echaveste/WHO/EOP
cc:
Subject: NCLR

I have been trying for over a week to get someone from NEC to meet with NCLR without success. In addition, Cecilia told me that you all had a conversation about possibly Elena Kagan being a good person to meet with them. I have e-mailed Laura Emmet (Elena) and Sally Katzen to try and get something set up. I have not heard at all from NEC and Laura suggested they meet with Julie Fernandes and would try to put it in Elena's schedule. I don't think Julie is the proper person for this particular meeting on a myriad of budget issues. Time is a moving. Would you mind sending Elena and Sally an e-mail to see if they will be willing to meet with them, unless of course you disagree. Thank you.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:10-DEC-1998 19:20:57.00

SUBJECT: Re: Tobacco Czar

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

TEXT:

I can't imagine what this is about.

December 11, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- CDC Guidelines for HIV Surveillance: The Centers for Disease Control (CDC) released draft guidance on Thursday to assist states in designing and implementing new HIV surveillance and reporting systems. The guidance recommends that states track people with HIV by name (as states now track people with full-blown AIDS). At our insistence, however, the guidance also allows states to use so-called unique identifier codes, rather than names. The HIV/AIDS community is relieved that the guidance gives states the option of using identifier codes, but is disappointed that it expresses a preference for using names. **The community believes that names-based reporting jeopardizes confidentiality and discourages testing; CDC disputes these contentions and argues that name-based reporting generally leads to more effective surveillance. Members of the AIDS Council may raise questions about this issue when they meet with you on December 18. You can respond by indicating strong support for states (like California) that are developing effective alternatives to name-based reporting.**

2. Health Care -- Presidential Task Force on Employment of Adults with Disabilities: Your Task Force on the Employment of Adults with Disabilities will present the Vice President with its first report on Tuesday. The Task Force will recommend several new investments (e.g., the Jeffords-Kennedy Work Incentives Improvement Act), which we are considering in the context of the budget process; we are fairly confident that the budget will incorporate enough of these recommendations to elicit a positive response from the disabilities community. In addition, the Task Force will propose a number of administrative actions that we can implement immediately. For example, the **Office of Personnel Management will develop a plan to increase the representation of adults with disabilities in the federal workforce, and the Small Business Administration will launch a new outreach campaign to improve opportunities for adults with disabilities. The Vice President, in accepting the report, will reiterate the Administration's commitment to passing a strong and enforceable patients' bill of rights to improve the quality of care for people with disabilities.**

3. Health Care -- Dean Ornish: Nancy Ann Min DeParle is meeting with Dr. Ornish today to discuss his proposal for a demonstration project on the cost-effectiveness of programs like his "Life Style Intervention." Nancy Ann will express support for the

idea, although she will not be able to formally approve it at this meeting. We will stay on top of this issue in the next few weeks, as HCFA makes decisions about the scope and financing of the demonstration.

4. **Health Care -- New FDA Commissioner:** The Vice President will swear in Dr. Jane Henney as the new Commissioner of the Food and Drug Administration on Tuesday.

5. **Education -- ESEA Reauthorization:** We are working with the Education Department to include in our ESEA reauthorization proposal a set of accountability requirements that are significantly stronger than any in current law. Some of the proposals under consideration would require states and school districts that receive funding under the ESEA to (1) take immediate steps to identify and intervene in their lowest performing schools; (2) phase out the use of unqualified teachers, including those who are not fully certified or are teaching out of field; (3) phase out the use of instructional aides as primary instructors, especially in high-poverty schools; and (4) have effective policies in place (including appropriate supports for students) to prevent social promotion. We have more to do before we can present you with specific recommendations, but we believe we will be able to get agreement on a plan that demands a serious commitment by states and school districts receiving ESEA funds to set and enforce high standards for schools, teachers, and students.

6. **Education -- National Education Goals Panel:** The National Education Goals Panel released its annual progress report on Thursday. The report highlighted improvements in school readiness, student achievement in math, and participation of women and minorities in math and science in higher education. The report, however, also pointed to apparent backsliding in teacher quality, student achievement in reading, and student drug use. More generally, the report noted that none of the Goals would be met by 2000. Members of the Panel are now discussing what should happen to the Goals (and the Panel itself) after that year. Most members still see a need for national education goals and a bipartisan, intergovernmental panel to report on progress. Indeed, Senator Bingaman, Governor Hunt, and some members of the business community are urging that you take a high profile role in renewing the call for national goals. We and Secretary Riley are concerned, however, that Governor Engler, Congressman Goodling, and other Republicans would fail to support this effort. We will try to find out more about the likely Republican reaction and then give you a recommendation.

7. **Education -- GED Test:** You asked at yesterday's budget meeting about the GED test. We have learned that the American Council on Education (ACE) is responsible for developing and administering the GED. The ACE is now in the process of upgrading the test to keep up with rising academic standards, and hopes to unveil a new version of the test in 2001. We will work with the Education Department on possible ways to make use of a strengthened GED in our education proposals.

8. Crime -- Capital Punishment: The Justice Department will release a report on Sunday showing that 17 states executed 74 prisoners in 1997. This number represents a substantial increase from 1996, when 45 executions took place; indeed, the 1997 number is the largest since 1955. The states with the highest number of execution were: Texas (37); Virginia (9); Missouri (6); Arkansas (4); and Alabama (3). All 74 people executed in 1997 were men. The report classifies 45 of those executed as white, 27 as black, one as Asian, and one as American Indian; it further notes that five of the total number were of Hispanic descent. According to the report, an additional 3,335 individuals are now on death row in 34 states and the federal prison system -- 1,876 whites, 1,406 blacks, 28 American Indians, 17 Asians, and 8 of other races. This total includes 238 Hispanics and 44 women. Finally, the report notes that as of November 30, 1998, 18 states had executed 58 inmates, with Texas and Virginia accounting for half the total (17 and 12 respectively).

9. Welfare Reform -- Work Participation Rates: We just received (but have not yet published) the first work participation statistics from the welfare reform law. The data show that 36 of the 38 states that were required to meet the law's all-family participation rates in FY 1997 succeeded in doing so. (The remaining states began implementation of the welfare law later and need not meet participation rates until FY 1998.) As you recall, these rates require states, in the first year of the law's implementation, to ensure that 25 percent of all welfare families include an adult who works at least 20 hours each week. (States can get credit toward meeting the work participation rates by reducing their caseloads.) Only Nevada and the District of Columbia failed to meet this requirement, and even they may give HHS enough additional data in the next few weeks to come into compliance. States fared less well, however, in meeting the law's separate work participation rates for two-parent families, who comprise seven percent of the total caseload. These rates require states to ensure that 75 percent of two-parent welfare families include an adult who works at least 35 hours per week. Only 20 of the 38 states met this strict requirement; the failing states now must enter into corrective action plans with HHS to avoid financial penalties.

10. Welfare Reform -- Teen Birth Trends: A study by the Centers for Disease Control issued last week provided some new details about the previously reported 15 percent decline in the national teen birth rate from 1991 to 1997. The report showed declines in teen births for all races and ethnic groups and in all states. In addition, the report showed a steep decline (about 21 percent) in the rate of second births to teens during this period. Second births currently comprise about one-fifth of total teen births.

11. Children and Families -- Infant Mortality and Life Expectancy: Another new study issued by the Centers for Disease Control last week showed positive trends on infant mortality and life expectancy. The study reported that the U.S. infant mortality rate -- a measure of the death of babies under one year old -- reached its lowest level ever last year. The 1997 infant mortality rate was 7.1 deaths per 1,000 births, which is about 3 percent lower than the 1996 rate of 7.3 deaths per 1,000 births. The drop in infant deaths came despite a 7.5

percent increase in the number of low birthweight babies and a two percent increase in the number of births by women late in their childbearing years. In addition, the study reported that Americans' average life expectancy rose to an all-time high of 76.5 years in 1997. This increase is due in part to falling death rates from major diseases and from accidents, homicides, and suicides. For example, deaths from AIDS dropped by 47 percent in 1997. The most dramatic improvement in life expectancy was among black males, whose expectancy increased by 1.2 years to 67.3.

12. Children and Families -- Single Fathers Data: The Census Bureau released data today showing that the number of single fathers with children at home has increased 25 percent in the past three years, from 1.7 million to 2.1 million. These men now account for one in six single parents, joining a total of 9.8 million single mothers. About 35 percent of all single fathers have never married, while more than half of single fathers with children under six have not done so. According to the report, single fathers have higher incomes than single mothers and are more likely to live with another person (mother, girlfriend, etc.) who helps with child care.

13. Abortion -- New Abortion Study: The Alan Guttmacher Institute (AGI) released a study on Friday showing the lowest nationwide abortion rates since 1975. The study reports that from 1992 to 1996, the number of abortions performed fell from 1,529,000 to 1,366,000, and the abortion rate decreased from 26 to 23 per 1,000 women aged 15-44. The report attributed most of this decline to effective contraceptive methods, especially among teen-agers, and a consequent decrease in unintended pregnancies. The study also reported a sharp decline in the number of facilities providing abortions during this period, although it suggested that this decline was not a major factor in the lower abortion rates. The total number of facilities providing abortions decreased 14 percent between 1992 and 1996, with the greatest decline among hospitals (18 percent decrease) and physicians' offices (26 percent decrease), rather than clinics (two percent decrease). Less than 10 percent of total abortions are now performed in hospitals and doctors' offices. Finally, the study examined the prevalence of dilation and extraction procedures -- i.e., so-called partial birth abortions. According to the report, doctors at 14 hospitals or clinics performed about 650 of these kinds of abortions in 1996 (out of a total of 1.36 million abortions). The large majority of these procedures were performed between 20 and 24 weeks into a pregnancy.

14. Community Empowerment -- Community Development Financial Institutions Fund (CDFI): The Treasury Department recently provided the DPC with summary statistics on the CDFI awards made during the first three years of funding (1996-98). Since its creation, the CDFI Fund has made a total of 196 awards to 164 institutions. Of the institutions receiving awards, 139 were already established and 25 were startup. Of the startup institutions, 9 were full-service financial institutions -- banks, bank holding companies, and credit unions -- and 16 were more specialized financial institutions such as microenterprise funds, venture capital funds, and business loan funds.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-DEC-1998 12:54:11.00

SUBJECT: Choice Mtg, tomorrow, Tuesday, 12/15 2:00 PM

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

READ:UNKNOWN

TEXT:

who is this??

----- Forwarded by Elena Kagan/OPD/EOP on 12/12/98 11:46
PM -----

Janelle E. Erickson

12/14/98 12:52:19 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Jennifer L. Klein/OPD/EOP, Jennifer M.
Luray/WHO/EOP

cc:

Subject: Choice Mtg, tomorrow, Tuesday, 12/15 2:00 PM

There will be a meeting regarding "choice" issues Tuesday, 12/15, 2:00 PM
in the Roosevelt Room.

Please let me know if you can not attend - thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:14-DEC-1998 11:44:28.00

SUBJECT: Re: Organ donations

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

READ:UNKNOWN

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

READ:UNKNOWN

TEXT:

We took a major hit in the budget on this issue (with a bipartisan coalition in Congress insisting that we delay our rule for a year). Also, since Livingston is one of the major opponents of our position, I can't imagine we're going to do better this year. So it doesn't strike me that there's much to say. Chris, am I wrong?

Withdrawal/Redaction Marker Clinton Library

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001. email	Elena Kagan to Laura Emmett. Subject: Invitation (3 pages)	12/15/1998	Personal Misfile

COLLECTION:

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

FOLDER TITLE:

[12/10/1998 - 01/06/1999]

2009-1006-F

wr58

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:16-DEC-1998 10:40:09.00

SUBJECT: everything you always wanted to know...

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

READ:UNKNOWN

TEXT:

could you print this? I can't get the numbers to line up.

----- Forwarded by Elena Kagan/OPD/EOP on 12/14/98 09:32
PM -----

Bruce N. Reed

12/16/98 09:54:49 AM

Record Type: Record

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

cc:

Subject: everything you always wanted to know...

about cigarette prices (before the latest 45-cent increase):

TOBACCO

October Trends: After Year Of Price Hikes, Consumption Declines
Moderating, Oligopoly Working.

Gary Black (212) 756-4197

Jon Rooney (212) 756-4504

December 15, 1998

HIGHLIGHTS

1. Consumption declines appear to be stabilizing, following a year of rapid price hikes. Since last October, retail cigarette prices have increased from \$1.75/pack to \$1.97/pack, before the recent \$.45/pack price hike associated with the new AG settlement. The 13% price increase corresponds to an incremental consumption decline of just over 3% -- which implies an elasticity of -0.2.
2. While industry mix has been stable (premium share 72.0% vs. 71.6% YA; private label share 4.2% vs. 4.4% year ago), the "Big 3" have ceded considerable private label share to Liggett and other renegades, who have passed along little of the recent price hikes. Over the past year, share of private label held by Liggett and smaller players has jumped from 30.8% to 41.0%.
3. The price gaps between Marlboro and Doral (\$.61/pack) and between Marlboro and lowest-priced brands (\$.80/pack) are at their highest levels since Marlboro-Friday. The price gap between RJR's Doral (\$1.50/pk) and B&W's GPC brand (\$1.64/pk), which were at parity until early-1998, has now increased to \$.14/pack, which

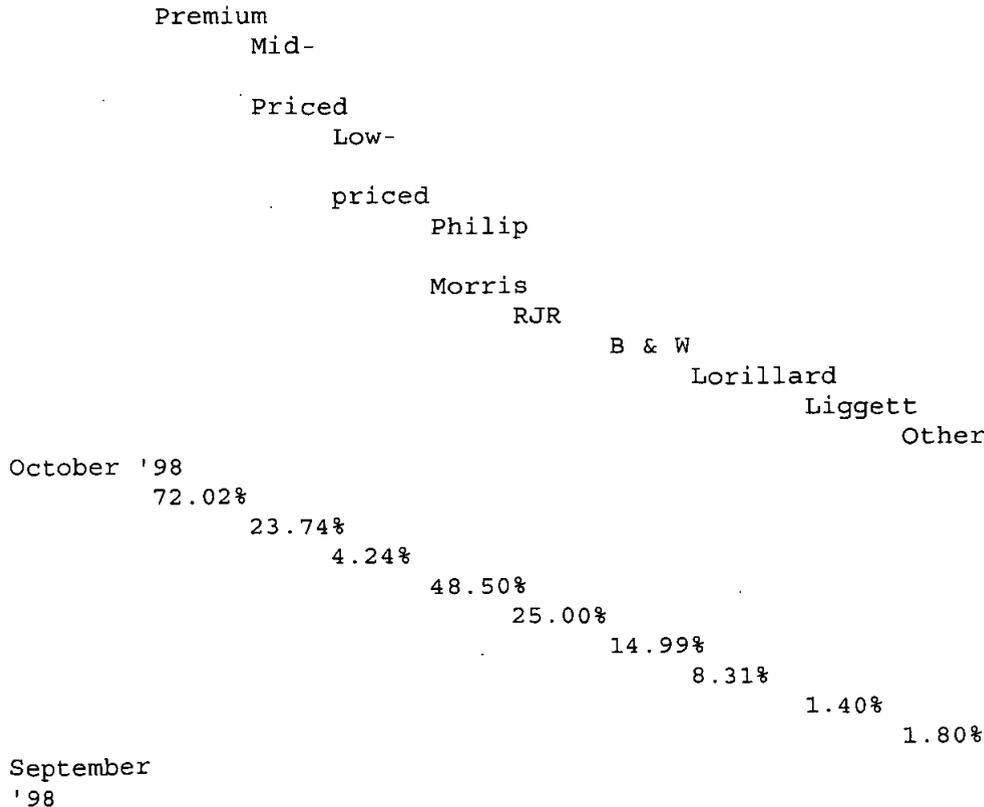
has caused B&W share to decline at double-digit clip.

