

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 018

FG006-21 221162SS

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records
Subgroup/Office of Origin: Records Management - SUBJECT FILE
Series/Staff Member:
Subseries:

OA/ID Number: 21748
Scan ID: 221162SS
Document Number:

Folder Title:
FG006-21

Stack:	Row:	Section:	Shelf:	Position:
S	84	1	2	3

22/162 SS

FG-006-21

May 24, 97 - DPC Weekly Report

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5-26-97
'97 MAY 24 PM 1:45

May 24, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

5-26-97
copied to
Reed
Kagan
COS

1. Welfare -- Welfare-to-Work Jobs Challenge: As you know, the budget agreement includes \$3 billion for welfare-to-work efforts, structured as a set-aside within the TANF block grant and targeted to areas of high poverty and unemployment, with an unspecified share going directly to cities. This week, we held a series of discussions with Secretaries Herman, Shalala, and Cuomo on a more detailed legislative proposal to present to the relevant Congressional committees. Our proposal would provide 50% of the money to states and 50% to cities and counties. The Department of Labor, in consultation with HHS and HUD, would award all of the money on a competitive basis -- much as the Department has done for empowerment zones. These "challenge grants" could be used for private sector wage subsidies; job placement programs (or contracts with private placement companies); job vouchers; job retention services; and job creation in high unemployment areas and on Indian reservations.

Stated
get as much
as possible to
Medicaid
Local work

Some mayors may not be entirely satisfied with our plan, but it is consistent with our description of the program during the campaign as a 50-50 split designed to help long-term welfare recipients in both cities and poor rural areas. (While much of the most visible welfare dependency is in the cities, two-thirds of the poor live outside urban areas.) Secretary Cuomo agrees that the proposal makes good on our promises to the mayors, and he will help to enlist their support. Republicans will push to give a larger share of the money to the states and to allot this money by formula, rather than challenge grants (probably administered through HHS). The current Blue Dog proposal also gives only 20% of the funds directly to cities, with the rest going to states in a combination of formula grants and performance bonuses.

Must do

2. Welfare -- Fair Labor Standards Act: The Department of Labor has completed guidance on the application of the Fair Labor Standards Act and other worker protection laws to welfare recipients in workfare programs, and we have distributed this guidance to Democratic governors and members of Congress. We included in the same package guidance from USDA assuring states that they can count food stamps toward the minimum wage. We are meeting with staff of the Democratic governors on Tuesday, in the hope that we can prevent them from signing an NGA letter criticizing our policy and calling on Congress to pass corrective legislation. Republican members of Congress apparently are considering two proposals: (1) flatly exempting welfare recipients from the FLSA and (2) retaining FLSA coverage, but allowing states to count additional benefits (Medicaid, child care, housing, etc.) toward the minimum wage.

Don't
minimum wage
workfare
food stamps
Medicaid
today?
Don't
discussing
03, Tuesday
RE

3. Welfare -- Permitting States to Purchase Food Stamps for Those Losing Federal Benefits: As part of the supplemental appropriations bill, Congress has agreed that states can purchase food stamps from the federal government to provide to people -- legal immigrants and/or unemployed childless adults -- who are ineligible for food stamps under the new welfare law. This measure will allow states to continue nutrition subsidies to these individuals without incurring the administrative costs of setting up separate state programs. The idea originated in Washington State, which asked USDA several months ago to sell the State food stamps to give to legal immigrants. USDA decided that it lacked legal authority to enter into this transaction, but DPC and the Department assisted the State in drafting the legislative proposal that the conferees have now incorporated in the supplemental bill. Maryland and Massachusetts are among the states that plan to take advantage of this new option for legal immigrants.

4. Health -- AIDS Vaccine: We are preparing a number of announcements and events to demonstrate your commitment to developing an AIDS vaccine within the decade. First, we are working with HHS to set up a White House meeting with key scientists, led by Nobel Laureate Dr. David Baltimore who heads the NIH AIDS Vaccine Research Committee, to discuss progress toward a vaccine. Second, we are developing an international initiative for announcement at the Denver Summit in June, as part of the Summit's Communique. Third, we are getting ready to announce a new grant program for AIDS vaccine research ("AIDS Vaccine Innovation Grants") and to issue the first set of grants. Fourth, we are asking the Vice President to meet with representatives of the biotechnology and pharmaceutical industries to engage their efforts in the campaign to develop a vaccine.

5. Community Policing -- The Officer Next Door: We are working with HUD to finalize a new demonstration project, called "The Officer Next Door," which is designed to encourage city law enforcement officers to live in low- and moderate-income neighborhoods. Under the one-year pilot program, HUD will make available to law enforcement officers at a 40% discount about 3,000 HUD-owned, single-family homes in designated communities. (HUD owns the homes as a result of foreclosures.) The program represents yet another way for the Administration to support community-oriented policing. The program should promote public safety by deterring crime and shortening emergency response times. At the same time, the program will increase opportunities for home ownership among law enforcement officers.

6. Education -- School Voucher Amendment: During the debate on the budget resolution, the Senate passed an amendment, by a vote of 51-49, allowing the Labor Committee to fund education vouchers for children who have been victims of violent crimes. The amendment provides for an additional \$2.5 billion in budget authority in FY2000, but no outlays in any year. The amendment came as a surprise to almost everyone, and a great deal of confusion surrounded it: many members (perhaps including Senator Domenici) thought it was a Sense of the Senate resolution. We do not believe the amendment will survive conference. Proponents of the amendment, however, will attempt to portray this vote as a symbolic victory -- the first time a voucher provision has passed the Senate.

5-26-97

✓ **7 Education -- New Charter Schools Study:** The Department of Education will release on Wednesday the first-year findings of a planned 4-year study of charter schools. Key findings include: (1) Over half of all charter schools are newly created; almost one-third were pre-existing public schools; and a little over one-tenth were pre-existing private schools. (2) In most states, charter schools are at least as economically and racially diverse as the overall population in the state's public schools. In a few states -- most notably, Arizona and Colorado -- charter schools are less diverse. (3) The three most significant obstacles cited by charter school leaders are lack of start-up funds, lack of planning time, and inadequate facilities. Only 6% said that federal regulations were a significant barrier to getting a charter school underway.

✓ **8. Education -- Reauthorization of Idea:** You recently asked about a May 16 Wall Street Journal article which suggested that the new IDEA still prevents school authorities from dealing with disruptions caused by students with disabilities. The new bill does continue to provide strong procedural safeguards for students with disabilities, on the theory that such safeguards are integral to the legislation's guarantee of access to education. At the same time, however, the bill makes it easier than before for principals to remove children with disabilities from the classroom if they bring a gun, weapon, or drugs to school, or pose a danger to themselves, their teachers or their classmates. This compromise resulted from extensive bipartisan discussions involving representatives of the education and disabilities communities. Some in the education community may have wanted to go further, but most believe that the new bill successfully accommodates the competing interests at stake and marks a real improvement from the old IDEA.

✓ **9. Teen Pregnancy -- National Campaign to Prevent Teen Pregnancy:** You recently asked whether we have any continued involvement with the National Campaign to Prevent Teen Pregnancy, which we helped to get started. On May 2nd -- the same day you announced the budget deal -- the First Lady marked the Campaign's first anniversary in an East Room ceremony recognizing 12 individuals working to lower teen pregnancy rates. During its first year, the Campaign has focused on building its organization, engaging the media to promote pregnancy prevention messages, establishing linkages with state and local groups, and commissioning research on the problem and promising solutions. Former Gov. Thomas Kean, the Campaign's chairman, spoke along with the First Lady at the May 2nd event.

John