

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 033

FG006-21 237506SS

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: 237506SS
Document Number:

Folder Title:
FG006-21

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

237506 SS

FG006-21

Oct. 3, 1997 - DPC Weekly Report

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
10-7-97

October 3, 1997

Copied
Reed
Kagan
COS

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- National Testing Initiative: You will receive a memo this weekend on our continuing efforts to ensure that the Labor-HHS-Education appropriations bill permits our testing initiative to go forward. The memo explains that we will have to accept some changes to the current Senate provision (which allows the tests to proceed under NAGB's auspices) to have any hope of getting House Republican conferees to support it. Since writing the memo, we have learned more about possible compromise proposals. Bill Bennett and Checker Finn are floating an idea that would allow development of the tests to proceed under NAGB's control, require NAGB to make test specifications public by a fixed deadline, and enable implementation of the tests to proceed in Fiscal Year 1999 through either a specific congressional authorization or a simple appropriation of the necessary funds. We think that we would not give anything up by accepting this proposal. Rep. Porter is floating a far less attractive proposal that would allow development of the tests to proceed under NAGB's control, but condition their implementation on a specified percentage of states signing up to give them. It is not yet clear what the conferees think about either of these proposals.

2. Education -- Charter Schools: Reps. Riggs and Romer are developing a bill, to be marked up next week, that would amend the existing charter schools statute. The intent of the bill is to provide incentives for states to enact stronger charter schools laws -- laws that place few or no limits on the number of charter schools in a state, give charter schools broad freedom from state and local rules, require strong student performance for renewal of charters, and treat charter schools as separate local school districts. The legislation also would enable charter schools to receive start-up funds for five years, instead of the current three. The Department of Education has expressed support for the bill's general purposes, but reservations about specific provisions. The Department is especially concerned that the provision for treating charter schools as entire school districts could both distort distribution of Title 1 funds (giving relatively well-off charter schools more money than they otherwise would receive) and increase the administrative burdens on charter schools generally. The Department also thinks that the legislation would reduce the funds available for new charter schools by allowing those already in existence to keep their start-up funding for five years. We believe that we can work with Riggs and Romer to address these concerns, so that the Administration can strongly support the legislation.

W
want
to do
this

Just to see
Riggs - Romer

✓ **3. Health -- New York Provider Tax:** HHS plans to announce our position on provider taxes next week and to begin discussions with New York and the other 35 potentially affected states on their potential liability. As part of this announcement, HHS will state its intent to issue a regulation clarifying the legality of regional provider taxes (which only New York has). This regulation -- which gives New York exactly what we offered during negotiations on the balanced budget bill -- effectively will wipe out two-thirds (over \$1 billion) of New York's expected provider tax liability. We nonetheless expect New York to react negatively. Chris Jennings will submit a memorandum to you early this week detailing our substantive position and our roll-out strategy.

✓ **4. Health -- Satcher Confirmation Hearing:** The Senate Labor and Human Resources Committee will hold Dr. Satcher's confirmation hearing on Wednesday. A coalition of medical groups will hold a press conference the day before to highlight the wide-ranging support that Dr. Satcher enjoys. Committee members will question Dr. Satcher closely about needle exchange, the ethics of the AIDS trials in Africa, and our proposal to combine the Office of the Surgeon General with the Assistant Secretary of Health. We feel confident, however, that Dr. Satcher will perform well and that the Committee will confirm him by a strong vote.

✓ **5. Welfare -- New Caseload Numbers:** Welfare caseloads dropped another 250,000 in June 1997, the month for which statistics just became available. This drop brings the welfare caseload to just below 10.5 million -- a 1.7 million (or 14 percent) decline since August 1996 and a 3.6 million (or 26 percent) decline since January 1993. We will release these numbers early next week.

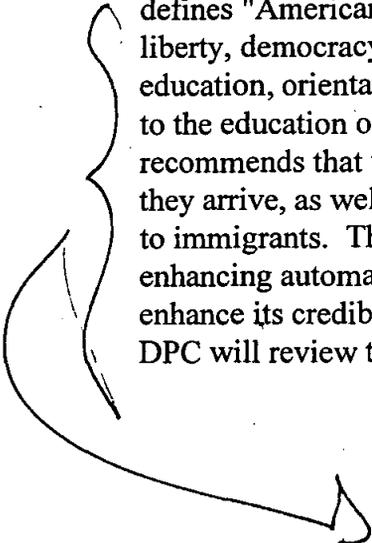
✓ **6. Welfare -- September 30/October 1:** September 30 marked the end of the first quarter for which most states must submit work participation data to HHS under the welfare law. (States that began TANF in April or later need not submit data for this quarter.) HHS will not actually receive this data until mid-November. Preliminary reports suggest that most states will meet the 25 percent overall work rate, but that about 20 states will fail the 75 percent rate for two-parent families. HHS may issue fines against non-complying states of up to 5 percent of their block grants, or allow these states to enter into correction action plans. The DPC is now working with OMB to review HHS's proposed regulation on the work rates, which makes important decisions respecting how to calculate work participation and how to penalize noncompliance.

October 1 was the first day of operation of the National Directory of New Hires. HHS estimates that the directory will increase child support collections by \$6 billion over the next ten years by enabling states to locate parents owing money who live in other states. As you know, October 1 also marked the deadline for states to put in place comprehensive statewide child support computer systems. States need not tell HHS until December 31 whether they have met the deadline, but we believe that seventeen states, including California, will report that they have failed to do so. The DPC has started work with the House Ways and Means Committee to

develop legislation that will enable HHS to penalize noncomplying states without withholding all federal child support funds.

7. Welfare -- Arizona Privatization Waiver: The Department of Agriculture yesterday requested more information from Arizona on its request for a waiver to privatize food stamp and Medicaid operations in 13% of the State. This action allowed USDA to meet the welfare law's requirement that federal agencies approve, deny, or request more information on waiver requests within 60 days. USDA expects to take final action on the request sometime after Congress adjourns. The DPC will continue to work with USDA closely on this matter.

8. Immigration -- Commission's "Americanization" Proposal: As you know, the U.S. Commission on Immigration Reform released its final report to Congress on Tuesday. In addition to recommending fundamental structural reform (which we wrote about in our last weekly), the Commission calls for a new "Americanization Movement" -- a process to help immigrants integrate and become full participants in our national community. The Commission defines "Americanization" as the cultivation of a shared commitment to the American values of liberty, democracy, and equal opportunity. The Americanization proposal has three elements: education, orientation, and naturalization. First, the Commission calls for renewed commitment to the education of immigrant children, with a focus on English language acquisition. Second, it recommends that the federal government provide orientation materials to legal immigrants when they arrive, as well as modest grants to states to provide information on local resources available to immigrants. Third, the Commission proposes changes to the naturalization process (e.g., enhancing automation, improving civics and English tests, revising the naturalization oath) to enhance its credibility while maintaining an appropriate level of formality and ceremony. The DPC will review these proposals in conjunction with the staff of the race initiative.



*Blue
your Salem showed
discuss - this looks
pretty good to me -*