4. Philip Morris (+0.7pt), Lorillard (+0.3pt), and the renegades (+0.4pt) continue to gain share from RJR (-0.4pt) and B&W (-1.0pt). PM's and Lorillard's gains reflect single-minded focuses behind Marlboro (+1.3pt) and Newport (+0.3pt), respectively. RJR's Winston (-0.3pt) and Salem (-0.2pt) continue to decline at double-digit rates. Liggett's share (-0.1pt) appears to have stabilized.
5. The trade deload (13-14 billion sticks at end of 3Q) appears to be near-complete, with new orders being placed at the higher prices. We look for an industry shipment decline of 18-20% in 4Q, due to the deload (PM -16%, RJR -22%). We expect Philip Morris 4Q estimates to fall \$.05/share (FY \$3.10) to reflect the full deload in 4Q, rather than split between 1998/4Q and 1999/1Q.
6. We expect shipments to decline by about 6% in 1999 (PM -5%, RJR -7%), based on an anticipated price elasticity of -.25 on the \$.45/pack (+23%) increase that becomes effective on the top brands after New Year's Day (minor brand prices already taken). Smokers, rather than quitting, continue to search out retailers in the gas and convenience classes of trade who have cut margins on cigarettes to 5-8% or to state minimums, to build traffic. This pricing disparity among different classes of trade is intensifying.
7. We reiterate outperform ratings on Philip Morris and RJR. Near-term, we continue to expect RJR to outperform Philip Morris, given pressures on RJR management to unlock value in front of the likely proxy fight (filing deadline 3/12, Annual Meeting 5/12).

Current Unit Shares %

IRI/Marlin

Period



	72.48%								
		23.38%							
			4.14%						
				49.35%					
					24.80%				
						14.65%			
							8.11%		
								1.37%	
									1.71%
October '97	71.61%								
		23.95%							
			4.44%						
				47.82%					
					25.40%				
						15.95%			
							7.99%		
								1.47%	
									1.38%
Chg Vs YA	+0.41								
		(0.21)							
			(0.20)						
				+0.68					
					(0.40)				
						(0.96)			
							+0.32		
								(0.07)	
									+0.42
Chg vs Prior	(0.46)								
		+0.36							
			+0.10						
				(0.85)					
					+0.20				
						+0.34			
							(0.20)		
								+0.03	
									+0.09
YTD % Chg	(3%)								
		(6%)							
			(15%)						
				(3%)					
					(7%)				
						(9%)			
							(2%)		
								(11%)	
									+2%

October 1998 - Retail Volume and Pricing Trends

INDUSTRY AND COMPANY DETAIL

% Volume Change Vs. YA

4 Weeks

Ending

Total

Industry

Premium
Discount

Philip

Morris

RJR

B &
W

Lorillard

Liggett

Other

7/20/97

(3)

(2)

(4)

(1)

(5)

(2)

(3)

(23)

(7)

8/17/97

+3

+4

+0

+6

+0

+2

+2

(20)

(6)

9/14/97

+5

+6

+3

+7

+4

+6

+6

(15)

(6)

10/12/97

+5

+6

+2

+6

+4

+5

+6

(13)

(8)

11/9/97

+6

+6

+4

+7

+5

1998 YTD

(3)	(3)	(5)	(2)	(5)	(9)	+1	(8)	+26
-----	-----	-----	-----	-----	-----	----	-----	-----

(4)	(3)	(7)	(3)	(4)	(8)	(2)	(11)	+2
-----	-----	-----	-----	-----	-----	-----	------	----

PP Share Change Vs. YA

4 Weeks Ending

Premium
Mid-priced
Low-priced

Philip
Morris
RJR
B & W
Lorillard
Liggett
Other

7/20/97	+0.3	+0.6	(0.9)	+0.9	(0.5)	+0.1	+0.0	(0.4)	(0.0)
8/17/97	+0.7	+0.3	(1.1)	+1.3	(0.6)	(0.1)	(0.0)	(0.4)	(0.1)
9/14/97									

	+0.7	+0.4	(1.1)						
				+0.8	(0.4)	+0.1	+0.0	(0.3)	(0.1)
10/12/97	+0.7	+0.4	(1.1)						
				+0.6	(0.2)	(0.0)	+0.1	(0.3)	(0.2)
11/9/97	+0.5	+0.5	(1.0)						
				+0.6	(0.2)	(0.2)	+0.2	(0.3)	(0.1)
12/7/97	+0.8	+0.2	(1.0)						
				+0.5	(0.2)	(0.2)	+0.3	(0.3)	(0.1)
1/4/98	+0.7	+0.2	(1.0)						
				+0.3	(0.1)	(0.3)	+0.3	(0.3)	+0.1
2/1/98	+0.7	+0.3	(0.9)						
				+0.7	(0.0)	(0.3)	+0.1		

(0.2) (0.1)

3/1/98

+0.8

+0.1

(0.9)

+0.7

(0.1)

(0.3)

+0.1

(0.2)

(0.1)

3/29/98

+1.0

(0.2)

(0.8)

+0.8

+0.1

(0.6)

+0.0

(0.2)

(0.1)

4/26/98

+1.0

(0.3)

(0.7)

+0.4

+0.2

(0.6)

+0.1

(0.1)

0.0

5/24/98

+1.0

(0.5)

(0.5)

+0.7

(0.1)

(0.9)

+0.2

(0.1)

+0.1

6/21/98

+1.1

(0.5)

(0.6)

+1.2

(0.3)

(1.2)

+0.3

(0.1)

+0.1

7/19/98

+0.9

(0.4)

(0.5)

+0.7

				(0.1)				
				(1.1)				
				+0.3			(0.1)	
							+0.2	
8/16/98								
	+0.6							
		(0.2)						
			(0.4)					
				+0.6				
				(0.5)				
				(0.8)				
				+0.5			+0.0	
							+0.2	
9/13/98								
	+0.9							
		(0.6)						
			(0.3)					
				+1.5				
				(0.5)				
				(1.5)				
				+0.2			(0.1)	
							+0.3	
10/11/98								
	+0.4							
		(0.2)						
			(0.2)					
				+0.7				
				(0.4)				
				(1.0)				
				+0.3			(0.1)	
							+0.4	
1998								
YTD								
	+0.8							
		(0.2)						
			(0.6)					
				+0.8				
				(0.2)				
				(0.8)				
				+0.2			(0.1)	
							+0.1	

BRAND DETAIL

% Volume Change Vs. YA

4 Weeks

Ending

Marlboro

(PM)

Winston

(RJR) Camel
 (RJR) Newport
 (Lor) Kool
 (B&W)
 Doral
 (RJR) GPC
 (B&W) Basic
 (PM)

7/20/97

+1

(7)

+9

+2

(3)

+4

+5

+3

8/17/97

+9

+2

+13

+8

+3

+8

+9

+11

9/14/97

+10

+8

+17

+12

+5

+9

+17

+11

10/12/97

+9

+8

+16

+12

+3

+10

+16

+5

11/9/97

+10

	+9							
		+14						
			+13					
				+3				
					+13			
						+19		
12/7/97							+10	
	+12							
		+10						
			+15					
				+15				
					+6			
						+13		
							+22	
1/4/98								+7
	+6							
		+7						
			+10					
				+11				
					+2			
						+9		
							+15	
2/1/98								+3
	+6							
		+7						
			+7					
				+6				
					+1			
						+10		
							+14	
3/1/98								+5
	+1							
		+1						
			(0)					
				+2				
					(6)			
						+5		
							+7	
3/29/98								(4)
	(3)							
		(4)						
			(3)					
				(4)				
					(11)			
						0		
							(1)	
4/26/98								(11)
	0							
		+1						
			+1					
				+2				

				(7)				
					+6			
						+2		
5/24/98							(9)	
	+2							
		(0)						
			(3)					
				+3				
				(7)				
					+6			
						(1)		
6/21/98							(9)	
	0							
		(4)						
			(6)					
				+2				
				(11)				
					+2			
						(7)		
7/19/98							(6)	
	+1							
		(2)						
			(2)					
				+5				
				(8)				
					+5			
						(6)		
8/16/98							(4)	
	(2)							
		(10)						
			(6)					
				+4				
				(9)				
					+3			
						(6)		
9/13/98							(6)	
	+3							
		(8)						
			(2)					
				+1				
				(10)				
					+4			
						(11)		
10/11/98							+1	
	+1							
		(9)						
			(3)					
				+3				
				(6)				
					+5			
						(8)		

1998 YTD (1)
 +1
 (3)
 (2)
 +2 (7)
 +5 (2)
 (4)

PP Share Change Vs. YA

4 Weeks
 Ending
 Marlboro
 (PM)
 Winston
 (RJR)
 Camel
 (RJR)
 Newport
 (Lor)
 Kool
 (B&W)
 Doral
 (RJR)
 GPC
 (B&W)
 Basic
 (PM)

6/22/97 +1.5
 (0.3)
 +0.6
 +0.3
 0.0
 +0.3
 +0.4
 +0.3

7/20/97 +1.3
 (0.3)
 +0.5
 +0.3
 0.0
 +0.4
 +0.4
 +0.3

8/17/97

						+0.6	(0.1)	0.0
8/16/98	+1.4	(0.3)	(0.0)	+0.6	(0.1)			
						+0.5	(0.1)	(0.0)
9/13/98	+2.3	(0.2)	+0.1	+0.3	(0.2)			
						+0.5	(0.4)	+0.2
10/11/98	+1.3	(0.3)	+0.0	+0.3	(0.1)			
						+0.5	(0.3)	+0.1
1998 YTD	+1.7	+0.1	+0.1	+0.4	(0.1)			
						+0.5	+0.1	(0.0)

Current Unit Share %

4 Weeks
Ending

Marlboro

(PM)

Winston

(RJR)

Camel

(RJR)

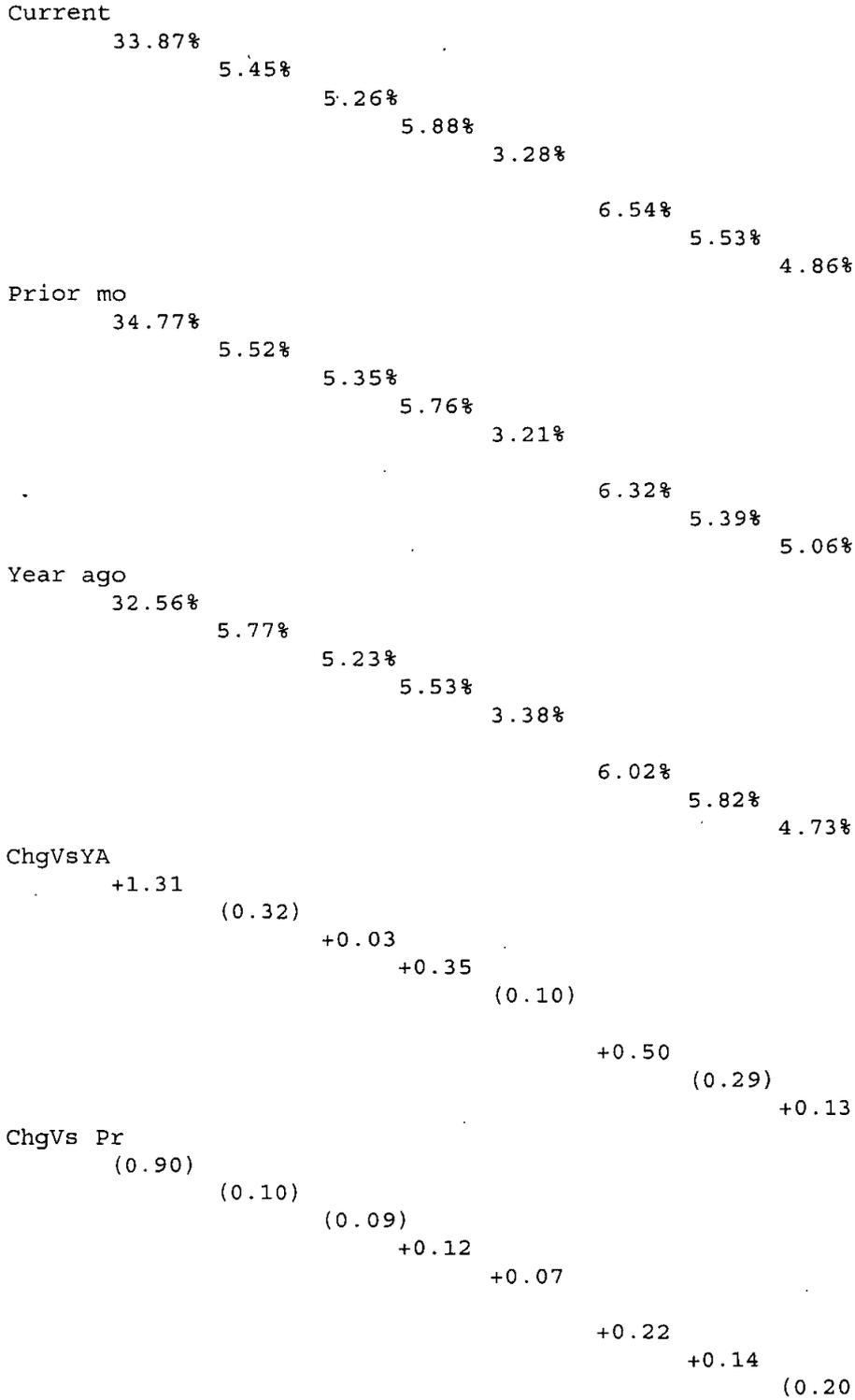
Newport

(Lor)

Kool

(B&W)

Doral
 (RJR)
 GPC
 (B&W)
 Basic
 (PM)



RETAIL PRICE GAPS

Avg. retail price per pack

Average retail price per pack

Memo:

Marlboro and Doral pricing

Price gap:

Premium vs.

4 weeks

ending

Prem.-

priced

Mid-

Priced

Low-

priced

Wtd

average

Marlboro

(PM)

Doral

(RJR)

Price

Gap

Mid-

Priced

Low-priced

3/5/95

\$1.71

\$1.31

\$1.16

\$1.58

\$1.72

\$1.30

+\$.42

+\$.40

+\$.55

3/3/96

1.74

1.34

1.17

1.61

1.74

1.32

+.42

+.40

+.57

3/2/97

1.78

	1.40	1.21	1.66	1.77	1.37				
					+.45	+.38			
							+.57		
3/30/97	1.76	1.39	1.22	1.64	1.71	1.34			
						+.37	+.37		
								+.54	
4/27/97	1.82	1.42	1.22	1.70	1.81	1.36			
						+.45	+.40		+.60
5/25/97	1.82	1.43	1.20	1.71	1.81	1.38			
						+.43	+.39		+.58
6/22/97	1.79	1.40	1.19	1.67	1.74	1.34			
						+.40	+.39		+.60
7/20/97	1.81	1.41	1.21	1.69	1.78	1.35			
						+.43	+.40		+.60
8/17/97	1.84	1.40	1.22	1.70					

				1.83					
					1.35				
						+ .48			
							+ .44		
9/14/97								+ .62	
	1.83								
		1.42							
			1.22						
				1.70					
					1.79				
						1.37			
							+ .42		
								+ .41	
									+ .61
10/12/97									
	1.88								
		1.46							
			1.25						
				1.75					
					1.86				
						1.40			
							+ .46		
								+ .42	
									+ .63
11/9/97									
	1.90								
		1.46							
			1.26						
				1.77					
					1.88				
						1.42			
							+ .46		
								+ .44	
									+ .64
12/7/97									
	1.88								
		1.47							
			1.25						
				1.75					
					1.83				
						1.42			
							+ .41		
								+ .39	
									+ .63
1/4/98									
	1.87								
		1.45							
			1.24						
				1.74					
					1.80				
						1.39			
							+ .41		
								+ .42	
									+ .63
2/1/98									
	1.92								
		1.47							
			1.27						
				1.78					
					1.86				
						1.41			
							+ .45		

	2.05								
		1.57							
			1.31						
				1.91					
					1.99				
						1.49			
							+ .50		
								+ .48	
									+ .74
9/13/98									
	2.06								
		1.60							
			1.33						
				1.92					
					1.98				
						1.52			
							+ .46		
								+ .46	
									+ .73
10/11/98									
	2.13								
		1.62							
			1.33						
				1.97					
					2.11				
						1.50			
							+ .61		
								+ .49	
									+ .80

Selected Pricing Data

Avg. retail price per pack

Mfrs. □, list price per pack

Mix %

Current

Yr Ago

Chg

Current

Yr Ago

Chg.

Current

Yr Ago

Chg

Premium brands

\$2.13

\$1.88

+\$.25

\$1.254

Mid-priced brands

\$1.62
\$1.46
+\$.16

\$.999
+\$.255

72.02%
71.61%
+0.41

Low-priced brands

\$1.33
\$1.25
+\$.07

\$.984
\$.729
+\$.255

23.74%
23.95%
(0.21)

Weighted average

\$1.97
\$1.75
+\$.22

\$.879
\$.624
+\$.255

4.24%
4.44%
(0.20)

Price gaps:

\$1.172
\$.917
+\$.255

100.0%
100.0%

Premium vs. mid-priced

+\$.49
+\$.42
+\$.07

+.27
+.27
NC

PM USA target \$.40/pack

Premium vs.
low-priced

+.80
+.63
+.17

+.38
+.38
NC

PM USA target \$.55/pack

By manufacturer

Current
Yr Ago
Chg

Key brands

Current
Yr
Ago
Chg

Philip Morris

\$2.07
\$1.83
+.24

Marlboro (PM)

\$2.11
\$1.86
+.25

RJR Nabisco

\$1.88
\$1.70
+.18

Winston (RJR)

\$2.01
\$1.78
+.23

B&W

\$1.88
\$1.64
+.22

Camel (RJR)

\$2.12
\$1.92
+.20

Lorillard

\$2.17
\$1.94
+.23

				Newport (LTR)		\$2.25		
							\$2.00	
								+\$.25
Liggett	\$1.46							
		\$1.37						
			+\$.09					
				Kool (B&W)		\$2.14		
							\$1.86	
								+\$.26
Others	\$1.41							
		\$1.33						
			+\$.08					
				Doral (RJR)		\$1.50		
							\$1.40	
								+\$.10
Weighted average	\$1.97							
		\$1.75						
			+\$.22					
				GPC (B&W)		\$1.64		
							\$1.41	
								+\$.13
				Basic (PM)		\$1.72		
							\$1.53	
								+\$.19

Report source: Information Resource Inc./Marlin Systems --
 Food/Drug/Convenience outlets
 comprising approximately 85% of industry volume.

December 23, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Mike Cohen

SUBJECT: ESEA Reauthorization Proposal

We have been working with the First Lady's office, OMB, the Vice President's office and the Education Department to develop the strongest possible proposal to reauthorize the Elementary and Secondary Education Act, with the objective of transmitting it to Congress by March 1. While there is still much to be done to shape and finalize this proposal, we have made progress in addressing some of the most significant issues. (Although Secretary Riley has not reviewed our suggestions in detail, Deputy Secretary Smith has been very closely involved in the process.) This memo looks at how the 1994 reforms are working, where they are falling short, and what improvements we are considering. We are planning to meet with you in early January.

I. Progress Report on the 1994 Reauthorization and Goals 2000

Our reauthorization proposal will build on the framework for federal aid to elementary and secondary education established in Goals 2000 and the Improving America's Schools Act, the 1994 reauthorization of ESEA. In principle, both of these Acts overhauled federal elementary and secondary education programs by:

- *Insisting that every state set challenging academic standards that all students are expected to reach.* Goals 2000 required states to set academic standards for all students and develop assessments aligned to those standards. Title 1 of ESEA built on this requirement by mandating that states use these standards for disadvantaged students, thus ending the practice of setting lower expectations for low-income students.
- *Providing schools, school districts, and states with the flexibility to determine how best to educate students to meet high standards.* Goals 2000 provided states and districts with tremendous flexibility in how funds could be used, and for the first time allowed the Secretary of Education to waive federal requirements if they impeded state or local reform efforts. ESEA reduced regulations, paperwork, and reporting requirements; launched your initiative to establish 3,000 charter schools; and permitted high-poverty schools (with 50% or more students eligible for Title 1) to combine funds from separate streams and use them to improve the whole school.
- *Holding schools accountable for the results they achieve, rather than for compliance with*

rules and regulations. Title 1 now requires states to set annual goals for each school and district relating to the number of students who must reach academic standards; to report progress annually for each school (disaggregating data by demographic subgroups); and to intervene in schools that fail to make adequate progress.

These reforms have sparked considerable state and local education reform activity. There is, however, still much more to be done to achieve significant improvement in elementary and secondary education, especially in high-poverty schools. The key lessons from the implementation of Goals 2000, ESEA, and related state and local reforms include:

- *Standards-based education reform works.* A recent Rand study of education reform in North Carolina and Texas -- the two states with the best track record of improving achievement generally and closing achievement gaps between minority and white students -- shows that a sustained, statewide approach of raising academic standards, providing schools with the flexibility and tools they need, targeting resources for extra help to low-performing students and schools, and holding schools accountable for results produces results, particularly for disadvantaged students. Other studies also have shown that states and school districts -- including urban school districts like Philadelphia, Boston, San Francisco, and Chicago -- that have adopted similar approaches have shown significant gains in reading and math. This data indicate that our overall strategy is sound. If we maintain the recent direction of federal education policy while intensifying our efforts, we can improve elementary and secondary education across the nation.
- *States have adopted policies effecting standards-based education reform, but these policies do not go far enough.* Forty-eight states have set new, more challenging academic standards, and most states are working to develop or adopt new assessments aligned with these standards. Fewer states, however, have adopted accountability systems along with the standards. Only 25 states provide for intervention in low-performing schools, as required by Title 1. In addition, only 17 states provide extra help, such as summer school or tutoring, for students who do not meet the standards, and only five states require students to demonstrate they have met the standards as a condition for promotion.
- *Implementation of state policies providing for standards, assessments, and accountability leaves room for improvement.* Title 1 includes a series of deadlines for implementing state policies on standards, assessments, and accountability. Although not all of the implementation deadlines have been reached, it is already clear that many states are not on track to meet them. In addition, some states are failing to implement these policies as envisioned. For example, some states have evaded the full extent of their responsibility to set goals for "adequate yearly progress" for students and schools. And although half the states have policies that provide for some kind of intervention in low-performing schools, many have shown themselves unable or unwilling to take the actions necessary to turn around these schools so they provide an acceptable education.

- *Improvements in the quality of teachers and teaching are urgently needed.* Governor Hunt's National Commission on Teaching and America's Future has underscored the difficulty of recruiting and retaining talented and well-prepared teachers, especially in schools with the most disadvantaged students. About 50,000 teachers each year enter the profession with emergency or substandard licenses. Nearly one quarter of secondary school teachers lack even a minor in their main teaching field, and in schools with the highest minority enrollment, students have less than a 50% chance of having a math or science teacher with a license and degree in the field. On average, 22% of new teachers leave the field within three years, and in urban areas 30-50% leave within five years. Paraprofessionals are widely and increasingly used to provide instruction to low-achieving students in Title 1 schools, with as many as 20% of Title 1 instructional aides providing instruction without a teacher's supervision. By one estimate, instructional aides account for roughly half (67,000) of the entire Title 1 instructional workforce, and Title 1 aides are being hired at twice the rate of Title 1 certified teachers.

The Eisenhower professional development program, the main federal program to improve teacher quality (Goals 2000 and Title 1 also provide some funds for this purpose), has failed to improve the situation in any significant way. Recent evaluation data suggest that in many districts, the Eisenhower program funds activities of limited effectiveness. And even where the activities are effective, the program often fails to fund them at an adequate level. The Higher Education Act you signed last year includes a new program to provide scholarships to highly qualified individuals who commit to teaching in high-poverty schools, but the current appropriation is sufficient for only about 1,400 of these scholarships.

II. Major Changes to ESEA

Our budget contains a number of initiatives to expand educational opportunity in the elementary and secondary grades: school modernization, class size reduction, after-school funding connected to social promotions policy, and an increase in Title 1 funding for the specific purpose of intervening in low-performing schools. Our ESEA reauthorization can build on these initiatives by insisting on what the studies suggest we most need: accountability -- for students, teachers, and low-performing schools. With this Congress, we may not be able to enact every ESEA reform we want, but we can put forward a bold vision of the future of school reform.

We recommend a new set of accountability requirements as a condition for any state or district to receive any ESEA funds (not just Title 1). States and school districts would be required to produce annual school report cards, end social promotions, intervene in the lowest performing schools, and end the use of unqualified teachers. Taken together, these new requirements represent a fundamental change in federal aid to elementary and secondary education. For the first time, the federal government would link investment in state and local education systems with their commitment to take the steps necessary to enable all students,

teachers, and schools to meet high standards. In effect, we are saying that, from now on, the best way for the federal government to help students is to insist that states and local school districts live up to their responsibilities, rather than simply attempting to compensate for their failure to do so.

Along with the investments in your budget, this approach is intended to help close the opportunity gap by lifting achievement in low-performing schools and making sure that disadvantaged students are not left behind. We hope the approach would be compelling enough to unite Congressional Democrats, the education community and the public, as well as to counter an expected Republican push for vouchers and block grants.

A. Annual School Report Cards. Our proposal would require annual report cards, easily understood by and widely distributed to parents and the public, for each school, school district, and state. The report cards would include information on student achievement, teacher quality, school safety, and class size. Where appropriate, the data collected and published -- especially on student achievement -- would be broken down by demographic subgroups, to allow a greater focus on the gaps between minority and majority, low-income and more advantaged students.

B. Ending Social Promotions. Our proposal would require states and districts participating in ESEA to adopt policies that (1) require students to meet academic performance standards at key transition points in elementary and middle school and for high school graduation; (2) use objective measures -- *i.e.*, tests valid for these purposes -- to make an initial determination if a student has met the standards; and (3) permit (or conceivably, require) other, non-objective factors, including teacher judgment, to enter into a final determination as to whether the student has met the standards. States and school districts would have to show how they will help students meet promotion standards by (1) strengthening learning opportunities in the classroom with steps such as clear grade-by-grade standards, small classes with well prepared teachers, high quality professional development, and the use of proven instructional practices; (2) identifying students who need help at the earliest possible moment; (3) providing extended learning time, including after-school and summer school, for students who need extra help; and (4) providing an effective remedial plan for students who do not meet the standards on time, so that they do not repeat the same unsuccessful experiences. The proposal would phase in this requirement over five years; design the requirement to fit state governance systems (allowing "local control" states to delegate responsibilities to the local school district); and base the requirement on state or local rather than national standards. The Secretary would review and approve each state's plan, with continued funding conditional on adequate annual progress in implementing the plan.

To reinforce this requirement and encourage local school systems to address it even before the enactment of ESEA, your FY2000 budget contains a \$400 million increase in funding for the 21st Century Learning Center program, half of which will be reserved for after-school and summer school programs in school districts implementing policies to end social promotions.

C. Accountability for Teachers. Our proposal would require states and local school districts participating in ESEA to phase out the use of unqualified teachers over five years. In particular, states and school districts would have to end the use of (1) teachers with emergency rather than full certification; (2) secondary school teachers teaching "out of field" -- *i.e.*, teaching subjects for which they lack an academic major or minor; and (3) instructional aides serving as lead instructors. Ending these practices is particularly important for high-poverty schools, where the practices are most prevalent. States also would have to adopt teacher competency tests for new teachers, including tests of subject-matter expertise for secondary school teachers. States and school districts would be able to use funds from a number of ESEA programs, including Title 1, bilingual education, and a new grant program focused in part on teacher quality, to help meet these requirements.

In addition, we are working with the Education Department to fashion a requirement for states and school districts to deal with low-performing teachers. We are exploring a number of approaches, including (1) requiring periodic recertification of teachers, and (2) requiring school districts to adopt procedures to identify low-performing teachers, provide them with needed help, and remove them fairly and quickly if they do not improve. We will work closely with the NEA and AFT over the coming weeks to try and fashion a provision that will meet our objectives while addressing their concerns.

D. Accountability Fund for Title 1 Schools. We recommend significantly strengthening accountability requirements in Title 1 so as to require and adequately fund immediate and significant state and local intervention in the lowest performing schools. Because the schools of greatest concern are invariably Title 1 schools and because Title 1 already contains certain accountability provisions, we believe we should incorporate these provisions into Title 1, rather than imposing a broader ESEA requirement.

Our proposal would retain current provisions for states to adopt performance standards and assessments by 2001. In addition, it would strengthen the current provisions in Title 1 relating to low-performing schools by: (1) requiring the immediate public identification of and intervention in the lowest performing schools in each state -- *i.e.*, schools with very low levels of achievement that have made little or no improvement over the previous three years; (2) setting aside 2.5% of Title 1 funds to support aggressive intervention in these schools, including an external assessment of each school's needs and the implementation of needed improvements (such as addressing school safety and security needs, providing better teacher training, acquiring up-to-date textbooks, technology, and curriculum materials, and extending learning time to help students catch up academically); and (3) requiring states to provide recognition or rewards to Title 1 schools showing the greatest improvements.

To increase the appeal of this approach, your FY2000 budget contains a significant increase in Title 1 funding, of which \$200 million is specifically dedicated to this initiative.

III. Other Changes in ESEA

A. Charter Schools and Public School Choice. Earlier this fall you signed the Charter Schools Expansion Act of 1998, which strengthened incentives for states to (1) increase the number of high-quality charter schools, (2) strengthen accountability for charter schools, (3) maximize flexibility for charter schools, and (4) provide charter schools with their proper share of federal program funds. We believe, along with most in Congress, that no further changes relating to charter schools are needed in the ESEA reauthorization process.

We do recommend, however, proposing new authority in ESEA to enable the Education Department to support other, new approaches to expanding public school choice. At present, the Department has authority only to support specific approaches to choice, such as intra-district magnet schools in the context of desegregation efforts, and (as of last year) high schools on community college campuses. We will propose a new competitive grants program that will give the Education Department the ability to support a much wider range of choice approaches, including district-wide public school choice systems, interdistrict magnet schools and other interdistrict approaches, work-site schools, schools-within-schools, and post-secondary enrollment options.

As a first step in this direction, your FY2000 budget proposal will contain funds and necessary authorizing language for three specific choice initiatives: \$10 million in grants to school districts to establish work-site schools; \$10 million to support interdistrict magnet schools; and (as already authorized) \$10 million to establish high schools on community college campuses.

B. Bilingual Education. We recommend changes to the Title VII Bilingual Education program and to Title 1 (which serves more than 1.1 million LEP students) consistent with statements you and Secretary Riley made in opposing California's Unz Initiative. These statements called for (1) expanding the flexibility given to local communities to select the programs they believe will best educate LEP students; (2) making sure teachers are well trained to teach LEP students; and (3) strengthening accountability for programs serving LEP students by including a goal that all LEP students reach English proficiency within three years.

To expand local flexibility and parental choice, we would remove the Title VII provision in current law that limits expenditures on English-language (rather than bilingual) programs to 25% of the funds available. We also would require parental approval for participation in any program funded under Title VII. To improve teacher quality, we would phase in a requirement that schools receiving Title 1 funds provide LEP students with appropriately trained teachers. We also would strengthen the teacher training provisions in Title VII by giving funding priority to school districts and institutions of higher education that have implemented proven programs to hire, train, and support new ESL and bilingual teachers.

In Title 1, we would require that LEP students be included in the assessment and

accountability requirements for each school. Assessments would be in their language of instruction and, after three years of schooling in the United States, in English. We would require schools to disaggregate data, so that they would report -- and be accountable for -- both the academic achievement and the English language proficiency of LEP students. We also would require schools receiving Title 1 funds to provide alternative instructional strategies for LEP students who do not make adequate progress in English proficiency after three years. Finally, we would cut off Title VII funding to a program after three years if it could not show that students made significant gains in both English and academic subjects.

C. Safe and Drug Free Schools Program. As you announced at the White House Conference on School Safety, we would significantly overhaul the Safe and Drug Free Schools Program to improve its effectiveness at promoting drug-free, safe, and disciplined learning environments. Our proposal would accomplish this by (1) requiring states to allocate funds to local school districts on a competitive basis, with funds going to the districts with the greatest need and highest quality proposals; (2) requiring local school districts receiving program funds to develop and implement a rigorous, comprehensive approach to drug and violence prevention based on proven practices; (3) requiring every school district receiving funds to have a full-time program coordinator; and (4) requiring all schools to issue report cards that include data on crime, disorder, and substance abuse.

D. Class Size Reduction. We would include authorization for our Class Size Reduction initiative in our ESEA package, since the provisions in last year's Omnibus Appropriations Act provide funding and authority for only one year. Although we do not expect Congress to enact the ESEA reauthorization this year, we believe that transmitting authorization legislation will strengthen our ability to fight for additional funds for class size reduction in the FY2000 appropriations bill. Unlike the provision enacted last year, our original proposal required local school districts to provide matching funds (an average of 20%, with a sliding scale based on poverty levels). We intend to include the matching requirement in our ESEA authorizing proposal, so that we can reach our goal of providing 100,000 teachers within 7 years. In all other respects, our proposal would reflect the agreement reached with Republicans last year, which itself was fully consistent with our original proposal.

E. School Modernization. We also intend to include our school modernization proposal, with only minor changes from the one introduced last year, in our ESEA package.

F. Ed-Flex. Our proposal to expand Ed-Flex (which gives states the authority to waive many statutory and regulatory requirements in ESEA) to all 50 states died last year, caught between Democrats who opposed granting greater flexibility and conservative Republicans who insisted on a more sweeping block grant proposal. Governors of both parties aggressively promoted Ed-Flex until the very end of the session, and Governor Carper has indicated that the NGA will take up the cause again next year. Although we believe we should continue to support some version of Ed-Flex, we will need to think carefully about the scope of the proposal. We think it would be a mistake to allow states to waive the social promotion, teacher quality, and

accountability provisions described above or the requirement for using class size funds to reduce class size to 18 in the early grades.

G. Preschool Education. Our ESEA proposal would retain provisions in current law allowing the use of Title 1 funds for pre-school, and would expand the Even Start Family Literacy program to reach greater numbers of children and adults. We also would strengthen the quality of pre-school programs and enhance school readiness by providing funds to local school districts, on a competitive basis, to (1) work with Head Start and other pre-school programs to identify the basic language and literacy skills that children need when they enter school and to design a curriculum to help students acquire these skills; and (2) provide professional development for child care providers and other providers of early childhood services to help children build these basic language and literacy skills.

IV. The future of Goals 2000 and continuing support for standards-based reform.

Goals 2000 has been the flagship Administration initiative promoting standards-based reform, and recent studies show that it has been successful. We do not believe we should let the program expire simply because of the political opposition it faces in Congress. At the same time, we do not believe it is wise -- either for substantive or for political reasons -- to submit a proposal that simply extends the current program. We are instead looking for a way to advance standards-based reform in a somewhat different form -- a kind of second-generation proposal that will reflect the current state of the standards movement.

Most educators agree that while states have made significant gains in developing standards, they still face great challenges in actually putting those standards into place in the classroom. To meet these challenges, schools must have talented and well-prepared teachers, who themselves have the tools — curriculum materials, instructional approaches, technology, and the like — to engage all students in learning to higher standards.

Several currently existing formula grant programs — Goals 2000, the Eisenhower Professional Development program, and the Title VI Block Grant -- could contribute to this objective. We are considering a number of approaches involving these programs, including proposals to consolidate some or all of them into a larger program, which would be designed to help move standards into the classroom and would have a strong focus on improving teacher quality. Such a proposal effectively would create a “responsible block grant,” with clear purposes and accountability. Some Congressional Democrats -- including Senator Kennedy -- are also looking at this approach, in part because it would respond to the Republican push for block grants and in part because it would create a large funding stream to address issues of teacher quality. We still have much work to do on this issue, and we will outline more concrete options in a subsequent memo.

Statement by the President
(Embargoed until 9:00 a.m., Sunday, December 27, 1998)

The 1997 National Crime Victimization Survey released by the Department of Justice today shows that violent crime fell seven percent last year and 21 percent since I took office. With the violent crime rate now its lowest level since 1973, Americans are safer today than they have been in many years. These new figures again show that our strategy of more police, stricter gun laws, and better crime prevention is working. But we are not yet done. Working together, both in Washington and in communities across our nation, we must redouble our efforts to make our streets, homes, and schools safer for all Americans.

Statement by the President
(Embargoed until 9:00 a.m., Sunday, December 27, 1998)

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME:29-DEC-1998 14:43:49.00

SUBJECT: Re: New Yrs.

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

READ:UNKNOWN

TEXT:

I do have plans, with some friends from out-of-town. Thanks very much anyway. I hope I get a raincheck sometime.

December 28, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Jack Lew, Bruce Reed

SUBJECT: Tobacco Budget Policy

This memorandum briefly sets out recommendations regarding (1) how the budget will allocate the proceeds of our proposed increase in the tobacco excise tax; (2) how we will handle the issue of recouping a share of state tobacco settlements; and (3) how we will use any funds resulting from a federal lawsuit against the tobacco companies.

1. Federal Tobacco Tax

Our budget will propose a 55-cent per-pack increase in the tobacco excise tax beginning in FY 2000, as well as the acceleration of a previously enacted 15-cent per-pack increase to FY 2000. The 55-cent tax hike is about equal to our last year's proposal (a phased-in increase of between \$.62 and \$1.10) minus the cost of the state settlements (about \$.40); it also can be explained as half of the \$1.10 proposal. This total tax package nets about \$35 billion over five years, with the tax increase responsible for about \$6.5 billion each year and the acceleration chipping in another \$1 billion or so in the first and second years (see attached chart).

We must choose between two different approaches to allocating this money. First, the budget could show that this money is going to pick up the direct health care costs (exclusive of Medicare) that the federal government incurs as a result of smoking. These numbers almost precisely line up: by our calculations, DOD, VA, and OPM spend almost \$7 billion each year in smoking-related health care costs. This budget treatment is analogous to the theory the states used in presenting their legal claims -- i.e., that they were seeking reimbursement to the taxpayer for costs directly attributable to tobacco companies. Second, the budget could show that this money is going to certain (somewhat related) federal program costs. The two principal contenders are NIH research and anti-drug programs. In either case, the proceeds of the tobacco tax increase would far exceed the yearly increases that our budget proposes in these programs, but would fall far short of their current levels of base funding (see attached chart).

DPC and OMB recommend the first approach. We do not think we can easily justify linking tobacco revenues to programs for which we have not requested very substantial budget increases. We think that this approach would expose us both to the charge that we are using our tobacco policy to meet our budgetary needs and to the charge that our NIH and/or anti-drug proposals are hollow. In addition, the idea of funding anti-drug programs through tobacco is likely to anger the public health community. Although the first approach (i.e., funding direct

tobacco-related health care costs) does not give any real lift to tobacco legislation, it has a clear logic to it (as the state suits showed) and minimizes our exposure to public criticism.

2. State Tobacco Funds

Our budget presumes that starting in FY 2001, the federal government will recoup \$4 to \$5 billion each year from the states' tobacco settlements. This figure represents the full amount of the federal government's claim against the states (*i.e.*, 57 percent of their Medicaid recoveries). Because this money would go into the base if we were to recover it through the usual administrative process, our budget contemplates that Congress will effect the recoupment by passing legislation that assigns these funds to specified programs and purposes (effectively requiring states to buy out part of the federal base). We recommend that we take advantage of the level of generality permissible in the outyears and refrain from listing the particular programs involved in this scheme, so as to avoid unnecessary fights with the states and interest groups.

We will explain that we have chosen to defer spending this money until FY 2001 so that we can work with the states and Congress over the next year on a mutually agreeable menu of programs to which the funds should be directed. At the same time, we will keep pressure on the states by aggressively pursuing administrative mechanisms for recovering these monies. (The states may doubt whether we have the will to take these administrative measures, but they would doubt even more Congress's inclination to pass legislation diverting their funds to the federal base budget over their objection.) The critical step in this administrative process involves calculating the amount of each state's settlement award representing reimbursement for Medicaid costs; once that is done, HCFA has the legal right to deduct this amount from federal Medicaid payments.

3. Federal Tobacco Suit

We (and Bruce Lindsey) are meeting with representatives of the Justice Department next week to discuss their plan for bringing a lawsuit against the tobacco industry. Our sense is that they are proceeding in a way that we will find acceptable. Our FY 2000 budget includes \$20 million for the purpose of bringing this suit. (The money would go to the Justice Department, but the Department could reimburse HHS, DOD, VA, and/or OPM for expenses incurred.) We have not yet discussed with Justice Department officials our idea for announcing this suit in the State of the Union.

We recommend that when we announce this suit, we say that any money arising from it should go toward reforming and strengthening the Medicare program, including through the addition of a new prescription drug benefit. This approach would enable the President to begin talking about a Medicare prescription drug benefit this year; it also could increase the pressure on Congress to pass Senator Graham's legislation facilitating our suit. Although we almost certainly would need legislation to allocate funds from a lawsuit to the Medicare program, we do not recommend submitting such legislation prior to bringing the suit.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-JAN-1999 12:27:20.00

SUBJECT: Abortion/Embryos/Cloning and other Selected L/HHS General Provisions

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

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 01/04/99 12:28
PM -----

Bruce N. Reed

01/04/99 12:18:49 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: Abortion/Embryos/Cloning and other Selected L/HHS General
Provisions

----- Forwarded by Bruce N. Reed/OPD/EOP on 01/04/99
12:20 PM -----

Daniel N. Mendelson

12/31/98 03:45:03 PM

Record Type: Record

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

cc: Ann Kendrall/OMB/EOP, Gina C. Mooers/OMB/EOP

Subject: Abortion/Embryos/Cloning and other Selected L/HHS General
Provisions

Attached is a table of selected Labor/HHS General Provisions related to health that will require policy decisions in order to print the FY 2000 Budget Appendix. Typically, the Budget has shown the prior year's (i.e., FY 1999 enacted) appropriations language, and brackets language proposed for deletion, and italicizes any new or revised language.

The file is a legal landscaped document that needs to be launched.

It shows:

1. The FY 1998 enacted language.
2. Our proposed language in the FY 1999 Budget.
3. The FY 1999 enacted language.
4. Our initial recommendations for the FY 2000 Budget.
5. A column where you can indicate whether you agree/disagree/or

**L/HHS/Ed General Provisions for FY 2000 Budget
 “Side-by-Side” Comparison for Selected Provisions
 Titles II and V of L/HHS Bill**

	FY 1999 President’s Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
Appropriation of funds for entities under title X of the PHS Act	Sec. [212] 208. None of the funds appropriated in this Act may be made available to any entity under title X of the Public Health Service Act unless the applicant for the award certifies to the Secretary that it encourages family participation in the decision of minors to seek family planning services and that it provides counseling to minors on how to resist attempts to coerce minors into engaging in sexual activities	Same.	<p>OMB Recommendation: Repeat FY 99 PB. The same as enacted.</p> <p>During the FY 1998 appropriations process, Sec. 208 was presented by Rep. Porter as a compromise to a controversial and restrictive Istook amendment that would have required parental notification for contraceptive distribution. This language, which was repeated in the FY 99 Budget, is similar to the debate waged during the FY 1999 appropriations process, but it does not mandate parental consent or notification and, therefore, does not need to be deleted.</p>	
Organ Procurement and Transportation Network	New in FY 1999 enacted.	Sec. 213. (a) The final rule entitled “Organ Procurement and Transplantation Network”, promulgated by the Secretary of Health and Human Services on April 2, 1998 (63 FR 16295 et seq.) (relating to part 121 of title 42, Code of Federal Regulations), shall not become effective before the expiration of the 1-year period beginning on the date of the enactment of this Act.(b)(1) The Institute of Medicine under contract with and subject to review by the Comptroller General, in consultation with the Secretary and with the Organ Procurement and Transplantation Network (in this section referred to as the “OPTN”), shall conduct a review of the current policies of the OPTN and the final rule specified in subsection (a) in order to determine the following: (A) The potential impact on access to transplantation services for low-income populations and for racial and ethnic minority groups. With respect to State policies in carrying out the program under title XIX of the Social Security Act, the determination made under this subparagraph shall include determining the impact of such policies regarding payment for services for patients that are provided to the patients	<p>OMB Recommendation: Propose New Provision in PB: Because of the adversarial relationship between HHS and OPTN, coupled with the obscure language in Sec. 213, OMB OGC proposed that we create a new general provision to ensure that the OPTN continues to share their data</p>	

**L/HHS/Ed General Provisions for FY 2000 Budget
 “Side-by-Side” Comparison for Selected Provisions
 Titles II and V of L/HHS Bill**

	FY 1999 President’s Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
		<p>outside of the States in which the patients reside. (B) With respect to organ procurement organizations (qualified under section 371 of the Public Health Service Act): (i) The potential impact on the ability of the organizations to facilitate an appropriate rate of organ donation within the service areas of the organizations.(ii) The reasons underlying the variations in performance among such organizations.(iii) The potential impact of requiring sharing of organs based on medical criteria instead of geography on the ability of the organizations to facilitate an appropriate rate of organ donation within the service areas of the organizations. (C) The potential impact on waiting times for organ transplants, including determinations specific to the various geographic regions of the United States, and if practicable, waiting times for each transplant center by organ and medical status category. The determination made under this subparagraph shall include determining the impact of recent changes made by the OPTN in patient listing criteria and in measures of medical status. (D) The potential impact on patient survival rates and organ failure rates which lead to retransplantation ,including any variance by income status, ethnicity, gender, race, or blood type.(E) The potential impact on the costs of organ</p>	<p>openly and without delay. “Sec. 210. Section 213(d) through Section 213 (f) of the Department of Health and Human Services Appropriations Act, 1999, shall be effective in fiscal year 2000 and thereafter.”</p>	
	<p>Continuation of organ procurement provision.</p>	<p>transplantation services.(F) The potential impact on the liability, under State laws and procedures regarding peer review, of members of the OPTN.(G) The potential impact on the confidential status of information that relates to the transplantation of organs. (H) Recommendations, if any, to change existing policies and the final rule. (2)(A) Not later than May 1, 1999, the Comptroller General of the United States shall submit to the congressional committees specified in subparagraph (B) a report describing the results of the review conducted under paragraph (1). (B) The congressional committees referred to in subparagraph (A) are the Committee on Commerce of the House of Representatives, the Committee on Appropriations of the House, the Committee on Labor and Human Resources of the Senate, and the Committee on Appropriations of the Senate. (c)(1) Beginning promptly after the date of the enactment of this Act, the Secretary may conduct a series of discussions with the OPTN in order to resolve issues raised by the final rule referred to in subsection (a). (2) The Secretary and the OPTN may utilize the services of a mediator in conducting the discussions under paragraph (1). An individual may not be selected to serve as the mediator unless the Secretary and the OPTN both approve the selection of the individual to so serve, and the individual agrees that, not later than June 30, 1999, the individual will submit to the congressional committees specified in subsection (b)(2)(B) a report describing the extent of progress that has been made through the discussions under paragraph (1). (d)(1) Beginning on the date of enactment of this Act, the OPTN shall provide to the Secretary, the Institutes of Medicines, and the Comptroller General, upon request, any data necessary to assess the effectiveness of the Nation's organ donation, procurement and organ allocation systems, or to assess the quality of care provided to all transplant patients, and analysis of such data in a scientifically and clinically valid manner. If necessary, the OPTN may provide additional data as they deem appropriate. (2) The OPTN shall make available to the public timely and accurate program-specific information on the performance of</p>		

**L/HHS/Ed General Provisions for FY 2000 Budget
 “Side-by-Side” Comparison for Selected Provisions
 Titles II and V of L/HHS Bill**

	FY 1999 President’s Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
		transplant programs. These data shall be updated as frequently as possible, and the OPTN shall work to shorten the time period for data collection and analysis in producing its center-specific outcomes report, including severity adjusted long term survival rates. Such data shall also include such other cost or performance information including but not limited to transplant program-specific information on waiting time within medical status, organ waitings, and refusal of organ offers. (e) Data provided under subsection (d)		
		shall be specific (if possible) to individual transplant centers and must be determined in a scientifically and clinically valid manner. (f) Any disclosure of patient specific medical information under subsection (d) shall be subject to the restrictions contained in the Freedom of Information Act, the Privacy Act, and State laws. (g) Of the amount appropriated in this title for “Office of the Secretary-general departmental management”, \$500,000 shall, not later than 30 days after the date of the enactment of this Act, be transferred to the Comptroller General for purposes of carrying out the studies required and specified in this section. (h) For purposes of this section: (1) The term “Comptroller General” means the Comptroller General of the United States. (2) The term “Organ Procurement and Transplantation Network” means the network operated under section 372 of the Public Health Service Act. (3) The term “Secretary” means the Secretary of Health and Human Services.		
Medicare+ Choice abortion language	New provision.	Sec. 216. None of the funds appropriated by this Act (including funds appropriated to any trust fund) may be used to carry out the Medicare+Choice program if the Secretary denies participation in such program to an otherwise eligible entity (including a Provider Sponsored Organization) because the entity informs the Secretary that it will not provide, pay for, provide coverage of, or provide referrals for abortions: Provided, That the Secretary shall make appropriate prospective adjustments to the capitation payment to such an entity (based on an actuarially sound estimate of the expected costs of providing the service to such entity’s enrollees): Provided further, That nothing in this section shall be construed to change the Medicare program’s coverage for such services and a Medicare+Choice organization described in this section shall be responsible for informing enrollees where to obtain information about all Medicare covered services.	OMB Recommendation: While this language is not problematic per se, we recommend proposing to delete in order to be consistent on all abortion issues, and add the footnote: “The Administration proposes to delete this provision and will work with the Congress to address this issue.”	
Notification or reporting		Sec. 219. Notwithstanding any other provision of law, no provider of services under title X of the Public Health Service Act shall be exempt from any State law requiring notification or the reporting of child abuse, child molestation, sexual	OMB Recommendation: Repeat FY 99 enacted. This provision originated in the	

**L/HHS/Ed General Provisions for FY 2000 Budget
 “Side-by-Side” Comparison for Selected Provisions
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	FY 1999 President’s Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
		abuse, rape, or incest.	House bill, but the Senate bill contained no similar provision. The Conference agreement included the provision. None of the SAPs objected to this language.	
	TITLE V--GENERAL PROVISIONS			
Needle Exchange	Sec. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug <i>unless the Secretary of Health and Human Services determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs.</i>	Repeated FY 98 language.	We see a range of choices, given the events of this past spring on this issue. Repeating the FY99 Budget’s proposed language is an option, but other approaches that may be more likely to be enacted include giving the certification authority to local public officials, or further limiting funding to areas where needle transmission of HIV is above average. Options: (1) Repeat FY 1999 Budget language. (2) Modify FY 1999 Budget language by replacing the words "Secretary of Health and Human Services" with "local public health official": "Notwithstanding any other	

**L/HHS/Ed General Provisions for FY 2000 Budget
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	FY 1999 President’s Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
			provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any drug unless the local public health official of the affected MSA determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs."	
Needle Exchange	Continued		(3) Modify above language by adding #1 below: “Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any drug unless: (1) the affected MSA has a new AIDS case rate caused by Injection Drug Use of above the national average as defined by the Centers for Disease Control and Prevention.; and (2) the	

**L/HHS/Ed General Provisions for FY 2000 Budget
“Side-by-Side” Comparison for Selected Provisions
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	FY 1999 President’s Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
			local public health official of the affected MSA determines that such programs are effective in preventing the spread of HIV and do not encourage the use of illegal drugs."	
Needle Exchange	[Sec. 506. Section 505 is subject to the condition that after March 31, 1998, a program for exchanging such needles and syringes for used hypodermic needles and syringes (referred to in this section as an "exchange project") may be carried out in a community if . . .]	Provision deleted.	No provision.	
Appropriations limitations for abortion procedures (Hyde language)	[Sec. 509. (a) None of the funds appropriated under this Act shall be expended for any abortion. (b) None of the funds appropriated under this Act, and none of the funds in any trust fund to which funds are appropriated under this Act, shall be expended for health benefits coverage that includes coverage of abortion .c) The term "health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.]1	Retained the provision and added "and none of the funds in any trust fund to which funds are appropriated under this Act." In the SAPs, we objected to the provision and offered to work with the Congress, but did not specifically mention the trust fund language. In addition, this was not considered a high priority item during negotiations.	OMB Recommendation: Repeat PB language (i.e., proposed deletion with the footnote: "The Administration proposes to delete this provision and will work with the Congress to address this issue."	
Appropriations limitations for abortion procedures (Hyde language)	[Sec. 510. (a) The limitations established in the preceding section shall not apply to an abortion--(1) if the pregnancy is the result of an act of rape or incest; or (2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an	Same as FY 98 enacted. In the SAPs, we objected to the provision and offered to work with the Congress, but did not specifically mention the trust fund language. In addition, this was not considered a high priority item during negotiations.	OMB Recommendation: Repeat FY 99 PB language (i.e., propose deletion and add footnote: "The Administration proposes to delete this provision and will work with the Congress to address this issue.")	

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 "Side-by-Side" Comparison for Selected Provisions
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	FY 1999 President's Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
	abortion is performed.(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds). (c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).]1			
Use of funds for embryo research- limitations	Sec. [513] 510. (a) None of the funds made available in this Act may be used for-- (1) the creation of a human embryo or embryos for research purposes; or(2) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.208(a)(2) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).(b) For purposes of this section, the term "human embryo or embryos" includes any organism, not protected as a human subject under 45 CFR 46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.	Same as proposed and FY 1998 enacted.	This provision prohibits the use of appropriations to create or destroy human embryos for research purposes. Budgets before FY 99 have struck the ban, proposing instead that the ban be addressed in separate, non-appropriations legislation. Recent research findings on the related topic of stem cell research complicate the decision on whether or not to include Section 511 in the FY 2000 Budget. The central issue is whether or not the ban on embryo research would cover stem cell research, recent findings on which have demonstrated an enormous potential for treating disease such as diabetes (Type I) and Parkinson's. In a December 1998 Senate hearing on this topic, Sen. Harkin concluded that stem cell	

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	FY 1999 President’s Budget	FY 1999 Enacted	HD Recommended FY 2000/Comment	Agree/ Disagree/ Discuss
			research is not covered by the ban because stem cells do not appear to have the potential to become human life. Sen. Specter agreed that it is unclear if the ban extends to stem cell research and indicated a willingness to explore this issue. During the hearing, Dr. Varmus agreed that issue remains unresolved but privately has suggested that stem cell research should be viewed differently than embryo research with respect to Federal funding.	
Embryo/ Cloning	Continuation		<p>OMB Recommendation: Delete the provision and add footnote stating:</p> <p>“The Administration proposes to delete this provision and will work with Congress to assess the impact of recent advances in biomedical research, such as research on stem cells, that may hold promise for new methods for diagnosing, treating, and curing disease.”</p>	
Unique Health Identifier		Sec. 516. None of the funds made available in this Act may be used to promulgate or adopt any final standard under section 1173(b) of the Social Security Act (42 U.S.C. 1320d-2(b)) providing for, or providing for the assignment of, a unique health identifier for an individual (except in an individual's capacity as an employer or a health care provider), until legislation is enacted specifically approving the standard.	<p>OMB Recommendation: Repeat FY 1999 enacted.</p>	

**L/HHS/Ed General Provisions for FY 2000 Budget
“Side-by-Side” Comparison for Selected Provisions
Titles II and V of L/HHS Bill**

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-JAN-1999 15:13:34.00

SUBJECT: Re: IHS FY2000 busget

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

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

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

TEXT:
not up to us; ask omb

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-JAN-1999 11:30:59.00

SUBJECT: SOTU Press and Amplification Meeting

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 01/04/99 11:31 AM -----

Chandler G. Spaulding
01/04/99 11:25:47 AM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: SOTU Press and Amplification Meeting

Stacie and Beverly will have a meeting tomorrow (Tuesday, Jan. 5) at 4:30 pm in OEOB 180 to discuss SOTU press and amplification activities.

If you are unable to attend, please send a representative from your office because we would like all Outreach Offices and Policy shops involved in these efforts. Thanks.

Message Sent

To: _____
Kris M Balderston/WHO/EOP
Elisabeth Steele/WHO/EOP
Marsha E. Berry/WHO/EOP
Charles M. Brain/WHO/EOP
Lael Brainard/OPD/EOP
Sharon H. Yuan/OPD/EOP
Phillip Caplan/WHO/EOP
Sean P. Maloney/WHO/EOP
Kelly Craighead/WHO/EOP
Lynn G. Cutler/WHO/EOP
Mona G. Mohib/WHO/EOP
Fred DuVal/WHO/EOP
Emory L. Mayfield/WHO/EOP
Christopher C. Jennings/OPD/EOP
Sarah A. Bianchi/OVP @ OVP
Robert B. Johnson/WHO/EOP
Jena V. Roscoe/WHO/EOP
Elena Kagan/OPD/EOP
Sally Katzen/OPD/EOP
Shannon Mason/OPD/EOP
Patricia M. Ewing/OVP @ OVP
Linda L. Moore/WHO/EOP
Janet Murguia/WHO/EOP
Mindy E. Myers/WHO/EOP
Jennifer M. Palmieri/WHO/EOP
Shirley S. Sagawa/WHO/EOP

Marsha Scott/WHO/EOP
Skye S. Philbrick/WHO/EOP
Tracey E. Thornton/WHO/EOP
Barry J. Toiv/WHO/EOP
Karen Tramontano/WHO/EOP
Carolyn T. Wu/WHO/EOP
William H. White Jr./WHO/EOP
Amy Weiss/WHO/EOP
Cheryl M. Carter/WHO/EOP
Audrey T. Haynes/OVP @ OVP
Jonathan Orszag/OPD/EOP
Robin J. Bachman/WHO/EOP

Message Copied

To: _____
Marjorie Tarmey/WHO/EOP
Jeffrey A. Forbes/WHO/EOP
Ron Klain/OVP @ OVP
Ellen M. Lovell/WHO/EOP
Minyon Moore/WHO/EOP
Jocelyn A. Bucaro/WHO/EOP
Todd Stern/WHO/EOP
Stephanie S. Streett/WHO/EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 5-JAN-1999 07:55:29.00

SUBJECT: Pay Equity Initiative

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

READ:UNKNOWN

TEXT:

----- Forwarded by Elena Kagan/OPD/EOP on 01/05/99 07:56 AM -----

Sandra Yamin

01/04/99 07:09:37 PM

Record Type: Record

To: Elena Kagan/OPD/EOP; Joshua Gotbaum/OMB/EOP, Michael Deich/OMB/EOP

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

Subject: Pay Equity Initiative

Attached below is the joint EIML/GG&F suggested description of the DoL Pay Equity Intitiative. If you have any comments, please forward them to me. Thank you.

----- Forwarded by Sandra Yamin/OMB/EOP on 01/04/99 06:56 PM -----

Debra J. Bond

01/04/99 06:16:41 PM

Record Type: Record

To: Barbara Chow/OMB/EOP@EOP

cc: Barry White/OMB/EOP@EOP, Larry R. Matlack/OMB/EOP@EOP, Sandra Yamin/OMB/EOP@EOP, Susan M. Carr/OMB/EOP@EOP

Subject: Pay Equity Initiative

Attached is a one-pager which reflects our understanding of the Pay Equity Initiative. Please let me know if you need further information on this issue.

Message Copied

To: _____
Laura Emmett/WHO/EOP
Adrienne C. Erbach/OMB/EOP
Dawn V. Woollen/OMB/EOP
Theodore Wartell/OMB/EOP
Patricia E. Romani/OMB/EOP
Susan M. Carr/OMB/EOP

Pay Equity Initiative

On April 2, 1998, the President issued a proclamation designating National Equal Pay Day in which he urged all employers to review their wage practices and to ensure that all their employees, including women, are paid equitably for their work. The typical woman who works full-time earns just 74 cents for each dollar that the typical man earns. This gap is in part attributable to differing levels of experience, education, and skill. However, even after accounting for these factors a significant pay gap still remains between men and women in similar jobs.

To address this problem, the President's FY 2000 budget proposes a \$14 million pay equity initiative to focus additional resources on providing employers with the necessary tools to assess and improve their pay policies, and educating the public (including employers, employees, unions, and advocacy groups) on the importance of this issue as well as their rights and responsibilities. Specifically the budget requests:

- ◆ \$10 million (4 FTE) for the Equal Employment Opportunity Commission's (EEOC) wage discrimination initiative which will:
 - provide necessary training of enforcement staff in identifying wage discrimination cases;
 - increase outreach, education, and technical assistance including funding public service announcements to educate the public on the importance of this issue as well as their rights and responsibilities, and developing training programs for employers, employees, unions and advocacy groups on pay issues; and,
 - fund research on how pay disparities arise and where they are most prevalent in order to better target resources in the future.
- ◆ \$4 million (20 FTE) for the Labor Department's Office of Federal Contract Compliance Programs' (OFCCP) pay equity initiative, which is part of its overall initiative to increase compliance through enhanced compliance assistance. The pay equity initiative will:
 - continue monitoring of pay equity to reduce occupational segregation and to assure that appropriate criteria are used for setting salaries for women, minorities, and persons with disabilities;
 - provide enhanced technical assistance through technology, specifically by developing and providing guidelines via the Internet that address pay issues, including industry best practices;
 - increase outreach and education efforts, such as research and public education grants on corporate management reviews (glass ceiling reviews), as well as technical and educational brochures that will keep the public informed about the various OFCCP requirements; and,
 - provide a focused effort on women in non-traditional jobs which will challenge discrimination by identifying best practices and assisting contractors in identifying resources for recruiting and developing qualified individuals in non-traditional occupations thereby improving women's access to and experiences in non-traditional occupations.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-JAN-1999 07:46:42.00

SUBJECT: SOTU BOOK

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

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 01/06/99 07:47
AM -----

Paul J. Weinstein Jr.
01/05/99 07:45:18 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Christopher C.
Jennings/OPD/EOP, Michael Waldman/WHO/EOP
Subject: SOTU BOOK

Once again, we will prepare a "New Ideas" book that will explain in greater detail the proposals presented by the President in his State of the Union. Each idea in the SOTU will be explained in the book. One paragraph (1/3 to 1/2 a page max) per idea. Cost, if relevant should be included. This book is distributed to the press, Members of Congress, public interest groups, and other governmental offices. The style of the paragraphs should be the same as our one-pagers.

We need to have drafts of your one-pagers by COB Thursday, January 14th. They will be reviewed by Elena, Bruce, and Chris over the weekend and go to press on Monday. SOTU is the 19th. If you are not certain if an idea will or will not be included, write it up if you think there is at least a 50% chance of it making it in the speech.

Attached is a draft of last year's document.

Message Sent

To:

Sarah A. Bianchi/OPD/EOP
Michael Cohen/OPD/EOP
Laura Emmett/WHO/EOP
Cathy R. Mays @ EOP @ LNGTWY
Leanne A. Shimabukuro @ EOP @ LNGTWY
Julie A. Fernandes/OPD/EOP
Thomas L. Freedman/OPD/EOP
Jose Cerda III/OPD/EOP
Andrea Kane/OPD/EOP
Jennifer L. Klein/OPD/EOP
Jeanne Lambrew/OPD/EOP
Tanya E. Martin/OPD/EOP
Nicole R. Rabner/WHO/EOP

PREPARING AMERICA FOR THE 21st CENTURY

Background on President Clinton's Agenda for the Nation

State of the Union Address

January 27, 1998

ECONOMY THAT OFFERS OPPORTUNITY

Education

- Smaller Classes with Qualified Teachers to Improve Reading in Grades 1-3
- Modern School Buildings to Improve Student Learning
- Education Opportunity Zones: Helping Students in Poor Communities Reach High Standards
- Expanding Access to Safe After-School Care
- Mentoring: Early Intervention to Promote College Attendance

Leading the Global Economy

- Community Economic Adjustment Initiative
- Fast Track Trading Authority
- Africa Trade Initiative
- Child Labor

Training

- GI Bill for Workers

A SOCIETY ROOTED IN RESPONSIBILITY

Moving People from Welfare to Work

- Welfare-to-Work Housing Vouchers
- Increasing Child Support Collections
- Falling Welfare Caseloads
- Business Welfare-to-Work Commitments

Health Care

- Consumer Bill of Rights and Genetic Screening Protections
- Providing New Options for Americans Ages 55 to 65 to Access Health Insurance
- 21st Century Research Fund

Tobacco

- Passing Comprehensive Bipartisan Tobacco Legislation

Child Care

- Double the Number of Children Receiving Child Care Subsidies to More than Two Million
- Increase Tax Credits for 3 Million Families
- Provide New Business Tax Credits
- Promote Early Learning
- Provide After-School Care for up to Half a Million Children
- Step Up Enforcement of State Health and Safety Standards
- Facilitate Background Checks on

Child Care Providers

- Increase Scholarships for Training for Child Care Providers
- Invest in Research
- Increase Head Start and Double the Number of Children Served by Early Head Start

Crime

- Juvenile Justice Crime Bill
 - Preventing Under 21s from buying guns
 - New Prosecutors and Probation Officers
 - Tough, New Sentences on Drug Dealers
 - Funding to Keep Schools Open Later and Promote Anti-Truancy Initiatives and Curfews

Foreign Policy

- NATO Enlargement
- Securing the Peace in Bosnia
- Nuclear Test Ban Treaty
- Strengthening the Biological Weapons Convention
- U.S. Arrears to the United Nations

A NATION THAT LIVES BY COMMUNITY

Political Reform/Reinventing Government

- Free Television Time
- Enact Bipartisan Campaign Finance Reform
- IRS Reform

Community Empowerment

- Low-Income Housing Tax Credit
- Second Round of Empowerment Zones
- "Play-By-the-Rules" Homeownership Proposal
- Homeownership Zones

Environmental Protection

- Climate Change initiative
- Clean Water Initiative
- Food Safety

Civil Rights

- Reforming and Strengthening the EEOC

THE MILLENNIUM PROJECT

Technology

- A Family-Friendly Internet
- Making the Internet a Global Free-Trade Zone
- Cloning

Culture

*Automated Records Management System
Hex-Dump Conversion*

- Save America's Cultural and Historical Treasures

AN ECONOMY THAT OFFERS OPPORTUNITY

ENTITLEMENT REFORM

Reserve Surplus until Social Security is Reformed

Over the next two years, President Clinton is firmly committed to strengthening Social Security for the 21st century. He therefore proposes that we should not spend any of the projected budget surpluses on anything else until we have reformed Social Security. This proposal, which continues the fiscally responsible policies that have been the hallmark of this Administration, is intended to reserve the surpluses in case they are needed for Social Security reform.

EDUCATION

Small Classes with Qualified Teachers to Improve Reading in Grades 1-3

President Clinton is proposing a \$12.4 billion initiative over 7 years (\$7.3 billion over 5 years) to help local schools provide small classes with qualified teachers in the early grades. This initiative will help ensure that every child receives personal attention, learns to read independently, and gets a solid foundation for further learning. The new initiative will reduce class size from a nationwide average of 22 in grades 1-3 to an average of 18, providing funds to help local school districts hire an additional 100,000 well-prepared teachers. The initiative will also provide funds to states and local school districts to test new teachers, develop more rigorous teacher testing and certification requirements, and train teachers in effective reading instruction practices. School districts will be accountable for demonstrating gains in reading achievement. These steps will help ensure that first through third grade students are receiving high-quality reading instruction in smaller classes from competent teachers.

Modern School Buildings to Improve Student Learning

For students to learn, schools must be well-equipped and be able to accommodate smaller class sizes. To address these and other critical needs, President Clinton is proposing federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools. This initiative provides more than double the assistance of the Administration's earlier school construction proposal, which covered half the interest on an estimated \$20 billion in bonds. The tax credits will cost the Treasury \$5 billion over 5 years, and more than \$10 billion over ten years. Of the \$22 billion in bond authority, nearly \$20 billion for a new School Modernization Bonds. Half of this bond authority will be allocated to the 100 school districts with the largest number of low-income children, and the other half will be allocated to the states.

Education Opportunity Zones:

Helping Students in Poor Communities Reach High Standards

This initiative will strengthen public schools and help students master the basic and advanced skills where the need is greatest: in high-poverty urban and rural communities where low expectations, too many poorly prepared teachers, and overwhelmed school systems create significant barriers to high achievement. The Education Department will select approximately fifty high-poverty urban and rural school districts with: (1) a demonstrated commitment to use high standards and tests as tools to identify and provide help to students, teachers and schools who need it; (2) a strategy to prevent students from falling behind by ensuring quality teaching, challenging curricula, and extended learning time; (3) programs to end social promotion and turn around failing schools; and (4) evidence of improved student achievement. Added investments in these communities will accelerate their progress and provide models of successful, standards-based reform for the nation. The President's initiative will invest \$200 million in FY99, and \$1.5 billion over 5 years, in raising achievement and sharing lessons learned with school districts around the country.

Early Intervention to Promote College Attendance

President Clinton will soon announce a long-term effort to bring college opportunity to children in high-poverty areas by providing their families with early information about financial aid and appropriate academic preparation, as well as mentoring and other support services to help the children stay on track through high school graduation and into college.

LEADING THE GLOBAL ECONOMY

Fast Track

America needs fast track to continue to create higher-paying jobs for more Americans. Without it, America's role as the largest exporter in the world will be put in jeopardy. And with new markets opening around the world, it is more important than ever to give the President traditional trade authority to break down trade barriers that put American products made by American workers at a disadvantage. Fast track legislation is essentially an agreement between Congress and the president on how Congress will consider United States trade agreements negotiated by the President. As part of that deal, the President agrees to extensively consult and coordinate with Congress throughout trade negotiations. In return, Congress votes on legislation implementing trade deals within a fixed period of time, on a up or down basis, and with no amendments. Every president since 1974 has enjoyed fast track authority.

Africa Trade Initiative

We are working with members from both parties to secure swift passage of legislation that will bring the promise of 21st century prosperity to African nations that are prepared to undertake the hard work of reform. This legislation will introduce a new era of prosperity and partnership between African reformers and the United States, expanding trade opportunities for African and American workers, farmers and companies, and hope and opportunity for our children. This legislation will encourage African nations to undertake sound growth policies by expanding trade and encouraging investment.

Child Labor

This initiative will make the U.S. a world leader in the fight to reduce child labor. The initiative focuses on reducing the most intolerable forms on child labor --“slavery” through forced or indentured labor, work by very young children, and work in dangerous conditions -- by increasing the nation’s contribution to the International Program for the Elimination of Child Labor (IPEC) from \$3 million to \$30 million. The proposal also calls for additional agents for the U.S. Customs Service to enforce the ban on the importation of goods made with forced or indentured child labor, with a particular focus on rugs from South Asia. On the domestic front, the proposal includes a \$50 million increase in migrant education to serve 100,000 more children of migrant farm workers and a \$9 million increase in the Department of Labor budget to enforce U.S. child labor laws -- especially in the agricultural sector.

Community and Economic Adjustment Initiative

To help communities compete in a global economy, the Community and Economic Adjustment Initiative will borrow a page from the Administration's successful adjustment effort for base closure communities. Modeled after the Defense Department's highly respected Office of Economic Adjustment, the Office of Community and Economic Adjustment (OCEA) will provide grants and other assistance to communities to develop an economic adjustment strategy. The President will propose \$50 million in additional community adjustment assistance as part of the Commerce Department's Economic Development Administration’s (EDA) budget. This will allow us to do more for communities that have suffered through sudden and severe economic dislocation, such as plant closings. As OEA has done for base closure communities, OCEA will closely with the Departments of Labor, Housing and Urban Development, Transportation, and other federal agencies to make communities aware of all available federal resources and to provide a coordinated Administration response.

TRAINING

Reform of the Federal Job Training System

The President renewed his call for Congressional action to reform the job training system. In his 1995 G.I. Bill for America’s Workers, he called for individual empowerment through skills grants, streamlining through One Stop Career Centers, and better results through tough performance standards. The House has passed legislation based on his vision. The Workforce Investment Partnership Act has bipartisan support and is under consideration in the Senate.

A SOCIETY ROOTED IN RESPONSIBILITY

MOVING PEOPLE FROM WELFARE TO WORK

Welfare to Work Housing Vouchers

The President's budget will provide \$283 million in FY99 for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These vouchers, awarded to communities on a competitive basis, will give people on welfare a new tool to make the transition to a job and succeed in the work place. The proposal will complement the President's \$100 million a year welfare to work transportation plan, part of his NEXTEA bill, which will help welfare recipients make their daily commutes.

Increasing Child Support Collections

President Clinton's crackdown on deadbeat parents is paying off: child support collections rose to a record \$13 billion in 1997, an increase of 63 percent since 1992. In the State of the Union, the President set a goal of increasing collections to \$20 billion by the year 2000.

Falling Welfare Caseloads

The President announced that we have met -- two years ahead of schedule -- the challenge he made in last year's State of the Union to move two million more Americans off of welfare by the year 2000. New caseload numbers show that welfare caseloads fell by 4.3 million since President Clinton took office, two million more than the 2.25 million decline he announced last year. The new figures, from September 1997, show 9.8 million Americans on welfare, down from 14.1 million in January 1993 - a drop of 30 percent.

Business Welfare to Work Commitments

In his State of the Union address last year, the President challenged the business community to create jobs so that people can move from welfare to work. Today, nearly 3,000 companies have accepted the President's challenge and joined a new national effort, called the Welfare to Work Partnership, which was launched at the White House in May. Now, the President has challenged thousands more companies to join the Partnership to give even more people a chance to work their way off welfare.

HEALTH CARE

Protecting Patients Through a Consumer Bill of Rights and Genetic Screening Protections

The President called on Congress to pass federally enforceable consumer health care protections before it adjourns this fall. This Health Care Bill of Rights should contain a range of protections, including guaranteed access to needed health care specialists **to ensure that patients are provided appropriate high quality care**, access to emergency room services when and where the need arises, an assurance that medical records are confidential, and access to a meaningful **internal and external appeals process for consumers to resolve their differences with their health plans and health care providers**. **The nation's health care system has changed dramatically, with more than 100 million Americans now in managed care plans. This legislation will ensure that whether Americans have traditional health insurance or managed care, they are assured quality care. And to ensure that new advances in genetics are used to improve health rather than to discriminate, the President has called for legislation prohibiting the use of genetic screening to discriminate in health insurance and employment.**

Creating a Historic "21st Century Research Fund"

With Unprecedented Increases in Biomedical Research at the National Institutes of Health (NIH). Scientists are on the cusp of important new breakthroughs in biomedical research, which could revolutionize the way medical experts understand, treat, and prevent some of our most devastating diseases. To promote this progress, the President's budget contains a historic upfront investment in biomedical research -- a 1.15 billion increase in FY 1999 -- and proposes an increase in NIH funding of more than 50 percent over the next five years. Under the President's proposal, the NIH will devote over \$20 billion to biomedical research in 2003.

Providing New Options for Americans Ages 55 to 65 to Obtain Health Insurance, Including Buying Into Medicare

Americans ages 55 to 65 are one of the most difficult-to-insure populations: they have less access to and a greater risk of losing employer-based health insurance; and they are twice as likely to have health problems as the population generally. The President's proposal gives this vulnerable population three new ways to gain access to health insurance by: (1) allowing Americans ages 62 to 65 to buy into Medicare, through a premium that ensures that this policy is self-financed; (2) assisting vulnerable displaced workers 55 and over by offering those who have involuntarily lost their jobs and health care coverage a similar Medicare buy-in option; and (3) giving Americans 55 and over who have lost their retiree benefits access to their former employers' health insurance.

TOBACCO

Passing Comprehensive Bipartisan Tobacco Legislation That Reduces Teen Smoking and Changes the Way Tobacco Companies Do Business

Every day 3,000 young people start smoking and 1,000 of them will die prematurely from a tobacco-related disease. The President called on Congress to pass comprehensive national bipartisan legislation that includes five key principles: (1) it must mandate the development of a comprehensive plan to reduce teen smoking, including raising the cost of cigarettes by \$1.50 per pack over the next 10 years as necessary to meet youth smoking targets; (2) it must affirm the FDA's full authority to regulate tobacco products; (3) it must include measures to hold tobacco companies accountable, especially for marketing products to children; (4) it must include concrete measures to improve public health, from investing in research to reducing second-hand smoke to expanding smoking cessation; and (5) it must protect the financial well-being of tobacco farmers and their communities from the loss of income caused by our efforts to reduce smoking.

CHILD CARE INITIATIVE

Double the Number of Children Receiving Child Care Subsidies to More than Two Million

The President proposed to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). The President's budget will increase funding for the block grant by \$7.5 billion (plus a state match) over five years, which will enable states to provide subsidies for more than two million children by 2003.

Increase Tax Credits for Child Care for Three Million Working Families

The Child and Dependent Care Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that claim the maximum allowable child care expenses. The President's budget will include \$5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.

Provide New Business Tax Credits

The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, or providing child care resources and referral services. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

Promote Early Learning

Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed Early Learning Fund provides challenge grants to communities (distributed by states) to improve early learning and the quality and safety of child care for children ages zero to five. Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals, and supporting the inclusion of young children with special needs in quality child care settings; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed. The President's budget will include \$3 billion over five years for this fund.

Increase Head Start and Double the Number of Children Served by Early Head Start

Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. The President's budget will invest an additional \$3.8 billion over five years to reach his goal of serving one million children by 2002, and doubling the number of infants and toddlers in Early Head Start to 80,000.

Step Up Enforcement of State Health and Safety Standards

Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include \$500 million over five years for this program.

Facilitate Background Checks on Child Care Providers

On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many.

Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increase Scholarships and Training for Child Care Providers

At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of \$250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invest in Research

Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay home to care for their newborns or newly adopted children. The President's budget will include \$150 million over five years for this fund.

Provides After-School Care for up to Half a Million Children a Year

The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner by directing most funds to programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set-aside to fund programs run by community organizations. The President's budget will request \$800 million of new money for this program, for a total of \$1 billion over five years.

CRIME

Juvenile Crime Strategy

This initiative recognizes the threat juvenile crime poses to our communities and calls on Congress to pass a comprehensive anti-gang and youth violence strategy. The President's proposed legislation targets gangs and violent juveniles by (1) funding for new prosecutors (\$100 million) and probation officers (\$60 million); (2) helping our kids to stay gun- and drug-free by preventing violent juveniles from buying guns when they turn 21; (3) enacting tough new sentences to punish adults who sell drugs to kids and use kids to sell drugs; (4) helping kids to stay in school, off drugs, and out of trouble with new funding to

keep schools open later and to promote anti-truancy initiatives and curfews (\$95 million). In addition, the President's Child Care Initiative increases five-fold current funding for Department of Education-sponsored after school programs.

AMERICAN LEADERSHIP IN THE WORLD

NATO Enlargement

Europe's stability and America's security are closely linked. The President's call for enlarging the NATO alliance strengthens the alliance's core mission of collective defense and helps meet new threats such as regional instability. Enlargement furthers other US objectives including: Encouraging states in the region to settle border and ethnic disputes with neighbors; strengthen civilian control of their militaries; and increase tolerance for ethnic and religious minorities. NATO's enlargement, combined with the Partnership for Peace program, the NATO-Russia Founding Act and the NATO-Ukraine partnership will help erase the outdated Cold War divisions and build, for the first time, an undivided, democratic, and peaceful Europe.

Securing the Peace in Bosnia

The United States has an abiding interest in peace and stability in Bosnia and a compelling interest in the implementation of the Dayton peace accords. After 46 months of the worst war in Europe since WWII, 24 months of implementing peace have helped put Bosnia on the path to lasting peace and stability. Progress on implementation was made possible because of prudent military support. We can now see the point where civil implementation and peace can be self-sustaining -- but Bosnia's fragile peace still needs the support of American and allied troops when the current NATO mission ends in June. The President still must approve a detailed action plan being prepared by NATO military authorities after a full review of all options. The President will insist that this action plan have the following elements: an achievable mission tied to clear benchmarks, not a deadline; force must be able to protect itself; the U.S. must retain command; European allies must shoulder their full share of responsibility; costs must be manageable; and the plan must have substantial support of the Congress and the American people.

Iraq Weapons of Mass Destruction Program (WMD)

President Clinton made clear that Iraq's efforts to develop nuclear, chemical and biological weapons are unacceptable. U.N. inspectors have done a remarkable job -- destroying more of Iraq's WMD potential than was destroyed during the Gulf War itself. But Saddam is now refusing to allow inspectors to complete their mission. All options are on the table to make sure Iraq does not pursue their WMD program with impunity and threaten the international community.

Biological Weapons

President Clinton announced tonight that the United States would lead the effort to erect stronger international barriers against the proliferation and use of biological weapons. Under this new initiative, the United States will seek to strengthen the Biological Weapons Convention (BWC) by requiring nations

that have joined the BWC to submit annual declarations about facilities and activities that could be used for Biological weapon purposes and agree to a tough international inspection system including both voluntary and mandatory inspections.

Comprehensive Test Ban Treaty (CTBT)

The President's call for Senate ratification of the CTBT will allow America to maintain a safe and reliable nuclear deterrent while constraining the proliferation of nuclear material and technology to rogue states' weapons programs. CTBT will improve America's ability to detect and deter nuclear explosive testing. CTBT's global network of sensors will strengthen America's ability to monitor nuclear explosive testing across the globe, as well as deter any nation from believing it can conduct a nuclear explosive test undetected by the international community.

U.S. Arrears to the United Nations

The President also highlighted the need for prompt action on the payment of U.S. arrears to the United Nations. The failure to pay undermines our ability to reform the U.N. and hinders our leadership of that organization at very time the U.N. is working to prevent Iraq from threatening neighbors and the world with weapons of mass destruction. We also need to give the International Monetary Fund the capacity to help prevent global financial crises. Now, more than ever, our security at home and our interests abroad demand that America meet our international obligations, sharpen the tools to improve the stability of the world economy, and increase our leverage in international organizations.

A NATION THAT LIVES BY COMMUNITY

POLITICAL REFORM/REINVENTING GOVERNMENT

Free Television Time

Spending on congressional campaigns has increased more than three times the rate of inflation in the last decades and spending on television is the primary reason. In 1972, candidates spent \$25 million for political ads; in 1996, they spent \$400 million. In his State of the Union, President Clinton announced that will request that the Federal Communications Commission (FCC) require broadcasters to give candidates for Federal office free time as a condition of receiving a new, lucrative license for digital television. It is time to update broadcasters' public interest obligations to meet new political and technological realities.

Enact Bipartisan Campaign Finance Reform

The President remains committed to the enactment of bipartisan campaign finance reform. He is pleased that the leadership in Congress has agreed to schedule a vote this Spring on the McCain-Feingold and Shays-Meehan reform bills. But a vote on these bills is not enough. In his State of the Union the President challenged Congress to enact real reform this year. Acceptable campaign finance reform legislation must meet five criteria: 1) it must be bipartisan; 2) it must be comprehensive; 3) it must reduce the amount of money that is raised and spent on federal elections; 4) it must help level the playing field

between challengers and incumbents; and 5) it cannot favor one party over the other.

IRS Reform

President Clinton is strongly committed to reforming the IRS. This spring the Administration will launch the first of 33 Citizen Advocacy Panels. These new panels will be locally-based, independent boards of citizens established to monitor how local IRS offices treat taxpayers and help taxpayers get their problems solved. These new panels are part of the new era of customer service underway at the IRS. The successful new IRS problem solving days, which have helped thousands of taxpayers get relief, will continue around the country on a monthly basis. Additionally, as of the first of the year, IRS phones are now operating 16 hours a day, six days a week. For the first time, IRS offices will be open Saturday mornings during the tax filing season -- March through mid-April -- to provide taxpayers a convenient opportunity to walk-in and get any questions answered. Also, the IRS expects this year to expand its award-winning Telefile program. This innovative program allowed 4.7 million taxpayers to file their returns with a quick average 10 minute phone call last year.

COMMUNITY EMPOWERMENT

Low-Income Housing Tax Credit

Since its creation in 1986, the Low-Income Housing Tax Credit (LIHTC) has given states tax credits of \$1.25 per capita to allocate to developers of affordable housing. Even though building costs have increased 40 percent in the last decade, the amount of the credit has not been adjusted for inflation. Therefore, President Clinton and Vice-President Gore propose to increase the cap on the LIHTC from \$1.25 per capita to \$1.75 per capita — restoring the value of the credit to its 1986 level. Estimates suggest that the LIHTC currently helps build 80,000-90,000 affordable housing units each year. The President and Vice President's proposal to increase the cap by 40 percent will create an additional 160,000-180,000 new rental housing units for low-income American families over the next five years. This proposal will cost \$1.6 billion over five years.

Empowerment Zones

Building on the Administration's successful first round of Empowerment Zones which has helped spur the creation of jobs and private investment in America's distressed communities, the President's budget includes a request for \$1.7 billion to support flexible grants to 20 new Empowerment Zone designations. The funding will be made available to the designated communities over a 10 year period. The 15 urban designations will be funded at \$100 million each; and the five rural designations will be funded at \$40 million each. The Departments of Housing and Urban Development and Agriculture will announce a competition this Spring that will lead to the designation of the 20 new Empowerment Zones by December 1998.

“Play-by-the-Rules” Homeownership Proposal

The President’s FY99 budget provides funds for the Neighborhood Reinvestment Corporation to start a new initiative to help provide the opportunity of homeownership to responsible families with a perfect rental history. Under this initiative, we will help 10,000 lower-income -- and often minority -- families become homeowners. While the method of helping each family buy their own home will differ, responsible families we will be provided homeownership counseling, flexible assistance for downpayment or closing costs, second mortgage loans for debt reduction, or rehabilitation loans.

Homeownership Zones

The FY99 budget includes funds for Homeownership Zones to be used by communities to reclaim abandoned and distressed neighborhoods through the creation of large-scale developments of owner-occupied single-family homes. Funds could be used for property acquisition, housing construction, housing rehabilitation, demolition, site preparation, homeownership counseling, relocation, housing marketing, activities to ensure fair housing, and other activities essential to homeownership.

ENVIRONMENT

Climate Change Initiative

Following the historic agreement reached in Kyoto in December 1997, and as part of the President’s and Vice President’s ongoing efforts to address climate change, the President is proposing a dramatic new program of tax cuts and R&D aimed at cutting greenhouse gas emissions. The proposed package contains tax cuts to promote energy efficiency and additional research and development spending covering the four major carbon-emitting sectors of the economy (buildings, industry, transportation, and electricity), plus carbon removal and sequestration, Federal facilities, and cross-cutting analyses and research. This package complements the other elements of the Administration’s climate change plan, which include working with industry to develop sector-by-sector initiatives to cut emissions, incorporating energy efficiency goals into Federal procurement and energy use, and restructuring the electricity industry. These efforts strive to reduce greenhouse gas emissions by improving efficiency and reducing costs to the consumer. They provide a solid step on the way to meeting the goals of the Kyoto Agreement.

Clean Water Initiative

This initiative will ease threats to the environment and public health by helping states and communities curb polluted runoff from farms and city streets, reducing exposure to harmful organisms and toxic contaminants in drinking water and fish, and promoting community-based watershed management in partnership with landowners and affected industries. The initiative targets the 40 percent of the nation's waterways still unsafe for fishing and swimming. It provides substantial new resources to assist states in implementing these programs and to create incentives for farmers to adopt practices that protect water quality.

Food Safety Initiative

The Clinton Administration launched a new food safety initiative last year to put in place new science-based preventive systems to improve the safety of seafood, meat, and poultry and begin work on a new early warning system to help detect and respond to outbreaks of food borne illness. Our budget will seek an even more substantial increase in funding to further enhance food safety. The resources will go to a variety of initiatives, including: giving FDA authority to prevent the importation of produce from countries without safety precautions equivalent to our own; hiring FDA inspectors to improve the safety of fruits and vegetables, both domestic and imported; developing new ways for federal inspectors to detect foodborne illnesses in meat and poultry and determine the source of contamination; improving educational outreach on proper food handling; and further expanding our early warning system and strengthening state surveillance activities for foodborne illnesses.

CIVIL RIGHTS

Reforming and Strengthening the Equal Employment Opportunity Commission (EEOC)

This initiative expands the EEOC's ADR program over three years to allow as many as 70 percent of all complainants to choose mediation, rather than the lengthy process of investigation and litigation. In the first year, the EEOC will provide ADR in a projected 16,000 cases -- 20 percent of all incoming cases and double the number currently sent to mediation. In addition, through a combination of increased use of mediation, improved information technology, and an expanded investigative staff, the EEOC will reduce the average time it takes to resolve a private sector complaint from over 9 months to 6 months, and reduce the backlog of cases from 64,000 to 28,000 by the year 2000. The proposal provides \$279 million for the EEOC for FY99 -- \$37 million or 15 percent more than the enacted 1998 budget.

THE MILLENIUM PROJECT

TECHNOLOGY

A Family-Friendly Internet

President Clinton and Vice President Gore support a strategy to protect children and create a safe, educational environment on the Internet that is consistent with our First Amendment values. This strategy includes cracking down on obscenity, child pornography, and online stalking, and encouraging the private sector to develop filtering and blocking technology for parents and teachers that is widely available and effective. This fall, the Administration will join the private sector and non-profit groups to support "Internet Teach-Ins" at schools and libraries, which are designed to increase awareness of safe on-line behavior for children and access to good content

Making the Internet a Global Free-Trade Zone

The Administration is committed to creating an environment in which global electronic commerce can flourish, so that every computer will be a window open to every business, large and small. Over the next several years, Internet commerce could increase to hundreds of billions of dollars per year, boosting U.S. exports and creating new opportunities for small start-up companies. President Clinton has directed the U.S. Trade Representative to work with foreign governments to secure agreement that all products and services delivered across the Internet and all equipment from which the Internet is built -- be free from tariffs.

Cloning

President Clinton has proposed legislation banning the cloning of human beings. The President's legislative proposal prohibits for five years the use of somatic cell nuclear technology to create a human being. The legislation directs the National Bioethics Advisory Commission to report to the President in four and half years on whether to continue the ban. The proposal is carefully worded to ensure that it will not interfere with beneficial biomedical and agricultural activities. In March 1997, the President imposed a ban on the use of federal money for cloning human beings.

Save America's Treasures

Many of our most important cultural treasures -- such as the Star Spangled Banner, the Declaration of Independence, and the Bill of Rights -- are seriously at risk. "Save America's Treasures" is a three year, \$150 million initiative that will help stimulate support for the Nation's most important preservation priorities. The funds will be administered by the Department of Interior under the authority of the National Historic Preservation Act. Half of the money will support preservation projects identified at the national level -- the other half will go to support state and local priorities.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-JAN-1999 07:46:59.00

SUBJECT: Draft Government-wide Abortion Language Tracker

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

READ:UNKNOWN

TEXT:

please print

----- Forwarded by Elena Kagan/OPD/EOP on 01/06/99 07:47
AM -----

Daniel N. Mendelson

01/05/99 06:19:25 PM

Record Type: Record

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

cc: Barry T. Clendenin/OMB/EOP

Subject: Draft Government-wide Abortion Language Tracker

Attached is a comprehensive table on abortion provisions in appropriations language that will require policy decisions in order to print the FY 2000 Budget Appendix. Traditionally, the Budget shows the prior year's (i.e., FY 1999 enacted) appropriations language, brackets language proposed for deletion, and italicizes any new or revised language. Note that there is an overlap with the abortion items in the L/HHS General Provisions tracker on health related issues on which you are currently being consulted.

Due to the FY 2000 Budget print schedule, we are requesting your views/comments on these provisions by cob, January 7th. Please let me know by then whether or not you agree with the recommendations in the attached file or if you think we need to meet on any of these provisions.

Please note: the file is a legal size document.

Message Sent

To:

Bruce N. Reed/OPD/EOP

Joshua Gotbaum/OMB/EOP

Sylvia M. Mathews/OMB/EOP

Robert L. Nabors/OMB/EOP

Charles E. Kieffer/OMB/EOP

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Christopher C. Jennings/OPD/EOP

Victoria A. Wachino/OMB/EOP

Ron Klain/OVP @ OVP

Elena Kagan/OPD/EOP

Jennifer L. Klein/OPD/EOP

“Side-by-Side” Comparison for Abortion Provisions

Appropriations Bill/Provision	FY 98 Enacted	FY 99 President’s Budget	FY 99 Enacted	Recommended FY 2000 Language
DC Ban on Use of Funds for Abortion	Sec. 132. No funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.	Repeat the FY 1998 Budget, i.e., the Administration proposes to delete this provision and add the footnote that the Administration will work with Congress on this issue.	Sec. 131. Same as FY 1998 enacted.	Repeat FY 1999 President’s Budget, i.e., delete the provision and add the footnote: “The Administration proposes to delete this provision and will work with Congress to address this issue.”
C/J/S Ban on Use of Justice Funds for Abortion	Sec. 103. Repeated FY 1997 Enacted language. None of the funds appropriated by this title shall be available to pay for an abortion, except where the life of the mother would be endangered if the fetus were carried to term, or in the case of rape: Provided, That should this prohibition be declared unconstitutional by a court of competent jurisdiction, this section shall be null and void.	Repeat the FY 1998 Budget i.e., the Administration proposes to delete this provision and add a footnote that the Administration will work with Congress on this issue.	Sec. 103. Same as FY 1998 enacted.	Repeat FY 1999 President’s Budget, i.e., delete the provision and add the footnote: “The Administration proposes to delete this provision and will work with Congress to address this issue.”
C/J/S Ban on the Use of Justice Funds for Performing Abortion	Sec. 104. Repeated FY 1997 Enacted language. None of the funds appropriated under this title shall be used to require any person to perform, or facilitate in any way the performance of any abortion.	Repeat FY 1998 Enacted Language.	Sec. 104. Same as FY 1998 enacted.	Repeat FY 1999 Enacted Language.
C/J/S Bureau of Prisons duty to provide escort services for female inmates seeking a privately funded abortion.	Sec. 105. Repeated FY 1997 Enacted language. Nothing in the preceding section shall remove the obligation of the Director of the Bureau of Prisons to provide escort services necessary for a female inmate to receive such service outside the Federal facility: Provided, That nothing in this section in any way diminishes the effect of section 104 intended to address the philosophical beliefs of individuals employees of the Bureau of Prisons.	Repeat FY 1998 Enacted Language.	Sec. 105. Same as FY 1998 enacted.	Repeat FY 1999 Enacted Language.
L/HHS/Ed Hyde Amendment	Sec. 509. (a) None of the funds appropriated under this Act shall be expended for any abortion. (b) None of the funds appropriated under this Act shall be expended for health benefits coverage that includes coverage of abortion. (c) The term “health benefits coverage” means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.	Repeat FY 1998 Budget, i.e., propose deletion and add footnote: “The Administration proposes to delete this footnote and will work with Congress to address this issue.”	Sec. 508. Same as FY 1998 enacted except it added: “. . . and none of the funds in any trust fund to which funds are appropriated under this Act, . . .”	Repeat FY 1999 President’s Budget, i.e., delete the provision and add the footnote: “The Administration proposes to delete this provision and will work with Congress to address this issue.”

Appropriations Bill/Provision	FY 98 Enacted	FY 99 President's Budget	FY 99 Enacted	Recommended FY 2000 Language
<p>L/HHS/Ed Hyde Amendment</p>	<p>Sec. 510. (a) The limitations established in the preceding section shall not apply to an abortion-(1) if the pregnancy is the result of an act of rape or incest; or (2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed. (b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds). (c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).</p>	<p>Delete provision and add footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."</p>	<p>Sec. 509. Same as FY 1998 enacted.</p>	<p>Repeat FY 1999 President's Budget, i.e., delete the provision and add the footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."</p>
<p>L/HHS/Ed Medicare+Choice</p>			<p>Sec. 216. None of the funds appropriated by this Act (including funds appropriated to any trust fund) may be used to carry out the Medicare+Choice program if the Secretary denies participation in such program to an otherwise eligible entity (including a Provider Sponsored Organization) because the entity informs the Secretary that it will not provide, pay for, provide coverage of, or provide referrals for abortions: Provided, That the Secretary shall make appropriate prospective adjustments to the capitation payment to such an entity (based on an actuarially sound estimate of the expected costs of providing the service to such entity's enrollees): Provided further, That nothing in this section shall be construed to change the Medicare program's coverage for such services and a Medicare+Choice organization described in this section shall be responsible for informing enrollees where to obtain information about all Medicare covered services.</p>	<p>Repeat FY 1999 President's Budget, i.e., delete the provision and add the footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."</p>
<p>Foreign Ops</p>	<p>Sec. 518. Same as FY 1997 Enacted language. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the</p>	<p>Repeat FY 1998 Enacted language.</p>	<p>Sec. 518. Same as FY 1998 enacted.</p>	<p>Repeat FY 1999 enacted.</p>

Automated Records Management System
Hex-Dump Conversion

Hex-Dump Conversion

Automated Records Management System

Appropriations Bill/Provision	FY 98 Enacted	FY 99 President's Budget	FY 99 Enacted	Recommended FY 2000 Language
	<p>performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: Provided, That none of the funds made available under this Act may be used to lobby for or against abortion.</p>			
<p>Foreign Ops</p>	<p>Sec. 592. (a) Not to exceed \$385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance. (b) Such funds may be apportioned only on a monthly basis, and such monthly apportionments may not exceed 8.34 percent of the total available for such activities.</p>	<p>The Administration proposed to delete this provision.</p>	<p>Deleted.</p>	
<p>Foreign Ops</p>	<p>Sec. 543. (a) Assistance Through Nongovernmental Organizations. --Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading "Assistance for Eastern Europe and the Baltic States": Provided, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: Provided further, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any</p>	<p>Same as FY 1998 enacted.</p>	<p>Same as FY 1998 enacted</p>	<p>Repeat FY 1999 enacted.</p>

Hex-Dump Conversion

Automated Records Management System

Appropriations Bill/Provision	FY 98 Enacted	FY 99 President's Budget	FY 99 Enacted	Recommended FY 2000 Language
	other Act. (b) Public Law 480 . . .			
Foreign Ops	<p>“For necessary expenses to carry out ...Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services; Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That for purposes of this or any other Act authorizing or appropriations funds for foreign operations, export financing, and related programs, the term “motivate”, as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: Provided further, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961; Provided further ...”</p>	Repeat FY 1998 enacted language.	<p><i>FY 1999 Enacted Language expanded family planning provision and the new language is bolded below.</i></p> <p>For necessary expenses to carry out. . . Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes), (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to (A) an individual in exchange for becoming a family planning acceptor, or (B) program personnel for achieving a numerical target or quota of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning services,</p>	Repeat FY 1999 abortion and family planning provisions.
			(3) the project shall not deny any right or benefit,	

Appropriations Bill/Provision	FY 98 Enacted	FY 99 President's Budget	FY 99 Enacted	Recommended FY 2000 Language
			<p>including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services, (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method, (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits; and, not less than 60 days after the date on which the Administrator of the United States Agency for International Development determines that there has been a violation of the requirements contained in paragraph (1), (2), (3), or (5) of this proviso, or a pattern or practice of violations of the requirements contained in paragraph (4) of this proviso, the Administrator shall submit to the Committee on International Relations and the Committee on Appropriations of the House of</p>	
Foreign Ops Continued			<p>Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, a report containing a description of such violation and the corrective action taken by the Agency: Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related</p>	

Appropriations Bill/Provision	FY 98 Enacted	FY 99 President's Budget	FY 99 Enacted	Recommended FY 2000 Language
			programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: Provided further, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: Provided further, . . .	
Foreign Ops Peace Corps	For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$222,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States, Provided, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, That funds appropriated under this heading shall remain available until September 30, 1999	Delete the sentence, "Provided, That none of the funds appropriated under this heading shall be used to pay for abortions" and add footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."	Same as FY 1998 enacted.	Repeat FY 1999 President's Budget, i.e., delete the provision and add the footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."
Treasury/ General Government FEHB Prohibition	Sec. 513. Same as FY 1997 Enacted language. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortion.	The Administration proposed deleting this provision.	Sec. 509. Same as FY 1998 enacted.	Repeat FY 1999 President's Budget, i.e., delete the provision and add the footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."
Treasury/ General Government FEHB Prohibition	Sec. 514. Same as FY 1997 Enacted language. The provision of section 518 shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.	The Administration proposed deleting this provision.	Sec. 510. Same as FY 1998 enacted.	Repeat FY 1999 President's Budget, i.e., delete the provision and add the footnote: "The Administration proposes to delete this provision and will work with Congress to address this issue."
Treasury/General Government			Sec. 656. (a) None of the funds appropriated by this Act may be used to enter into or renew a contract which includes a provision providing prescription drug coverage, except where the contract also includes a provision for contraceptive coverage. (b) Nothing in this section shall apply to a contract with: (1) any of the following religious plans: (a) SelectCare (b) Personal CaresHMO	Repeat FY 1999 enacted language.

Appropriations Bill/Provision	FY 98 Enacted	FY 99 President's Budget	FY 99 Enacted	Recommended FY 2000 Language
			<p>(c) Care Choices (d) OSF Health Plans, Inc. (e) Yellowstone Community Health Plan (2) any existing or future plan, if the plan objects to such coverage on the basis of religious beliefs. (c) In implementing this section, any plan that enters into or renews a contract under this section may not subject any individual to discrimination on the basis that the individual refuses to prescribe contraceptives because such activities would be contrary to the individual's religious beliefs or moral convictions. (d) Nothing in this section shall be construed to require coverage of abortion or abortion-related services</p>	